

Insee References



Enterprises in France



Press kit

Introduction

This latest edition in the 2015 *Insee References* collection contains a series of studies on enterprises in France.

The main innovation in this publication is to show the clearer picture obtained when groups are considered in economic analysis: this is the case in the overview but also in the special reports, “Enterprises: a clearer vision of the economic fabric” and “New data from group profiling: a larger share of industry, best-performing enterprises ...”

For a better understanding

From legal unit to enterprise

In France, enterprises have long been defined in purely legal terms. In statistics and in terms of the law, an enterprise was defined according to its legal status, the “legal unit”, i.e. a sole proprietor or company carrying out a production function. In December 2008, for the first time, the Economic Modernisation Act (LME - *Loi de modernisation économique*) provided enterprises with an economic definition. This new definition gives a better understanding of the way a group was organised. Indeed, when an enterprise was assimilated with a legal unit, this did not describe the true situation of companies that were owned by other companies within a group organisation, as they were likely to have little, if any, decision-making autonomy.

Group profiling

With the aim of implementing this new definition, profiling consists in identifying among groups the relevant enterprise(s) as defined by the decree of 2008, and reconstructing their consolidated accounts. In the first report, profiling is done automatically, rather than after a dialogue with the groups, and after reconstituting companies’ full consolidated accounts: “New data from group profiling: a larger share of industry among the best-performing enterprises, but a poorer ability to finance investment and greater indebtedness”. In the second report, INSEE presents results of face-to-face profiling of 43 groups selected according to their size and complexity.

There are two more reports in this publication, one on labour costs in Europe and how these have changed since the crisis, and the other on recent changes in the transport sector.

The first of these reports analyses labour costs and how they have changed in Europe, based on the statistical monitoring system coordinated by Eurostat.

The second report, on transport, shows that from 2000 to 2013, transport and storage production in France grew at a similar pace to that of all market branches. However, activity in this sector has changed profoundly. The transport of goods has stagnated whereas the transport of passengers has grown, and auxiliary transport services have remained steady.





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INSEE in brief

The *Insee Références* collection offers a periodic overview of major social and economic issues. The data and commentaries are based on official statistical sources and analysis methods.

In the same collection

Published

- Les entreprises en France, édition 2014
- France portrait social, édition 2014
- Emploi et revenus des indépendants, édition 2015
- Tableaux de l'Economie Française, édition 2015-
- L'économie française - Comptes et dossiers, édition 2015
- Les entreprises en France, édition 2015

Forthcoming

- France Portrait social, édition 2015
- Couples et Familles 2015

New definitions



1. Enterprises: a clearer vision of the economic fabric

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For a long time, enterprises have been associated only with their purely legal definition, i.e. the “legal unit”. Now that an economic definition has been established, it provides a better overview of the country’s economic fabric.

Using this definition, the economic fabric can be seen to be more concentrated than it had seemed. The perception of the weight of each sector has also changed.

Industrial enterprises have often created separate subsidiaries to perform a commercial role. In addition, a large proportion of their shares are in holding companies or real estate companies, classed as being in the tertiary sector. When the switch was made from a legal unit approach to an enterprise approach in industry, the total balance sheet more than doubled. This gave a more realistic view of company performance, as all resources contributing to the company results were now taken into account. Using this approach, the exportation rate of the manufacturing industry increased by 4 points, labour productivity was revised upwards, and the margin rate increased slightly.

From micro-enterprises to large enterprises, the duality of the economic fabric

The Economic Modernisation Act (LME - *Loi de modernisation économique*) defined four sizes of enterprise (microenterprises, SMEs, ISEs and large enterprises), revealing the extreme duality of the economic fabric. In 2011, across all non-farm and non-financial market sectors, there were about three million enterprises. Of these, 95% were micro-enterprises. They employed 2.5 million payroll workers, i.e. only 20% of the total, and produced 16% of turnover and 21% of value added. At the other end of the scale, 222 large enterprises employed 3.1 million payroll workers, or 25% of the total, achieving 31% of turnover and 30% of value added. In addition to this duality, there was another fairly well-balanced division: 136,000 non-microenterprise SMEs and 4,900 intermediate-sized enterprises (ISE) employed 29% and 26% of all payroll workers respectively. They produced 22% and 31% of turnover respectively, and 26% and 23% of value added.

A far more concentrated network of enterprises than with legal units

Legal units were always considered by workforce size when measuring economic concentration and especially the proportion of SMEs. In 2011, out of more than 3 million legal units in market activities in the non-farm and non-financial sectors, only a hundred or so exceeded the threshold of 5,000 employees that defines large enterprises: they employed 13% of all payroll workers. If the LME approach to enterprises is used, this concentration is far higher.

Since they employ 25% of payroll workers in the scope of the coverage, the economic weight of the 222 large enterprises is now more than twice that of legal units of comparable workforce size. They produce 30% of value added of enterprises (or 15% of GDP), which is more than double that generated by legal units of similar workforce size.

Incorporating service sector companies strengthens the share of manufacturing and construction

The change in the definition of the unit of analysis also changes the breakdown across sectors. Manufacturing or construction enterprises that form a group contain many companies within their core business. However, they have often also set up separate affiliates whose main role is to perform commercial functions in France or for export, and to carry out support functions (holding companies, head office activities, transport, real estate, research, etc.). Thus for the manufacturing sector, the switch from using legal units to an enterprise approach increases the sector’s share in the economy in terms of workforce. This refocusing on manufacturing is even more visible for some aggregates that were particularly affected by spin-offs to affiliates within groups, such as net assets. Indeed, most groups have affiliates classified under specialised scientific or technical activities or in administrative and support services. In the manufacturing sector, the switch from a legal units approach to an enterprise approach more than doubles the total balance sheet. Similarly, many



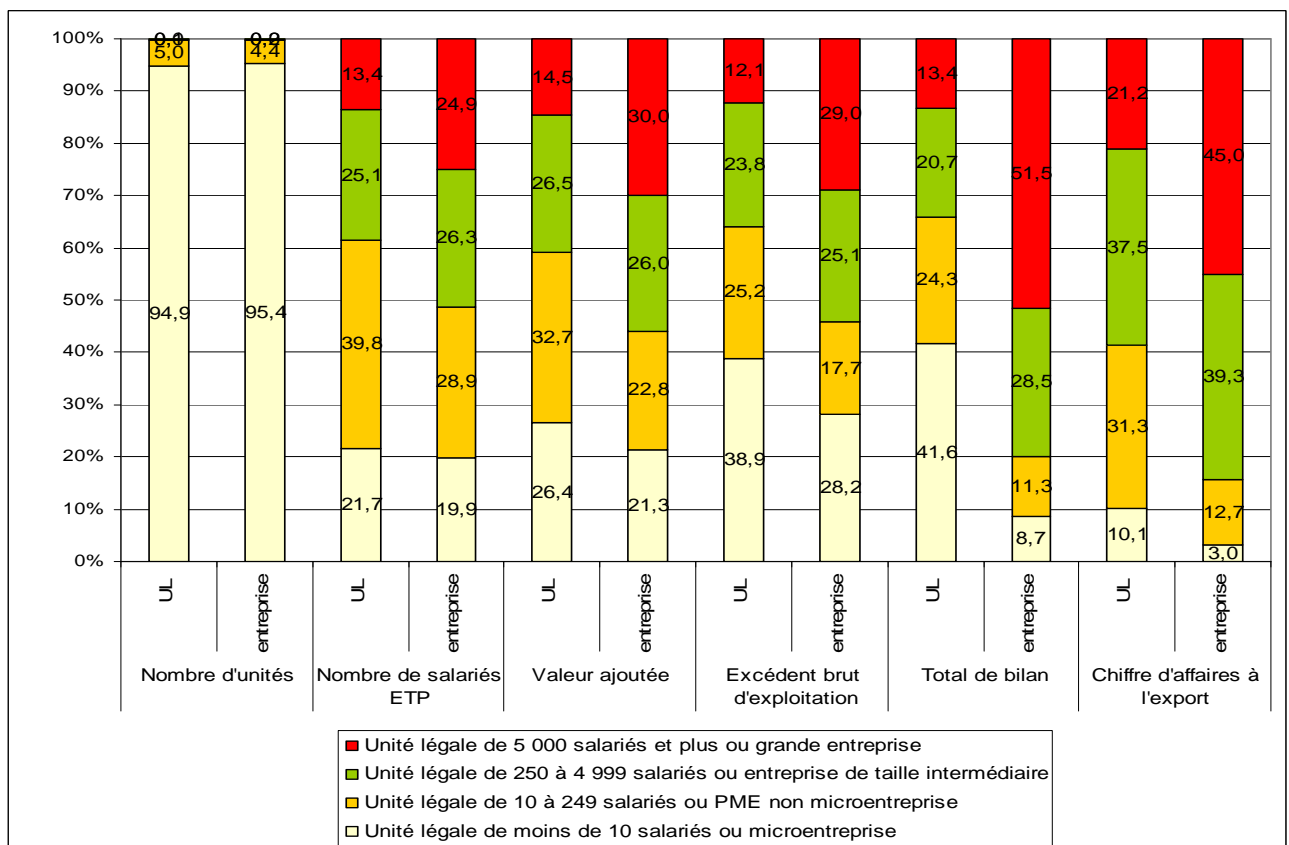
manufacturing groups export via dedicated commercial subsidiaries. In this way, industrial legal units generate 54% of export turnover, against 64% for industrial enterprises.

A more realistic vision of enterprise performance

The integration of all of a group's legal units also gives a more realistic vision of economic performance, since all the companies contributing to the functioning of the enterprise are now taken into account. When we switch to the enterprise approach, all the productive resources of the holding companies or real estate companies are reassigned to enterprises in the other sectors of which they are part. In the manufacturing industry, the total balance sheet per employee thus increases from €270 K with legal units to €750 K as an enterprise. As they use more resources, manufacturing enterprises have a greater labour productivity than the corresponding legal units. Within manufacturing enterprises, service-sector subsidiaries generally have a greater value added and a higher margin than industrial companies. So by shifting from legal units to enterprises, the rate of value-added from the manufacturing industry (value added/turnover) increases from 24% to 26%, and the margin rate (gross operating surplus/value added) from 21% to 22%. Enterprises that are within a group also market some of their production via commercial companies. In most sectors, these commercial subsidiaries play an important role in exports.

Thus the exportation rate for the manufacturing industry increases from 34% in legal units to 38% in enterprises.

Figure 1: Shares of legal units and enterprise categories in French economy, by size, in 2011



How to read this chart: 94.9% of legal units have fewer than 10 employees. They employ 21.7% of all payroll workers. 95.4% of enterprises are micro-enterprises. They employ 19.9% of all payroll workers.

Scope: France, market activities in non-farm and non-financial sectors.

Sources: INSEE, ESANE, CLAP, LIFI 2011.



2. New data from group profiling

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A redefinition of the economic fabric

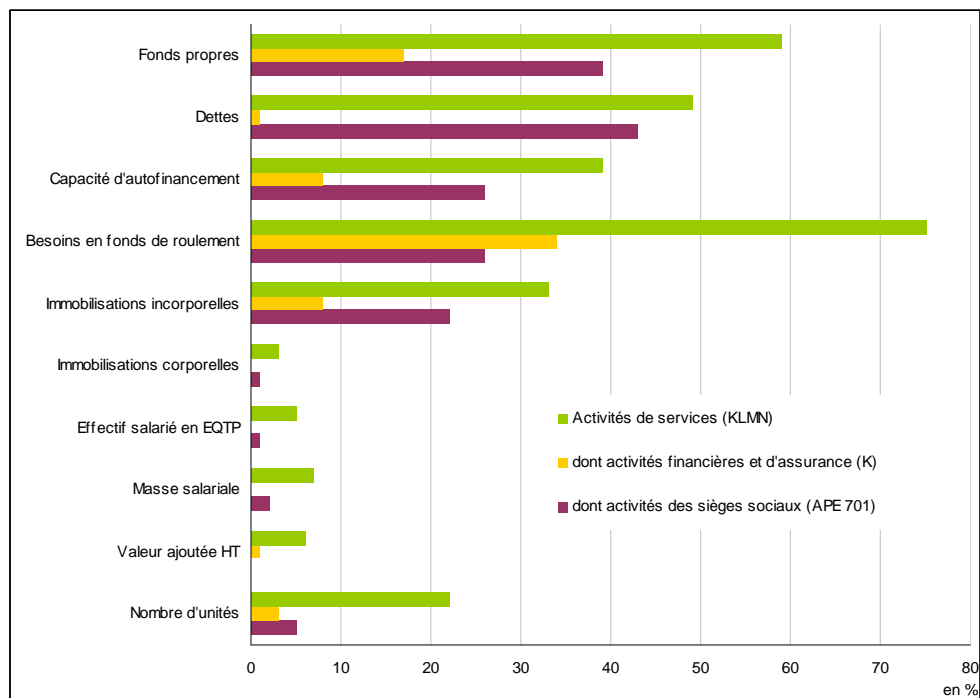
To start with, INSEE embarked on a project to profile 43 groups face to face, selected because of their size or their complexity. These account for 12% of value added and 8% of payroll workers of non-farm and non-financial market enterprises. Based on the productive organisation of the groups, profiling cancels out any arbitrary segmentation between legal units in the same group. The concentration effect is significant: the 3,500 legal units in the groups considered are distributed amongst 105 profiled enterprises. The proportion of very large enterprises in all non-farm and non-financial market enterprises increases.

In addition to the study simulating the profiling across all enterprises, the first profiling results reveal a “sectoral reallocation”, with economic subordination links taken into account. Although often isolated inside subsidiaries, secondary activities serving a principal activity can now be grouped together in a profiled enterprise with a different principal activity. For the 43 groups, 30% of their legal units were reallocated to profiled enterprises in major sectors – industry, construction, trade, services – which were different from their original legal unit allocation. Some major trends were identified:

- manufacturing subsidiaries produce intermediate consumptions of construction enterprises.
- commercial subsidiaries sell for manufacturing enterprises.
- head office activities for enterprises in manufacturing, construction or trade are concentrated in service-sector subsidiaries.

The economic properties of these subsidiaries are quite clearly differentiated from the other legal units in the enterprises to which they were attached. Service-sector affiliates, especially those carrying out head office functions for enterprises, account for most of the balance sheet of the enterprises to which they were attached.

In groups, service units account for most of the balance sheet in manufacturing, construction and trade enterprises



Scope: legal units of profiled enterprises in manufacturing, construction and trade.

How to read this chart: in profiled enterprises in manufacturing, construction and trade, 22% of legal units are in service activities: professional, scientific, technical, real estate, financial, administrative and support service activities. These units account for 6% of value added excluding tax for the legal units of these profiled enterprises. In contrast, they include 33% of their intangible fixed assets, 75% of their working capital requirement, 39% of their cash-flow, 49% of their debt and 59% of their equity capital. Source: ESANE.

Improved measurement, consolidated within profiled enterprises

This redefinition of the contours of enterprises also means that results for legal units in the same profiled enterprise need to be consolidated.

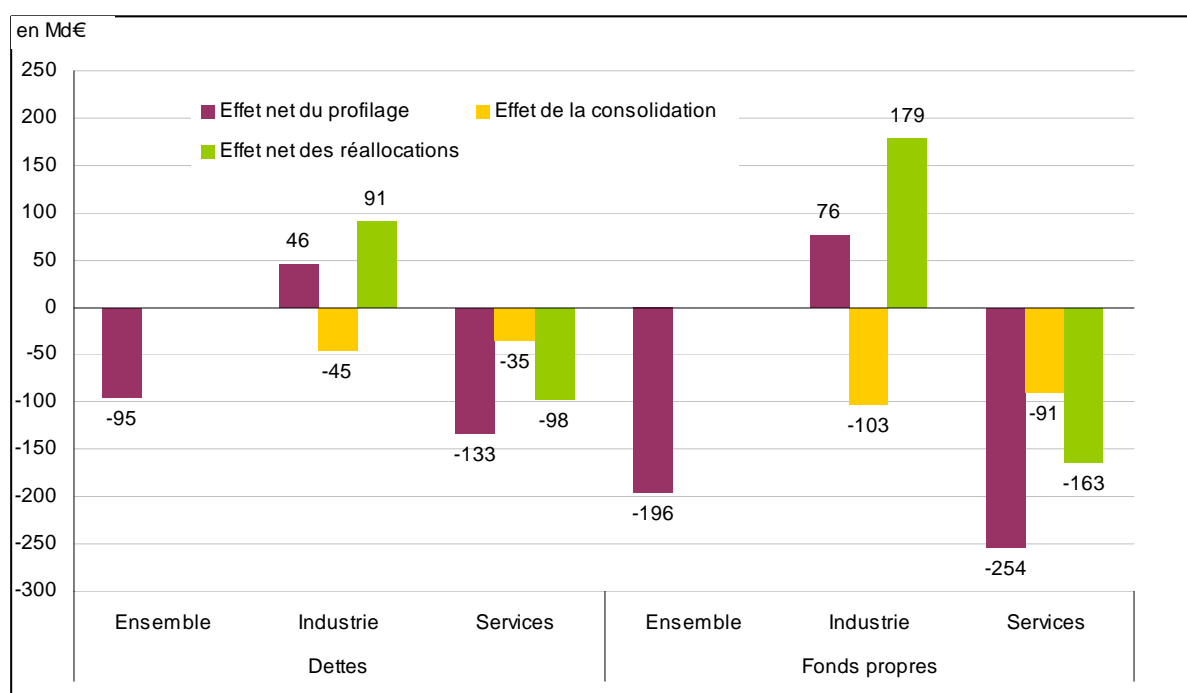
By eliminating internal flows within enterprises, turnover is reduced by 56 billion euros. Other economic and financial flows are also modified after applying the new calculations derived from profiling. Cash-flow, which measures the ability to fund investment, is very sensitive to the consolidation of flows between units. It shrinks by almost 20 billion euros, or 35% of the total amount for the legal units in the groups.

Profiling has a considerable impact on the variables of enterprise balance sheets and some biases are corrected after consolidating results between legal units in the same enterprise: their corresponding commitments in assets and liabilities cancelled each other out. Compared with the sum of the results for the legal units in the groups, equity capital and debt in the profiled enterprises are reduced by 34% and 24% respectively.

The effects of consolidation and reallocation in services and trade are also combined (-25 and -34 billion euros in turnover respectively). For equity capital or debt, reallocating legal units in services to manufacturing enterprises overcome the effect of consolidation, even though this is substantial. Thus the debt of manufacturing enterprises increases by 46 billion euros (+52% compared with the total for legal units).

The share of industry in the total for the profiled groups increases: +5.4 points for turnover, +22.5 points for debt.

Increase in debt and equity capital in industry, decrease in services



Scope: enterprises and legal units of the large groups profiled.

How to read this chart: the transition to profiled enterprises reduces debt by 95 billion euros. In manufacturing, it increased by 46 billion euros, with debt consolidation of 45 billion for legal units controlled by the profiled manufacturing enterprises, and a rise of 92 billion linked with the reallocation of legal units from other sectors in the profiled manufacturing enterprises. In the services sector, reallocations resulted in a fall in debt by a similar amount, of 98 billion euros.

Source: ESANE.



What has been learned from profiling

Greater coherence in data for an economic analysis of enterprises

Profiling gives a more coherent vision of the productive system. The observation unit, the enterprise being profiled, becomes a more relevant basis for economic analysis. Within a single enterprise, the different structures serve an overall objective yet have different roles. In manufacturing enterprises, commercial units focus on exports, service units focus partly on debt and equity capital, while value added is mainly produced by the manufacturing legal units. The overall results from economic and financial ratios can lose some of their significance at legal unit level. These results are reconciled at the level of the profiled enterprise because individual organisational decisions are no longer to be taken into account.

Information is improved with consolidation. The organisational choices that enterprises make can result in flows between the units that have no economic reality and make no contribution to the overall results. **For example, the value added rate, which compares value added generated to turnover, gives an indication of the productive performance of an economic unit.** In cases where the same activity is segmented across several units, turnover is multiplied according to the flows between these units, yet these operations have no effect on the value added created. With profiling, the rate of value added increases from 29% to 33%.

The choice of observation unit could lead to an error in diagnosis. 19% of the legal units processed produces a negative margin. We might therefore conclude that almost one out of five legal units is experiencing financial difficulties. However, 90% of these units with no profit margin are in enterprises with a positive margin. The average margin rate of these controlling enterprises is 28%. This effect can have an influence when measuring investment or exports, which are more concentrated in some units within the groups. **Among the enterprises that were profiled, one third of their subsidiary legal units did not make any investment in 2013. Yet almost all of the controlling enterprises invested and their average investment rate was 18%.** Similarly, only 22% of the subsidiary legal units of the profiled enterprises were exporters but, conversely, only 16% of the legal units were controlled by profiled enterprises that were not exporters.

Financial variables such as cash-flow, debt and equity capital are most affected. For enterprises, cash-flow is significantly reduced with the resolution of double counting (136% compared with 207% in legal units). The resulting debt ratio is increased (+10 points for the enterprises profiled) as equity capital contracts more than debt.

Overview



In the mainly market sectors, two thirds of value added are concentrated in 24,000 enterprises

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Here, the definition of “enterprise” corresponds to legal units and profiled enterprises.

In 2013, the non-farm and non-financial mainly market sectors consisted of 2.4 million enterprises, with an overall turnover of 3,700 billion euros and value added of 986 billion euros, excluding tax, or 52% of value added for the entire French economy.

Value added: strong concentration, varied trends

Median value added: 15,000 euros for enterprises with no employees, 32 million euros for enterprises with 250 or more employees

In 2013, half of the 4,200 enterprises with 250 or more employees had value added of over 32 million euros. This median value is 30 times greater than that of enterprises with between 10 and 249 employees, more than 300 times greater than that of enterprises with 1 to 9 employees and more than 2,000 times greater than that of enterprises with no employees. The reason why the greatest dispersion of value added is to be found in enterprises with no employee is that these smallest enterprises differ so widely: they include not only artisanal workers and the self-employed, but also holding companies, real estate companies, subsidiaries of multinationals, etc.

Two thirds of value added concentrated in 1% of enterprises

Financial value added is concentrated in a limited number of enterprises. The 1% with the highest value added produce 65% of all value added, 55% of employment and 68% of investment. Among them are virtually all enterprises of 250 employees or more that accumulate 445 billion euros of value added, but also 17,500 enterprises with between 10 and 249 employees (€165 billion) and finally 2,400 enterprises with fewer than 10 employees (€27 billion, €21 billion of which in enterprises that form part of a group).

Value added increased for more than half of enterprises active between 2012 and 2013

Between 2012 and 2013, the largest enterprises achieved more growth: half of those with 250 employees or more increased their value added by more than 1.6%. Median growth was positive in all sectors for enterprises with 250 employees or more and 10 to 249 employees, with the exception of hotels and restaurants (-0.4%). For half of enterprises with no employee, value added stagnated or decreased, especially in trade (median value -2.3%), manufacturing (-1.5%), personal services (-1.3%) and hotels and restaurants (-0.7%). Median value was also negative for enterprises in these same sectors with 1 to 9 employees (between -0.2% and -0.7%).

CICE tax credit: a positive effect on margin rate

Between 2012 and 2013, the average margin rate was stable whereas it had declined between 2011 and 2012 (-1.2 points). In 2013, **when only enterprises with employees are considered, wages increased by 2.5% while social contributions went up by only 0.5%**. The introduction of the Competitiveness and employment tax credit (Crédit d'impôt pour la compétitivité et l'emploi – CICE) allowed enterprises to include payroll contribution exemptions in their accounts from 2013.

In 2013, while the average margin rate for all enterprises with employees was stable, it increased in personal services (+2.2 points), construction (+0.8 points), transport and storage (+0.5 points) and hotels and restaurants (+0.4 point). With wages in these sectors being lower on average, they benefitted most from the effects of the CICE.

More than 80% of their wage bill is eligible for this new credit. The proportion is much lower for manufacturing (59%) and also for information and communication (39%), sectors where wages are higher. Ultimately, the margin rate remained stable for manufacturing industries (-0.1 points) and declined considerably for information and communication (-1.6 points).



Concentration and decline in investment

Investment in decline despite a positive effect of enterprise births

Tangible gross investment excluding capital contributions declined once again in 2013, by 1.8% after -2.7% in 2012. This decline was more marked in enterprises that were active in both 2012 and 2013 (-4.0%), especially the smallest enterprises: -15.5% for enterprises with no employees and -6.4% for those with 1 to 9 employees.

In contrast, the balance sheet for enterprise births and deaths between 2012 and 2013 had positive effects on amounts invested.

The 239,000 new enterprises in 2013 invested 6.7 billion euros while the 243,000 enterprises present in 2012 but which had disappeared by 2013 invested only 3 billion euros in 2012.

The balance is therefore clearly positive, despite there being fewer enterprise births than deaths. Two effects combine: more new enterprises are investing, and they are investing more. Only 4 out of 10 enterprises that failed had invested in 2012, whereas among the new enterprises, 6 out of 10 invested in 2013. In addition, the average amount invested by these new enterprises was 1.4 times that invested by the failed companies in 2012.

85% of investment concentrated in 1% of enterprises

One in two enterprises invested in 2013. Almost all of the largest structures invested. Investment was less frequent among the 1.3 million units with no employees, at 30%, although new small enterprises were more dynamic (57% invested in 2013). This trend is not specific to 2013. From 2009 to 2012, 43% of companies with no employees made no investment over the period and 21% invested only once. In contrast, 78% of companies with 10 employees or more invested every year. While a sole proprietor may be able to invest only rarely after setting up, especially in certain service sector businesses, this situation is not sustainable for the largest structures where investment is a necessity.

Unsurprisingly, the amounts invested by small enterprises were small, corresponding to their activity. For a quarter of enterprises with no employees, investment was less than 900 euros, and for one in two it was less than 2,700 euros. Enterprises with 1 to 9 employees invested twice as much, with 50% investing under 5,400 euros; units with 10 to 249 employees invested almost thirteen times this amount.

Half of enterprises with 250 employees or more invested more than 2 million euros in 2013.

In France, investment is clearly concentrated in a relatively limited number of enterprises: **1% of enterprises, each investing more than 500,000 euros, account for 85% of total investment.** In contrast, 1.3 million enterprises do not invest and 0.7 million invest under 10,000 euros; they account for 1% of total tangible gross investment excluding capital contributions.

97% of exports concentrated in 1% of enterprises

While almost one in two enterprises invested in 2013, far fewer were involved in export activity. Out of a population of 2.4 million enterprises, excluding microenterprises and micro-entrepreneurs, only 9% exported, which was slightly less than in 2012. In addition, 97% of exports were concentrated in the 1% of enterprises that exported most, and a large proportion of exporting enterprises in fact exported little.

Half of the 24,000 enterprises with the most exports are under the control of a multinational firm and cumulated 89% of exports by these major exporting enterprises.



Reports



1. Comparing labour costs in Europe: what has changed since the crisis?

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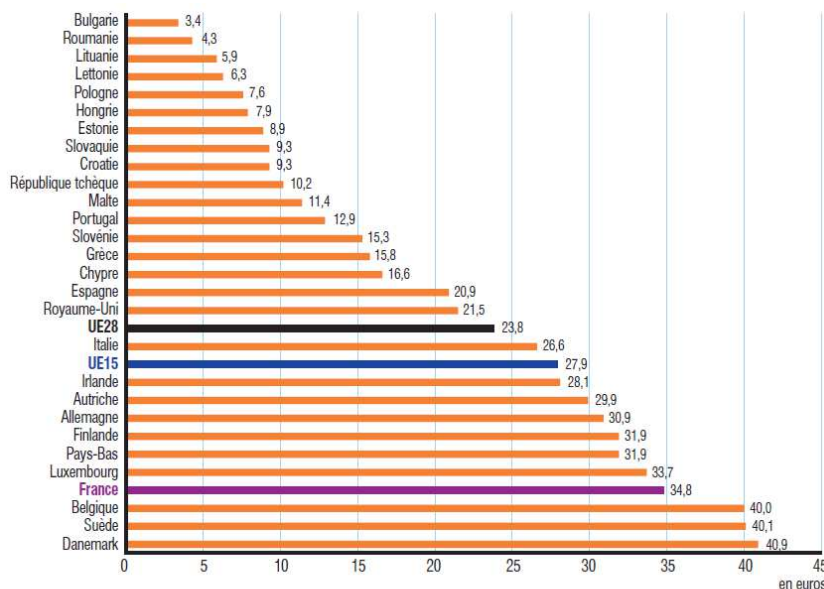
This report analyses labour costs and how they have changed in Europe, based on the statistical monitoring system coordinated by Eurostat. This system consists of the European Labour Cost Survey, of which the latest edition is used here for labour costs in 2012, and the Labour cost index, which is used here to monitor changes in labour costs after 2012.

Labour costs represent all expenditure by employers to employ their workers. They include gross wages and salaries (gross wages, bonuses and company savings schemes), social security contributions paid by the employer, professional training expenditure, other expenditure (expenditure on clothing, recruitment, etc.), wages and payroll taxes, net of subsidies received by the employer. The hourly labour cost is a ratio of this cost to the number of hours worked (i.e. excluding leave or absences for any reason).

Wide variation in hourly labour costs in Europe

In the European Union (EU), the hourly cost of labour in industry and market services was €23.80 on average in 2012. It was twelve times less in Bulgaria, at €3.40, than in Denmark, where it is more than €40. Costs are generally lower in those countries that entered the EU after 2004 than in the countries of the former EU-15, but even within the former EU-15, there is wide variation.

Hourly labour costs in industry and market services in the European Union in 2012



Champ : entreprises de 10 salariés ou plus, industrie et services marchands (sections B à N de la NACE rev. 2), apprentis inclus.

Note : les pays sont classés par ordre croissant de coût.

Source : Eurostat, enquête européenne sur le coût de la main-d'œuvre en 2012.

France is not in the group of countries with the highest costs, but it is close. In 2012, France was in 5th place for costs in market services (€34.80), and in 4th place for industry (€36.40). Germany is just behind France for industry (€35.20) and is in 9th place in market services (€28.60).

Costs vary according to economic activity, but the composition by sector does not account for the wide variation in costs between countries

Irrespective of the country, costs are lowest in hotels and restaurants (€15.50 on average), and highest in financial and insurance activities (€45.20) and energy production and distribution (€44.40). These gaps notably reflect differences in the qualifications of the workforce employed in these sectors. In France, the gap between the most costly sector (energy production and distribution) and the least costly (hotels and restaurants) is €33 per hour worked (or a ratio of 2.5).

However, costs in a given sector vary from one country to another. The hourly cost in energy production and distribution in Belgium is €45 higher than in Portugal.

At an aggregated level, the variation in costs between the former EU-15 countries cannot really be explained by the sectoral composition of the countries. For example, if the sectoral composition of France were the same as the average for the former EU-15, its average hourly cost would still be very similar to that observed (€34.20 against €34.80).



Cost structure reflects the system used to finance social welfare

Gross wages and salaries represent on average 75% of the cost in the former EU-15, and employers' contributions make up the majority of the remainder. There does not seem to be any increasing relationship between the proportion of employer contributions and their level. Basically, the cost structure reflects the way in which the country's social welfare system is financed. The share of gross wages and salaries is higher in countries where social welfare is financed mainly through income tax (as in Denmark, where it is at 87% in the manufacturing sector) and lower when social welfare is financed essentially by social contributions (especially employer contributions) (like Sweden or France, around 66%).

Hourly labour costs have increased more in countries where they were already high

Between 2008 and 2012, hourly labour costs in the manufacturing sector increased most quickly in countries where these costs were already high (Sweden +4.7% and Denmark +4.0%, in current euros), whereas they decreased in Greece (-1.5%) which had one of the lowest levels. In France they increased at an intermediate pace (+2.4%), similar to Germany (+2.0%). The change was similar in the services sector. Adjusting to the crisis was done differently and in different time frames in the different countries. Wage restraint seems to have had a stronger effect in countries where labour costs were fairly moderate.

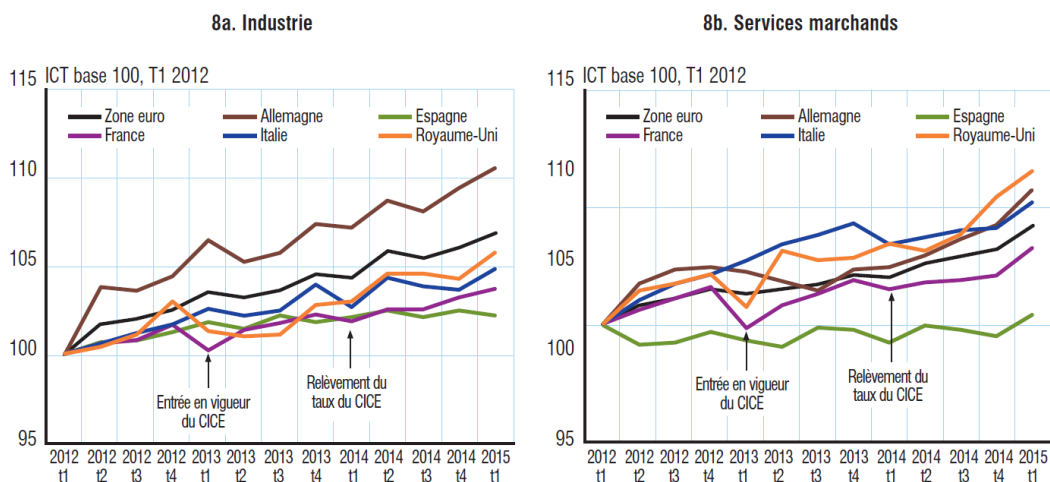
Whereas hourly labour costs in the countries of the ex-EU-15 had tended to converge before 2008, this has not been the case since then. In industry (including construction), costs have not been similar across countries since 2008. In market services, the convergence had already been halted in 2004, despite a more dynamic catch-up period between 1996 and 2004. Between 2012 and 2014, the divergence in hourly costs in the ex-EU-15 was accentuated, especially in services.

Since 2012 in France, increases in hourly costs have been more moderate with the effect of the CICE tax credits

According to the quarterly labour cost index, labour costs increased moderately in France between 2012 and 2014. This moderate rise is due particularly to the implementation of the Competitiveness and employment tax credit (Crédit d'impôt compétitivité emploi - CICE) which came into force on 01/01/13. In France, labour costs in industry increased by 1.1% per year on average, compared with 2.1% in the Eurozone, and 3.2% in Germany. They fell when the CICE came into force, then again to a lesser extent when the CICE rate was increased. Hourly costs in Germany, on the other hand, rose much more sharply than before, mainly because wages had benefitted from pay rises after collective bargaining in many sectors.

In market services, hourly costs in France increased at a moderate annual pace of 0.8%, lower than but nevertheless similar to the average pace in the Eurozone (+1.0% per year on average). The implementation of the CICE also reduced labour costs. In the end, hourly costs in France increased less rapidly than in Germany (+1.4%), Italy (+1.4%) or the United Kingdom (+1.9%).

Change in quarterly labour cost index (LCI) since 2012



Source : Eurostat, indices trimestriels du coût de la main-d'œuvre (labour cost index).



2. Recent changes in transport and consequences for transport enterprises in managing labour

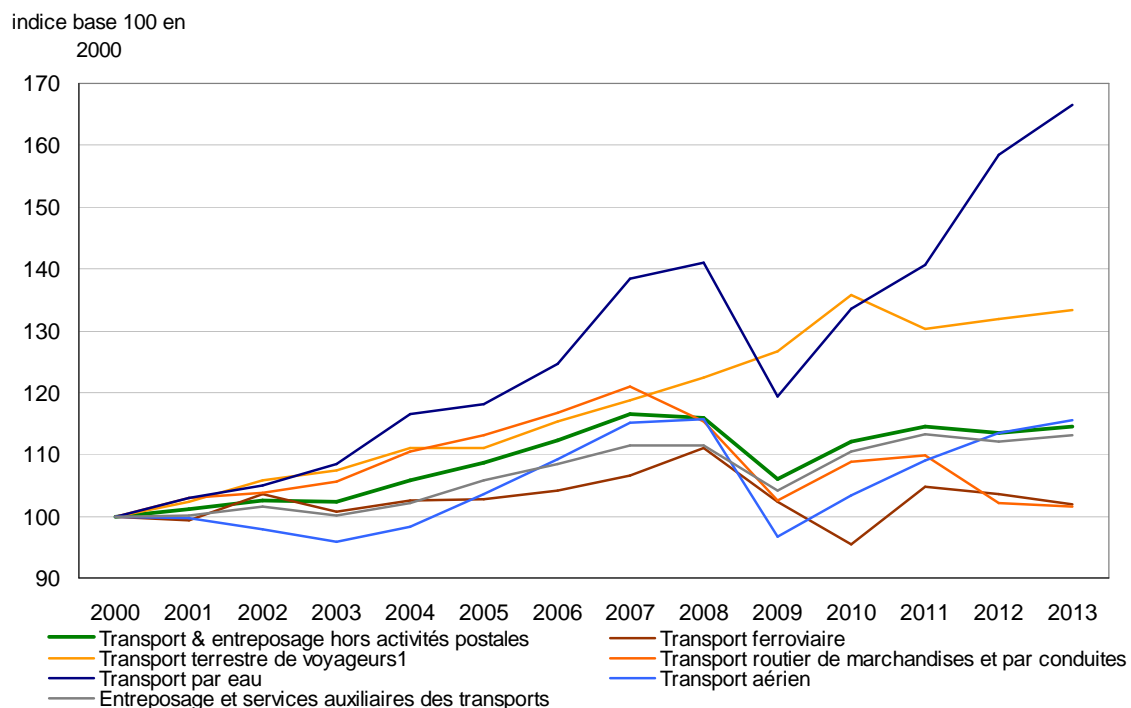
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From 2000 to 2013 in France, transport and storage production grew at a similar pace to that of the market branches in general. However, activity in this sector has changed profoundly. The transportation of goods has stagnated while that of passengers has grown, and auxiliary transport services have remained steady.

The volume of transport and storage production has increased overall at the same pace as that for all market branches

In 2013 in France, production by transport and storage services (excluding postal activities) reached 171.6 billion euros, or 9% of the production of mainly market services. Since 2000, it has increased by 14.5% in volume (Figure 1), a rate of growth that is virtually the same as that for all market branches (+16%), but only half the rate for all mainly market services (+28%). It peaked in 2007 (+16.6% since 2000), fell back in 2008 and especially in 2009, at the depth of the crisis (-8.6% in a year). The level of production then recovered gradually, but still remained 1.8% lower than its 2007 level.

Change in production by volume in transport and storage branches



1. Excluding rail transport.

Scope: France excluding Mayotte.

Source: Insee, national accounts; National Transport Accounts Commission.

Road transport of merchandise is in difficulty, passenger transport is growing

The overall rise in production masks some very contrasting changes in the specific branches of activity. Road transport of merchandise is in difficulty. International transport carried out under the French pavilion has slumped and in the domestic market the growth of coastal transport has accelerated over the last decade, competing with the French pavilion. Rail freight transport has also tumbled since 2000.



The transport of passengers, on the other hand, is booming, boosted by the increase in air traffic and high speed rail transport, and also by the willingness of public authorities to develop the public transport provision.

Auxiliary transport services (storage, infrastructure management, cargo handling, organising transport logistics, etc.) are following the global trend in the sector.

The enlargement of the European Union, the liberalisation of rail freight and air passenger transport have had important consequences for the transport economy

The enlargement of the Union to include countries mainly from the former Eastern Bloc has changed the conditions of competition, leading to a growth in wage disparities on the domestic market. The rail freight market has also been opened up to competition during the last decade and new operators have appeared, taking over a little over one third of goods transport (in tonnes-kilometres).

In air passenger transport, the full opening up of European air space in 1997 in parallel with the emergence and growth of “low-cost” companies led to increased competition in these markets and a massive expansion in air traffic.

Lastly, the public passenger land transport sector is driven by the desire of the public authorities to expand provision of this type of transport.

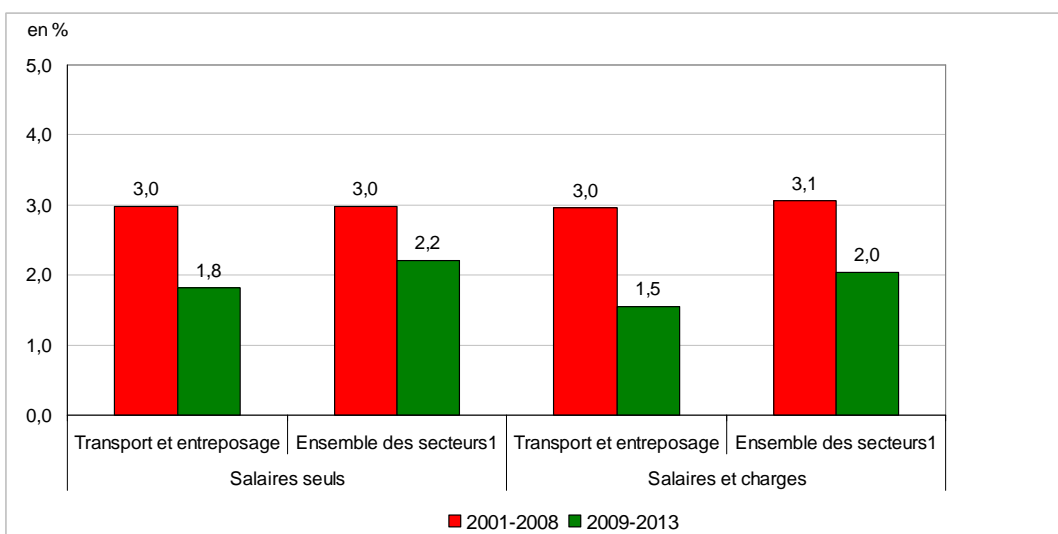
Qualifications of the labour force have changed little

In contrast to what can be seen in the economy as a whole, transport and storage remain a largely blue-collar sector. Almost two thirds of employees are blue-collar workers and this share has increased slightly. This preponderance of blue-collar workers is very strong in road transport, for both passenger and freight transport.

Since 2009, labour costs have increased less rapidly in transport and storage than in all sectors combined

Changes in recent years have occurred in a context of greater wage restraint in transport and storage than in all non-farm market sectors. According to the labour cost index (LCI), from 2001 to 2008 wages and contributions increased at virtually the same pace in transport and storage as in all sectors taken as a whole (+3.0% against +3.1% annually on average). Between 2009 and 2013, they increased by about 1.5% per year on average in transport and storage, against +2% per year across all sectors.

Mean annual change in labour costs



1. All non-farm market sectors excluding services to households
 Scope: Metropolitan France.
 Sources: Acoss, Dares, Insee, labour cost index (LCI).



INSEE in brief



INSEE and official statistics

A prime goal: to shed light on the economic and social debate

INSEE collects, produces, analyses and disseminates information on the French economy and society. This information is relevant to public officials, government bodies, social partners, businesses, researchers, the media, teachers and private individuals. It helps them to deepen their knowledge, conduct studies, prepare forecasts and take decisions.

INSEE is ...

- A public agency whose personnel are government employees. INSEE operates under government accounting rules and receives its funding from the State's general budget.
- An independent institute working in total professional independence. No external authority has inspection rights on the statistical results that it publishes. This professional independence is enshrined in law: the Economic Modernisation Act (Loi de modernisation de l'économie) of August 4, 2008 established the Official Statistical Authority (Autorité de la Statistique Publique), to oversee compliance with the principle of professional independence in the design, production and dissemination of official statistics.

INSEE coordinates the work of the official statistical service

The official statistical service comprises INSEE and the ministerial statistical offices (services statistiques ministériels - SSM), which conduct statistical operations in their areas of expertise. INSEE and the SSMs, under the coordination of the Institute, decide which methods, standards and procedures to apply in preparing and publishing statistics.

INSEE in EU and international bodies

INSEE works on a daily basis with Eurostat (the Statistical Office of the European Communities) and its EU counterparts. It thus contributes to the construction of the EU's statistical space. INSEE also participates in the statistical activities of the UN (United Nations), the IMF (International Monetary Fund), the OECD (Organisation for economic cooperation and development) and the World Bank. INSEE is a member of the UN Statistical Commission, the UN Economic Commission for Europe, and the OECD Committee on Statistics.

A brief history ...

The National Institute of Statistics and Economic Studies (Institut national de la statistique et des études économiques) - INSEE – was created by the Budget Law of 27 April 1946 (art. 32 and 33). This new institution took over responsibility for public statistics, work that had been carried out continuously since 1833.

Today, INSEE is organised into five main directorates:

- Methodology, Statistical Coordination and International Relations Directorate
- Business Statistics Directorate
- Demographic and Social Statistics Directorate
- Economic Studies and National Accounts Directorate
- Dissemination and Regional Action Directorate

INSEE is also present in the regions, with its regional offices.



Press Office

Press office opening times

Monday to Thursday: 9:30-12:30 / 14:00-18:30

Friday: 9:30-12:30 / 14:00-17:30

Press office contact

bureau-de-presse@insee.fr

01 41 17 57 57

Aurélie Picque
Press Office Head

Find INSEE on:

www.insee.fr

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