

SOUS EMBARGO JUSQU'AU 8 JUILLET A 8H00



European SME Export Report - FRANCE

*Export / import trends and behaviours of SMEs
in France*

July 2015



European SME Export Report

Small and medium-sized enterprises (SMEs) play a fundamentally important role in Europe's economy. Indeed, the European Commission considers SMEs and entrepreneurship as *“key to ensuring economic growth, innovation, job creation, and social integration in the EU”**

Given the clear link between SME performance and overall economic outcomes in the region, it's reassuring to see that the future looks bright.

Opportunities to sell goods overseas are increasing all the time, as even the smallest business increasingly trade online, meaning that physical size or location is no longer a barrier to doing business internationally.

FedEx, a leading provider of international shipping services to SMEs, recently commissioned a research study carried by Harris Interactive to increase understanding of the unique trends and challenges that SMEs face across Europe.

Read on for the research highlights for **FRANCE**.





Executive Summary - FRANCE

Exporting behaviour

- 32% of French SMEs surveyed currently export to other markets:
 - Most of these (94%) export to other European markets: large west European markets (Germany, Italy, Spain and Switzerland) top the list of European export countries along with near-neighbours (UK, Belgium and Netherlands).
 - 68% of these export to markets outside Europe: USA is the top 'global' market for exports, followed by China; other large, fast-growing markets are much less well represented.
- Exporting behaviour varies across the French regions with SMEs in the Sud-Ouest much less likely to do so than those in other regions.
- Faster-growing SMEs (43%) are considerably more likely to export as SMEs that are in decline or static (29%), highlighting the importance of exports for successful businesses.
- Exporting SMEs acknowledge China and USA as the toughest export markets to crack but many (34%) have not tried to 'go global'.
- The typical frequency of exports to European and global markets ranges between weekly and monthly and the vast majority ship less than 20 times each month.
- Nevertheless, the average value of shipments is high, generating well over half a million euros (€662k) revenue p.a., on average, for European exports and over half a million euros (€529k) p.a. for exports to 'global' markets.

Incentives & barriers

- Exporting SMEs acknowledge logistics providers, the internet & media, banks and trade bodies, as the main sources of advice on exporting – only 19% have not received any exporting advice compared with 58% of SMEs that have not yet exported.
- The majority of exporting SMEs (58%) would like more advice and support compared with 32% of those that do not export.
- Most exporting SMEs (85%) agree that there are barriers to exporting. Barriers cited most often are fears of not getting paid, lack of technical know-how (tax issues etc.), worries about potential costs arising and not having a presence on the ground .

Looking forward

- 45% of all SMEs surveyed believe they will be exporting in 5 years' time, rising to 49% in ten years' time. Whilst this is an improvement on the current 32%, clearly many SMEs remain to be convinced of the potential benefits.
- Interestingly, this is despite the overall perception (among all SMEs) that revenues are more likely to grow from international than domestic business. Again, this strongly suggests that many SMEs still do not buy into the notion that they have exportable products or services.
- Further evidence of the inward-looking nature of some SMEs is that 72% agree that it is important to find new domestic markets/revenue streams in the year ahead, whereas the equivalent figure for international markets is 50%.
- SMEs that export are generally more positive about future business performance (61% expect revenue gains in the next 12 months) than those that do not (46%) – another indicator of the benefits of exporting.
- China and USA continue to be seen as the markets with greatest opportunity for export growth along with Canada. Other large, global players – particularly Asian, African and Middle Eastern markets – continue to be overlooked in relative terms.

Importing behaviour

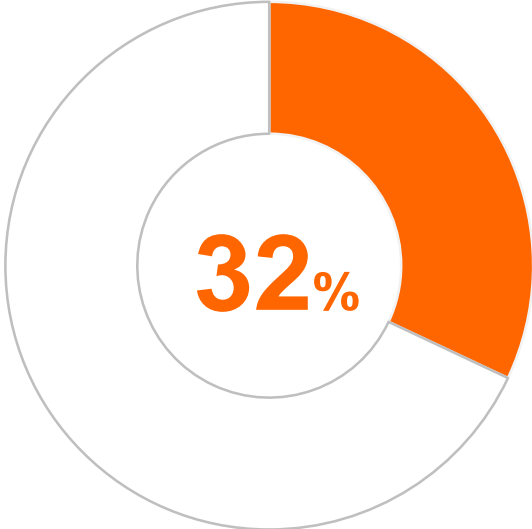
- A similar proportion of French SMEs (35%) are importing produce as are exporting. There is some overlap in behaviour but this is not always the case as 53% of importing SMEs do not currently export produce.
- SMEs in the Nord-Est region are most active (43%) in importing and those in Paris and the Sud-Ouest are much less likely to do so (30%).
- As with exports, the majority of importing SMEs do so from within Europe. However, China is almost as popular for imports as the top European markets (Germany and Italy).



Exports - FRANCE

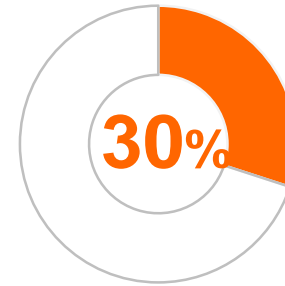
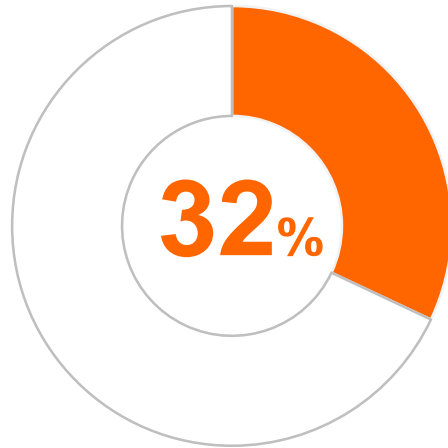
Around a third of SMEs in France export to other countries

What % SMEs export to other countries?

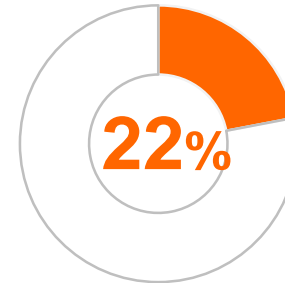


Almost all French SMEs that export do so within Europe whereas many are missing out on global opportunities

What % SMEs export to other countries?



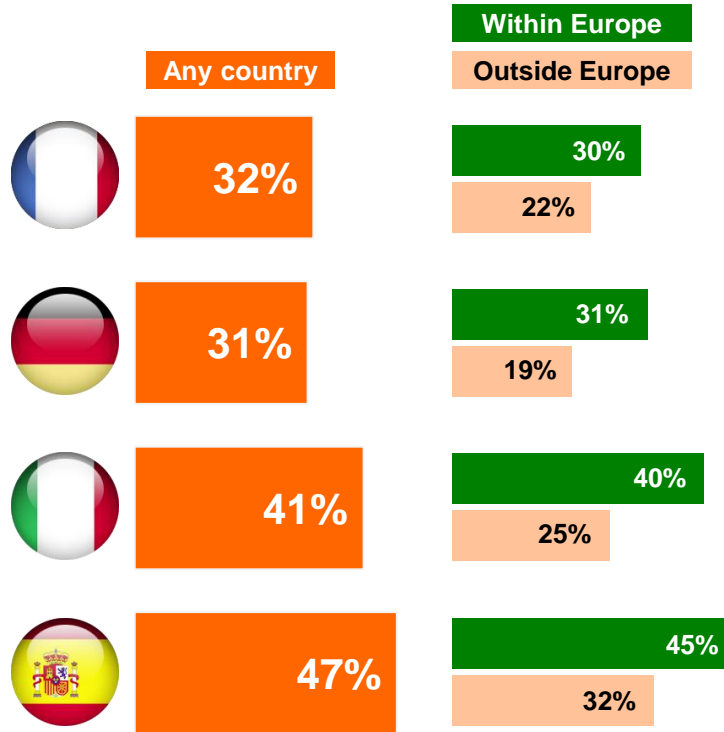
Within Europe



Outside Europe

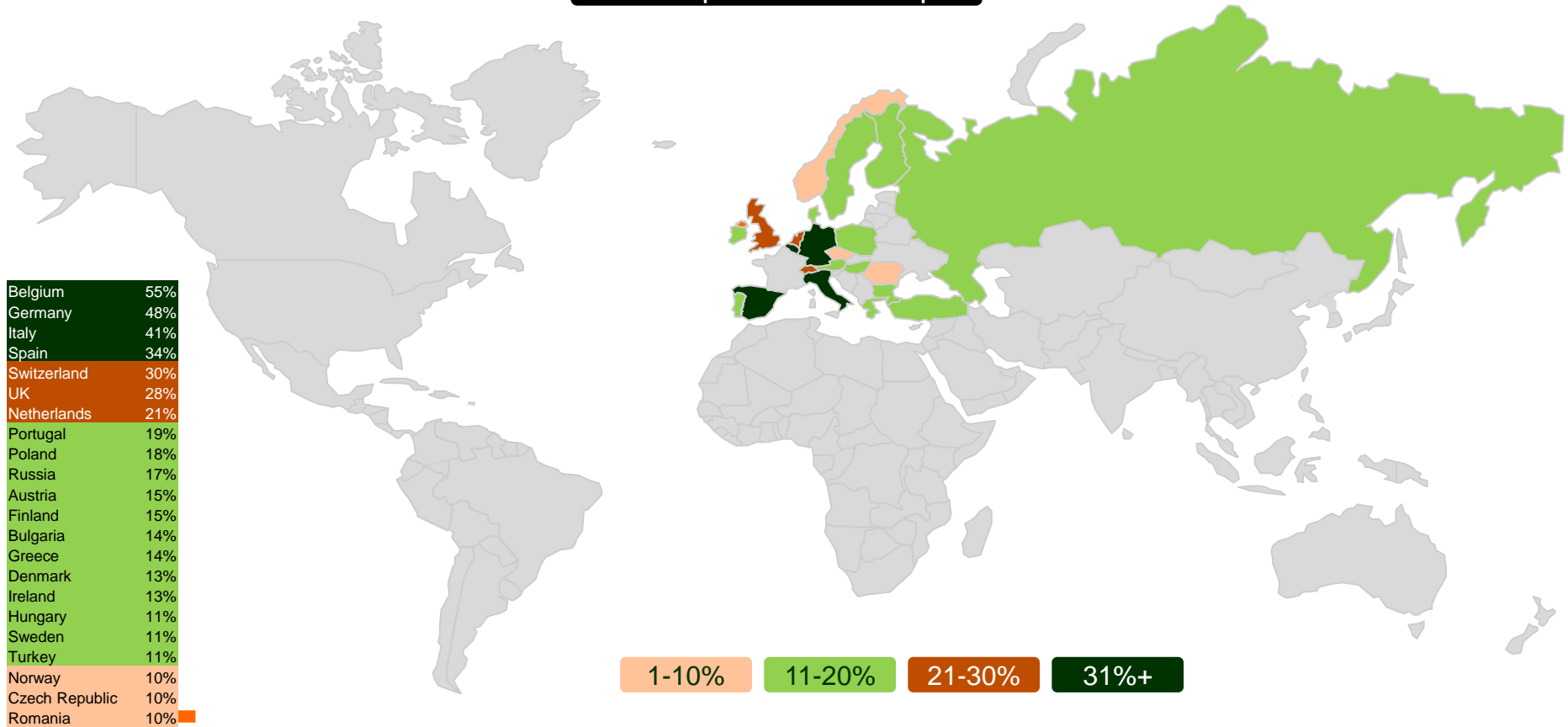
French and German SMEs are less likely to export than their counterparts in southern European markets

What % SMEs export to other countries?



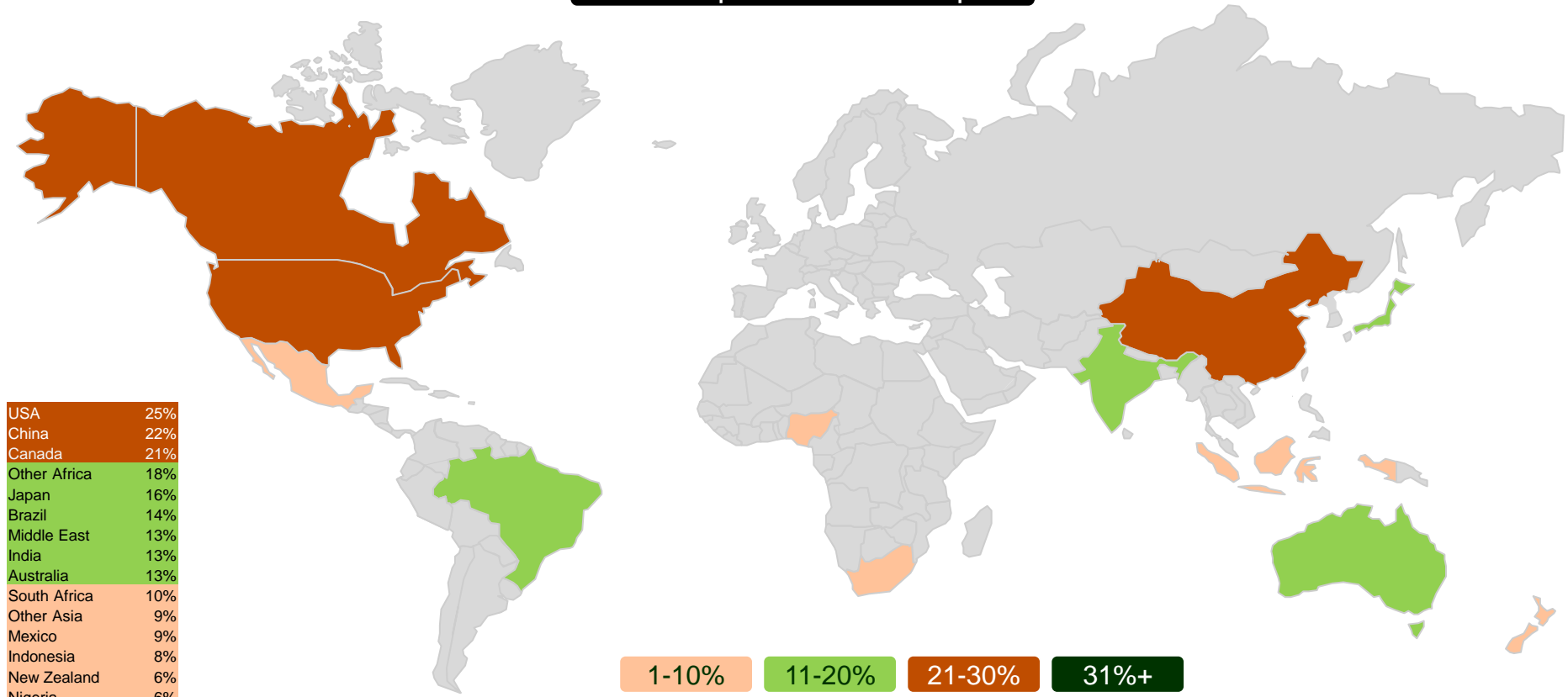
Near-neighbour Belgium is the top European export market for French SMEs followed by Germany, Italy, Spain and Switzerland

94% export within Europe



USA is the top 'global' export market for French SMEs followed by China

68% export outside Europe



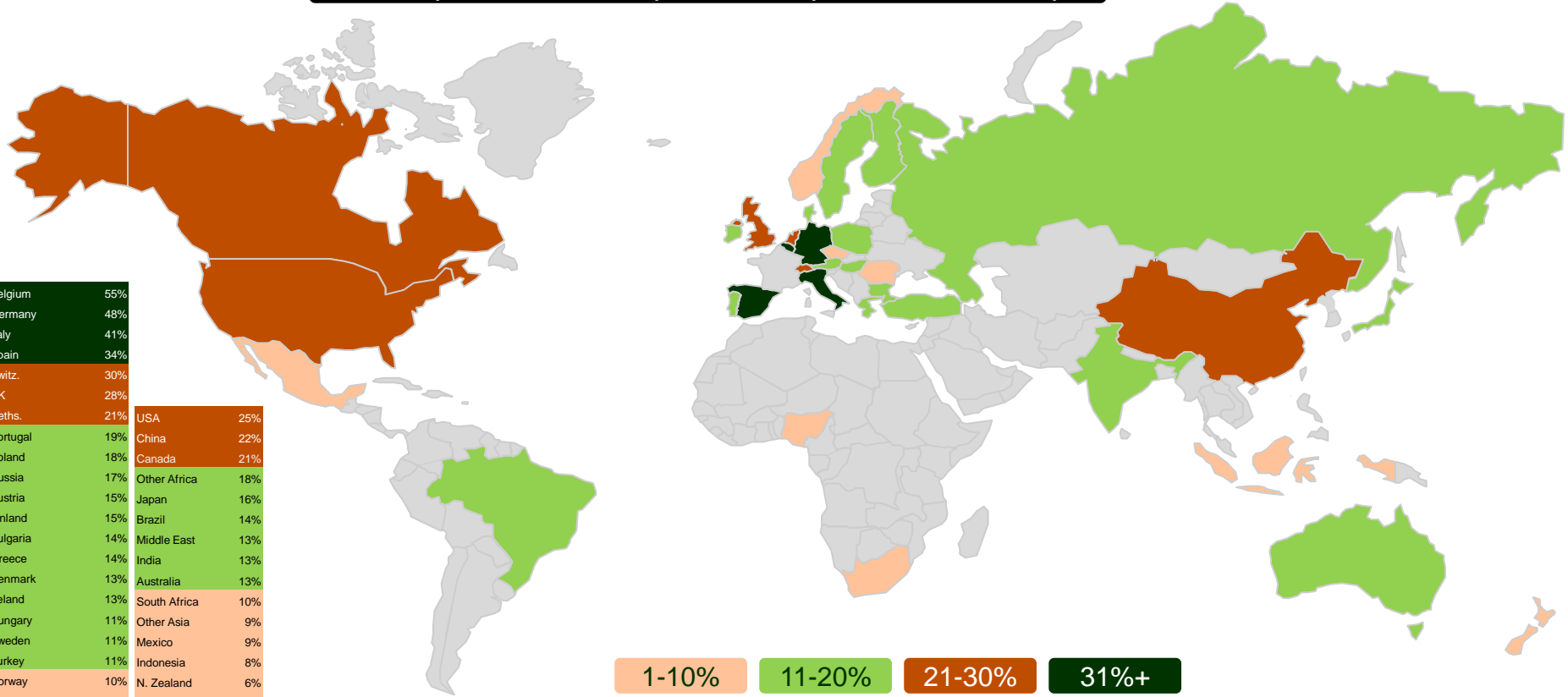
USA	25%
China	22%
Canada	21%
Other Africa	18%
Japan	16%
Brazil	14%
Middle East	13%
India	13%
Australia	13%
South Africa	10%
Other Asia	9%
Mexico	9%
Indonesia	8%
New Zealand	6%
Nigeria	6%
Other LatAm	4%



Base: Companies that export to any markets (n=160)

Belgium and Germany top the list of European countries French SMEs export to; USA and China are the most popular global destinations

94% export within Europe, 68% export outside Europe

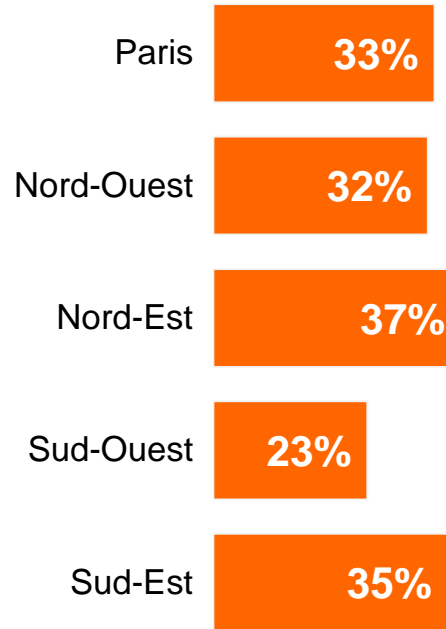
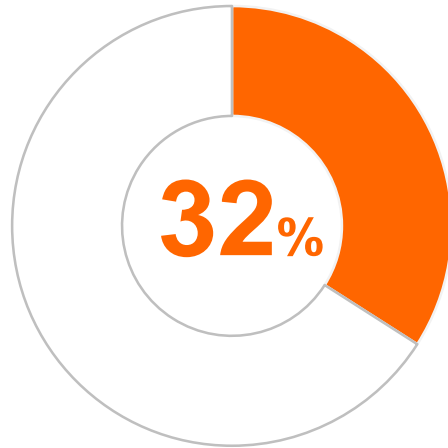


Belgium	55%
Germany	48%
Italy	41%
Spain	34%
Switz.	30%
UK	28%
Neths.	21%
Portugal	19%
Poland	18%
Russia	17%
Austria	15%
Finland	15%
Bulgaria	14%
Greece	14%
Denmark	13%
Ireland	13%
Hungary	11%
Sweden	11%
Turkey	11%
Norway	10%
Czech	10%
Romania	10%
USA	25%
China	22%
Canada	21%
Other Africa	18%
Japan	16%
Brazil	14%
Middle East	13%
India	13%
Australia	13%
South Africa	10%
Other Asia	9%
Mexico	9%
Indonesia	8%
N. Zealand	6%
Nigeria	6%
Other LatAm	4%

1-10% 11-20% 21-30% 31%+

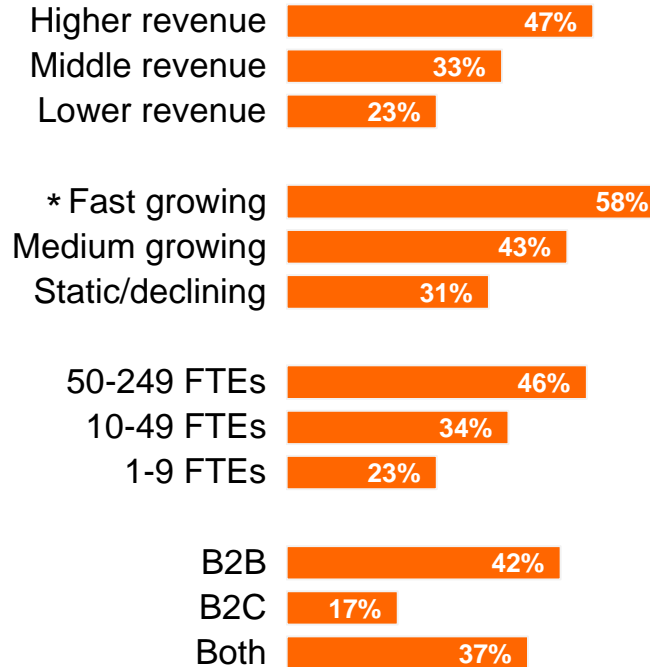
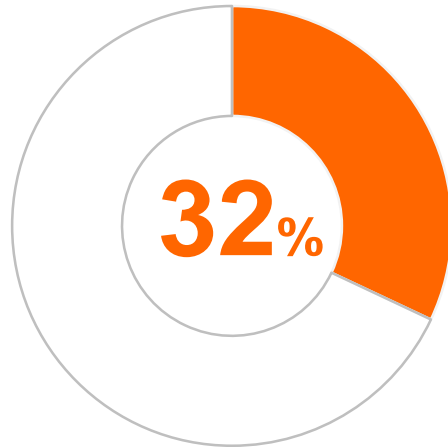
SMEs in North East and the South East region are most likely to export; those in the South West are much less likely to do so

What % SMEs export to other countries?



Larger, faster-growing French SMEs and those that are purely B2B are most likely to export produce

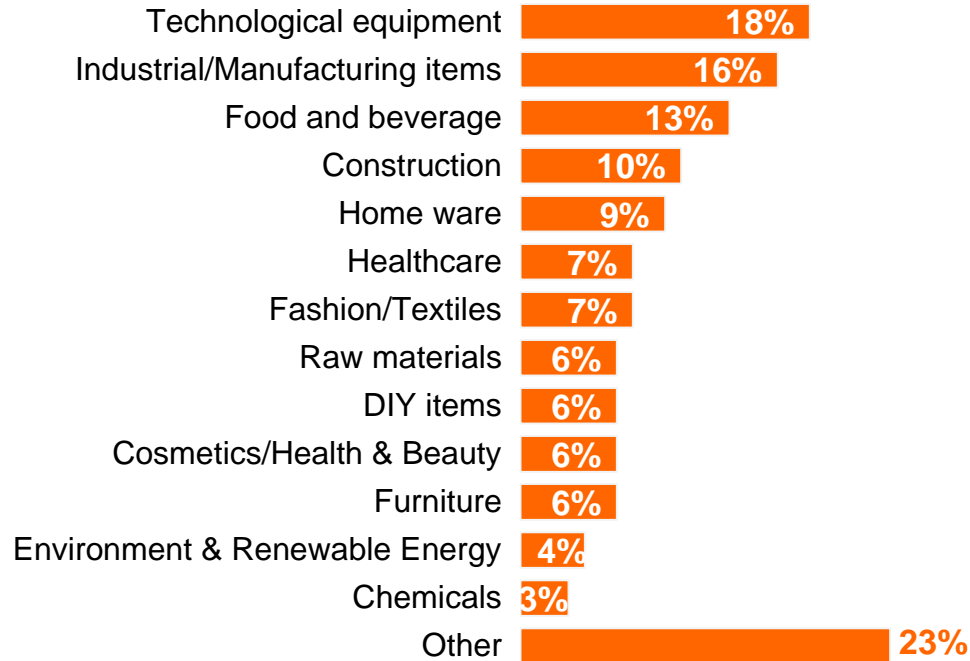
What % SMEs export to other countries?



Fast-growing SMEs almost twice as likely to export as those in decline or static, highlighting the significance of exports for a successful business

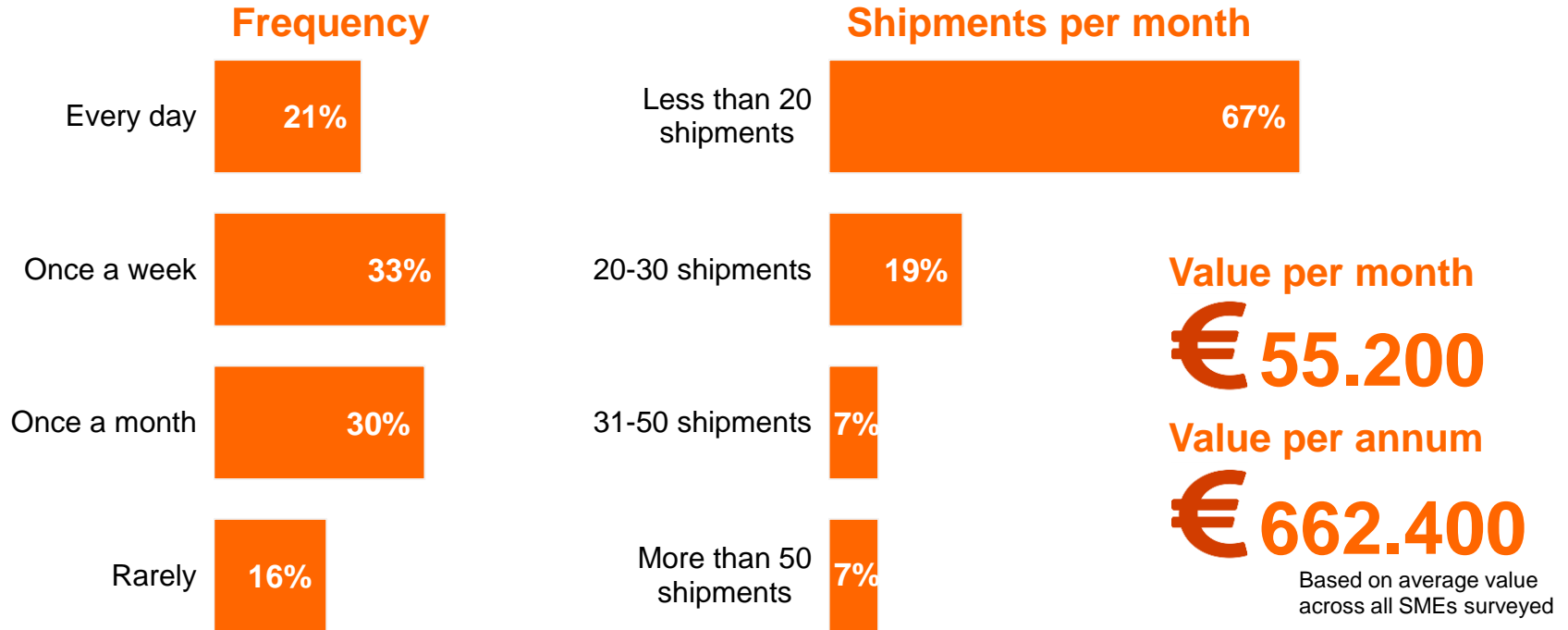
Technological equipment is the most common category of produce exported followed by industrial items and food/beverages

Produce exported on a regular basis to any other markets



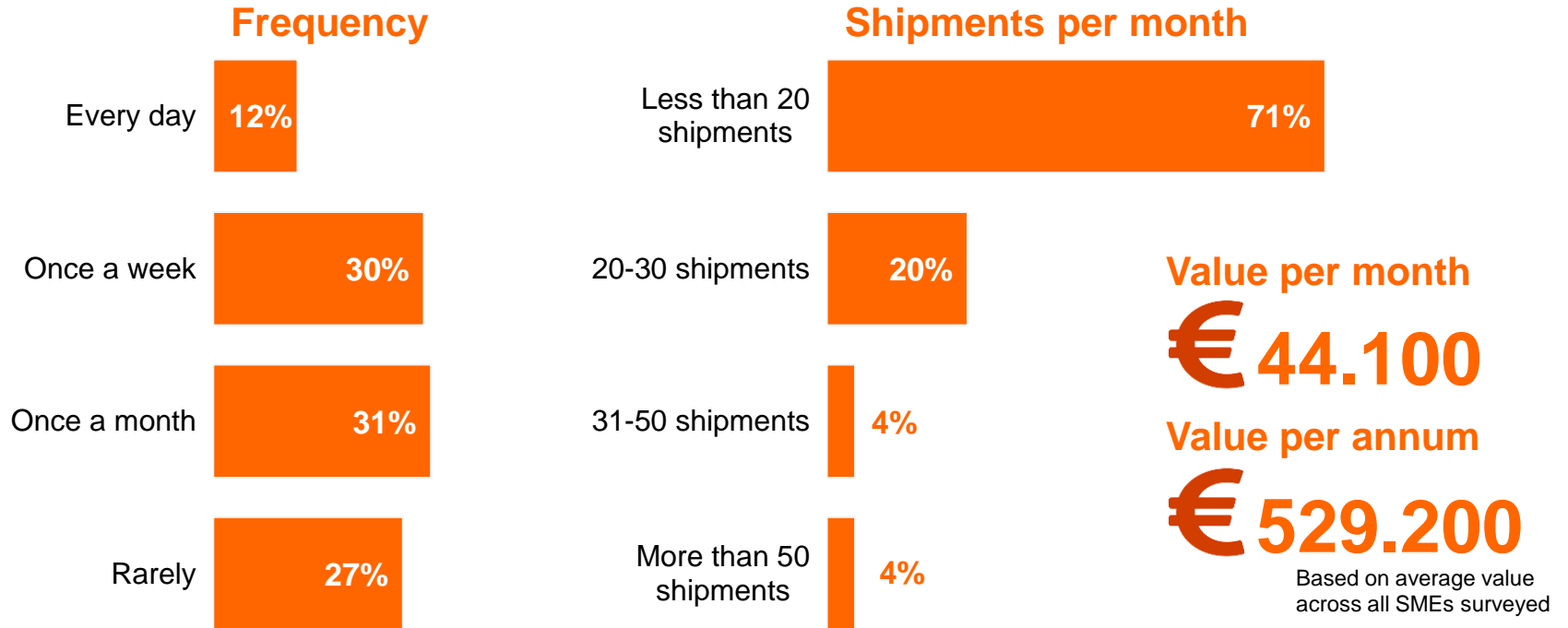
Only a minority of French SMEs ship more than 20x per month in Europe; the average annual export value is €662k

Export statistics - European markets



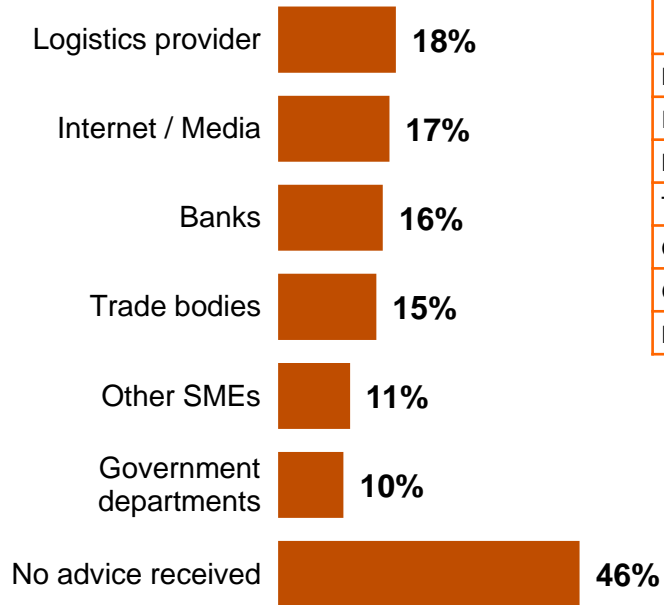
Shipments outside Europe are less frequent and the average value is lower resulting in an average annual export value of just over €529k

Export statistics – non-European markets



French SMEs have received exporting advice from a range of sources but almost half have not received any advice

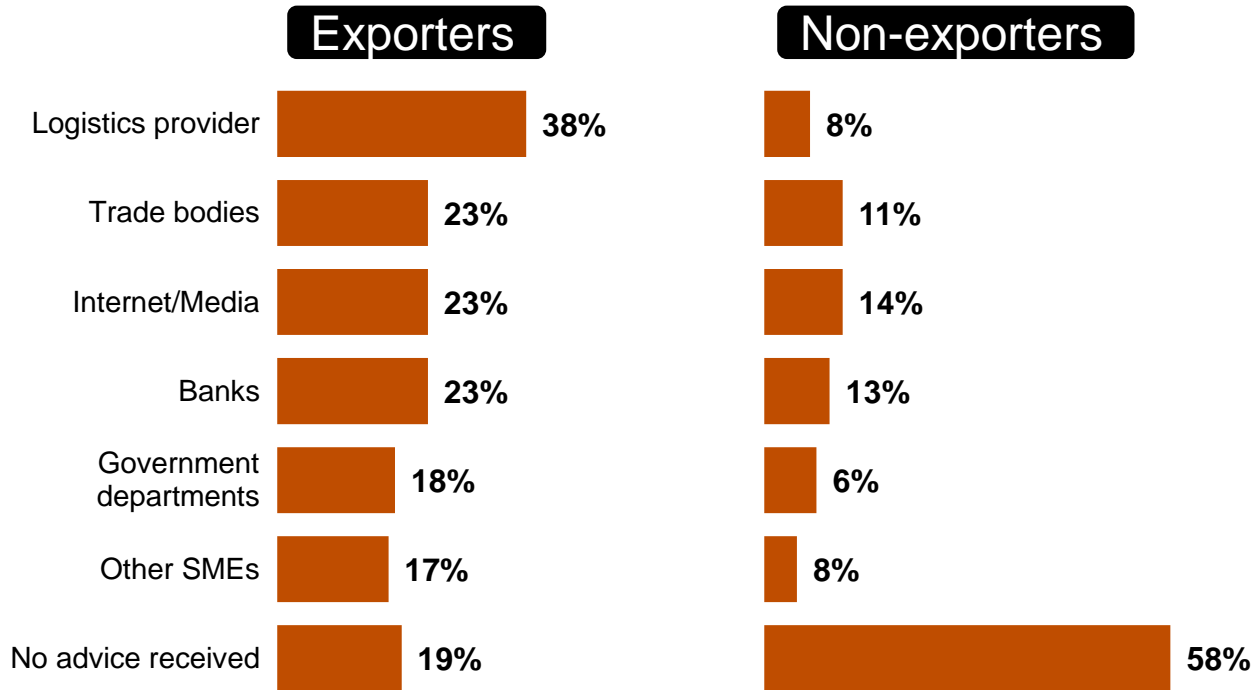
Sources of advice on exporting to other countries



	Paris	North West	North East	South West	South East
Logistics provider	22%	13%	13%	9%	21%
Internet / Media	17%	10%	10%	18%	23%
Banks	17%	10%	15%	14%	18%
Trade bodies	13%	13%	17%	18%	15%
Other SMEs	10%	19%	12%	8%	10%
Government departments	11%	9%	7%	8%	10%
No advice received	42%	45%	53%	53%	46%

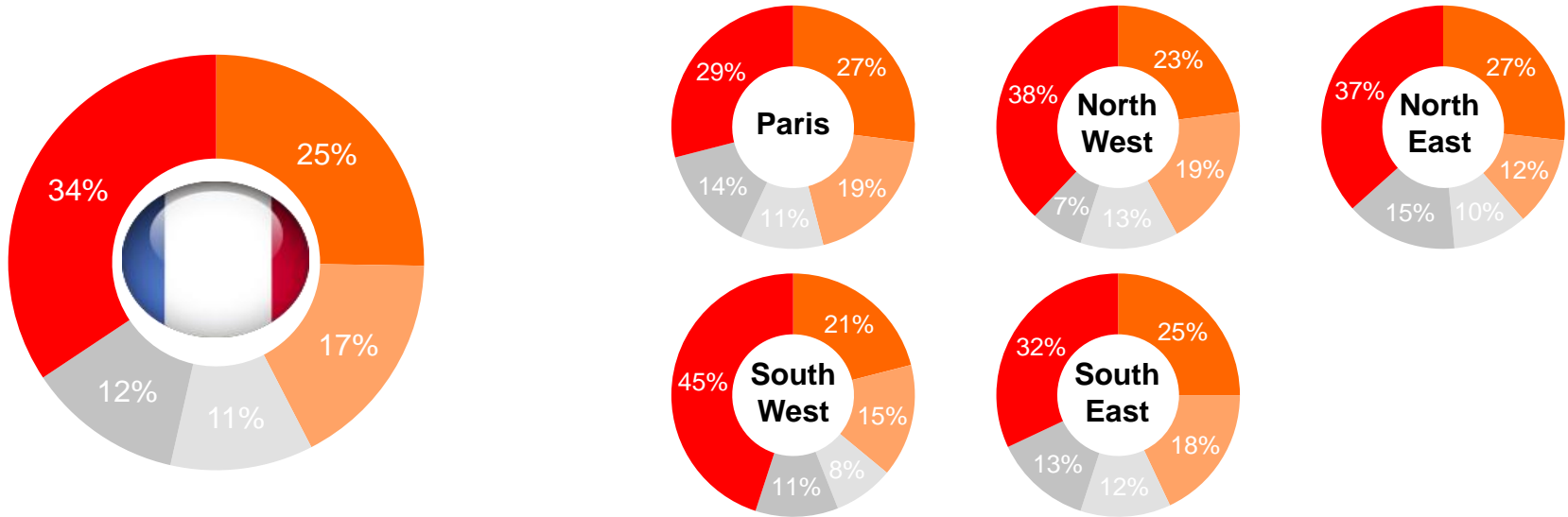
Over half of French SMEs that do not export have never received any exporting advice

Sources of advice on exporting to other countries



The majority of French SMEs interested in exporting would like more advice and support to help them optimise their export potential

Is there sufficient advice and support available to optimise international success?

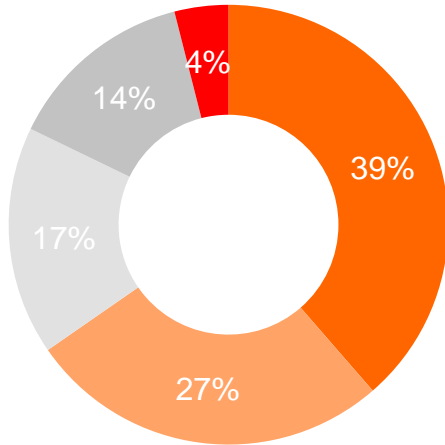


No further support required
Adequate support, could do with more
Support could be more easily accessible
Do not have support needed to proceed
No plans to export

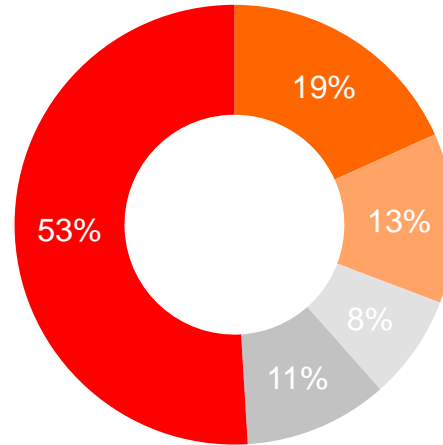
58% of exporting SMEs would like further advice and support compared with only 32% of SMEs that do not currently export

Is there sufficient advice and support available to optimise international success?

SMEs that currently export



SMEs that do not currently export



No further support required

Adequate support, could do with more

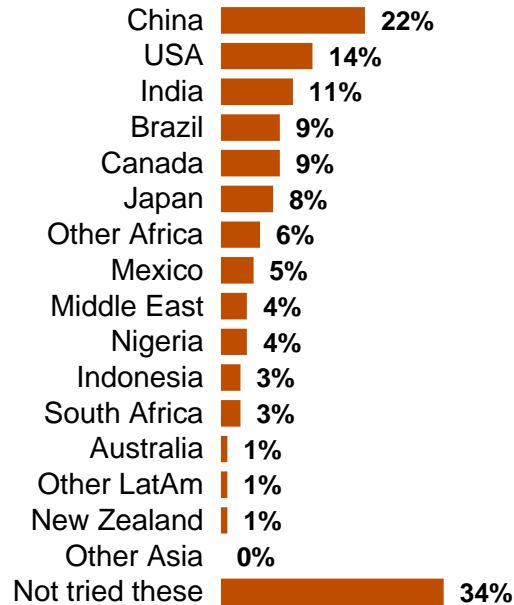
Support could be more easily accessible

Do not have support needed to proceed

No plans to export

China and USA are seen as the toughest export markets by French SMEs; a third have not tried exporting to any of these global markets

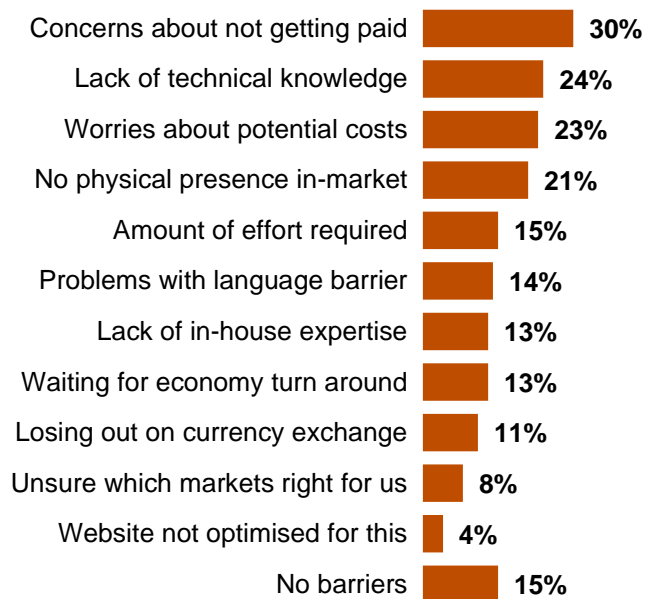
Markets found most challenging to export to



	Paris	North West	North East	South West	South East
China	20%	14%	41%	27%	17%
USA	13%	9%	9%	20%	20%
India	13%	5%	23%	13%	5%
Brazil	7%	9%	14%	13%	10%
Canada	7%	9%	9%	0%	15%
Japan	4%	0%	5%	13%	17%
Other Africa	7%	9%	5%	7%	5%
Mexico	2%	5%	9%	0%	10%
Middle East	4%	5%	9%	7%	2%
Nigeria	2%	5%	9%	7%	2%
Indonesia	2%	0%	9%	7%	2%
South Africa	0%	0%	9%	0%	5%
Australia	0%	0%	5%	0%	2%
Other LatAm	2%	0%	0%	0%	0%
New Zealand	0%	0%	5%	0%	0%
Other Asia	0%	0%	0%	0%	0%
Not tried these	35%	45%	36%	27%	24%

Payment concerns, lack of technical know-how and worries about cost are the top concerns among SMEs that currently export

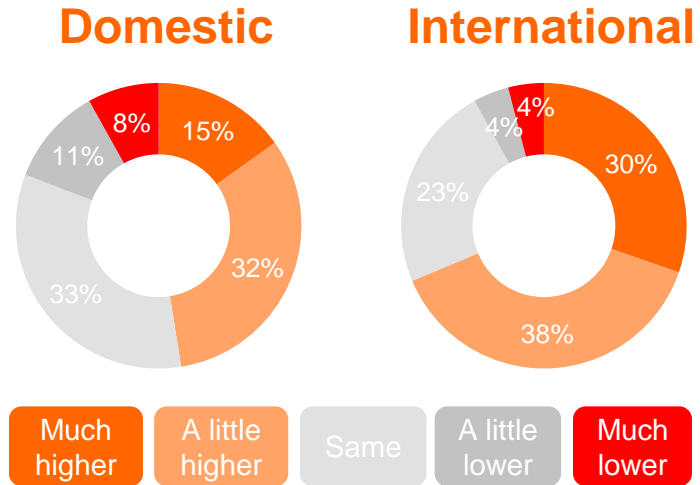
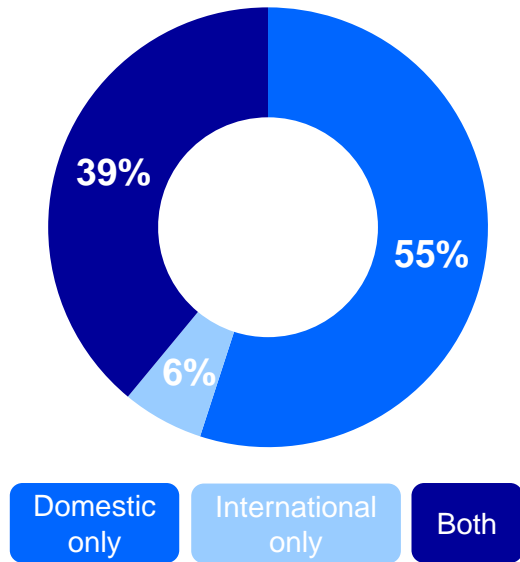
Barriers encountered when exporting to other markets



	Paris	North West	North East	South West	South East
Concerns about getting paid	29%	32%	27%	13%	37%
Lack of technical knowledge	18%	18%	27%	27%	34%
Worries about potential costs	33%	14%	14%	20%	22%
No presence in market	22%	23%	27%	27%	15%
Amount of effort required	15%	18%	5%	20%	17%
Problems - language barrier	15%	14%	14%	13%	15%
Lack of in-house expertise	11%	5%	27%	7%	17%
Waiting for economy	15%	9%	18%	0%	12%
Losing out on currency	11%	14%	9%	7%	15%
Unsure which markets right	4%	5%	9%	7%	15%
Website not optimised for this	5%	0%	9%	0%	5%
No barriers	18%	14%	9%	20%	10%

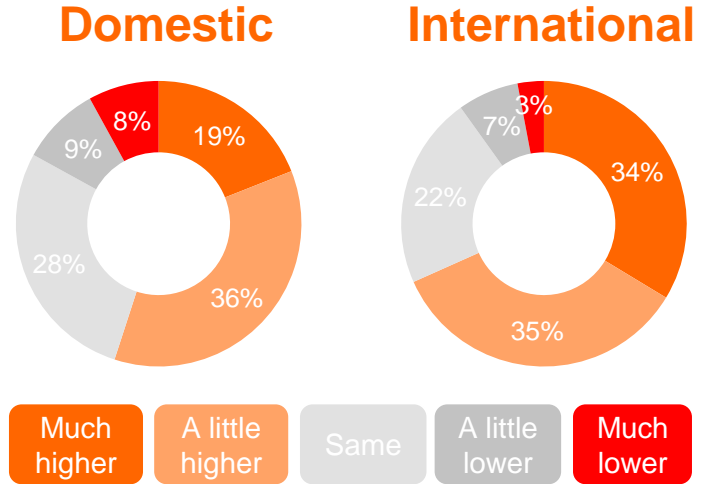
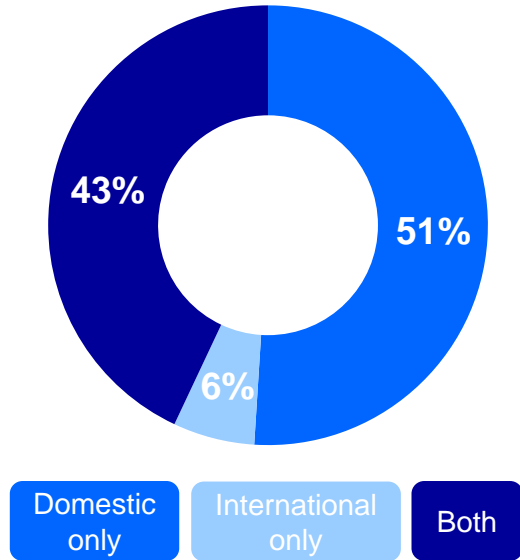
45% of French SMEs believe they will be trading internationally in 5 years' time – an increase of 7% on the current position

Where company revenue will be generated in 5 years' time



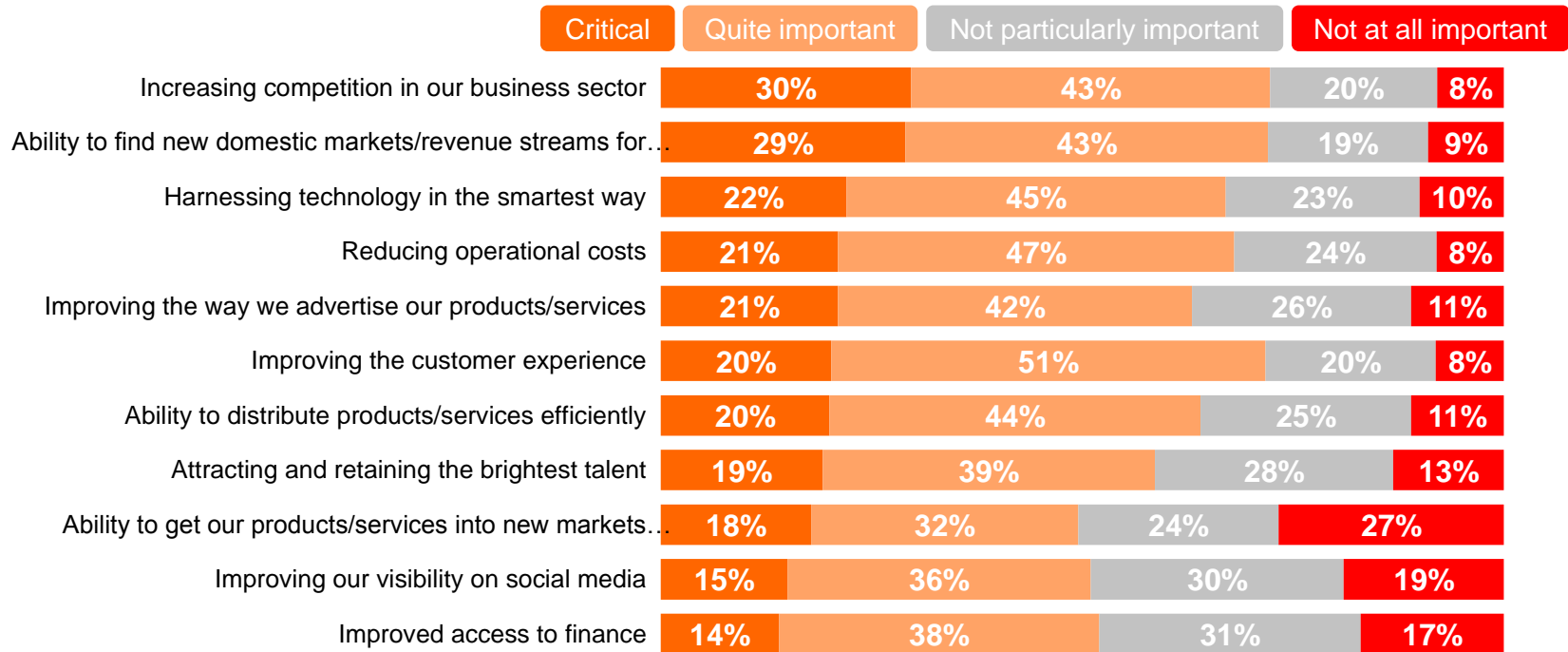
And 51% do not see any import potential for their business even in 10 years' time

Where company revenue will be generated in 10 years' time



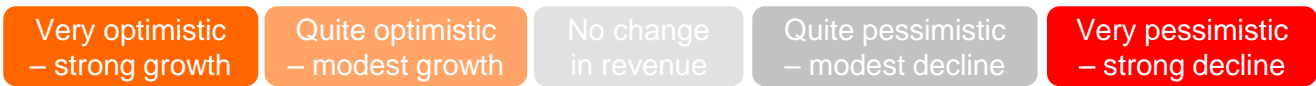
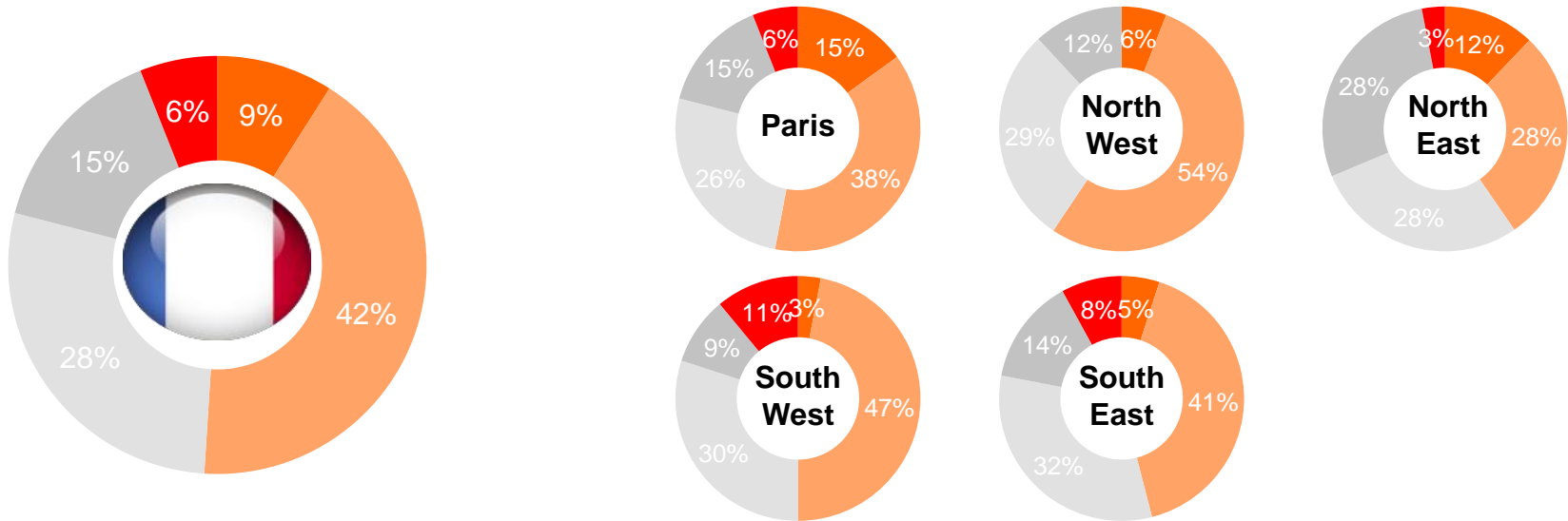
Increased competition and finding new domestic revenue streams are seen as the most critical challenges (exporting way down the list)

Opinion of business challenges in the year ahead



French SMEs are quietly optimistic about the year ahead in terms of revenue growth

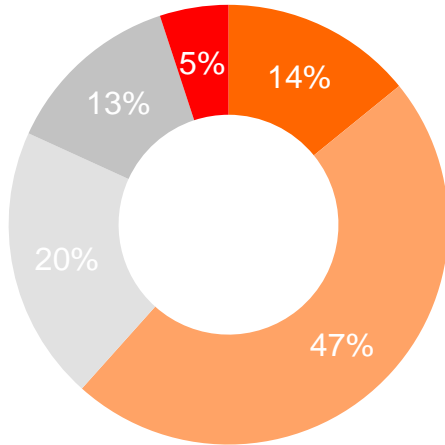
Level of optimism for business for next year



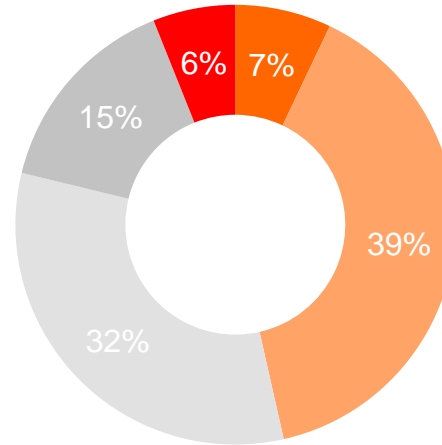
French SMEs that export are significantly more optimistic about short-term business prospects than those that do not export

Level of optimism for business for next year

SMEs that currently export



SMEs that do not currently export



Very optimistic
– strong growth

Quite optimistic
– modest growth

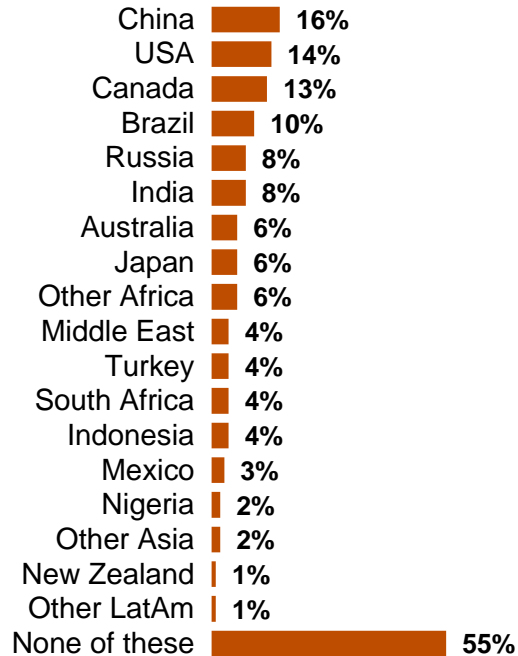
No change
in revenue

Quite pessimistic
– modest decline

Very pessimistic
– strong decline

China, USA and Canada are perceived as having greatest potential for exports by French SMEs

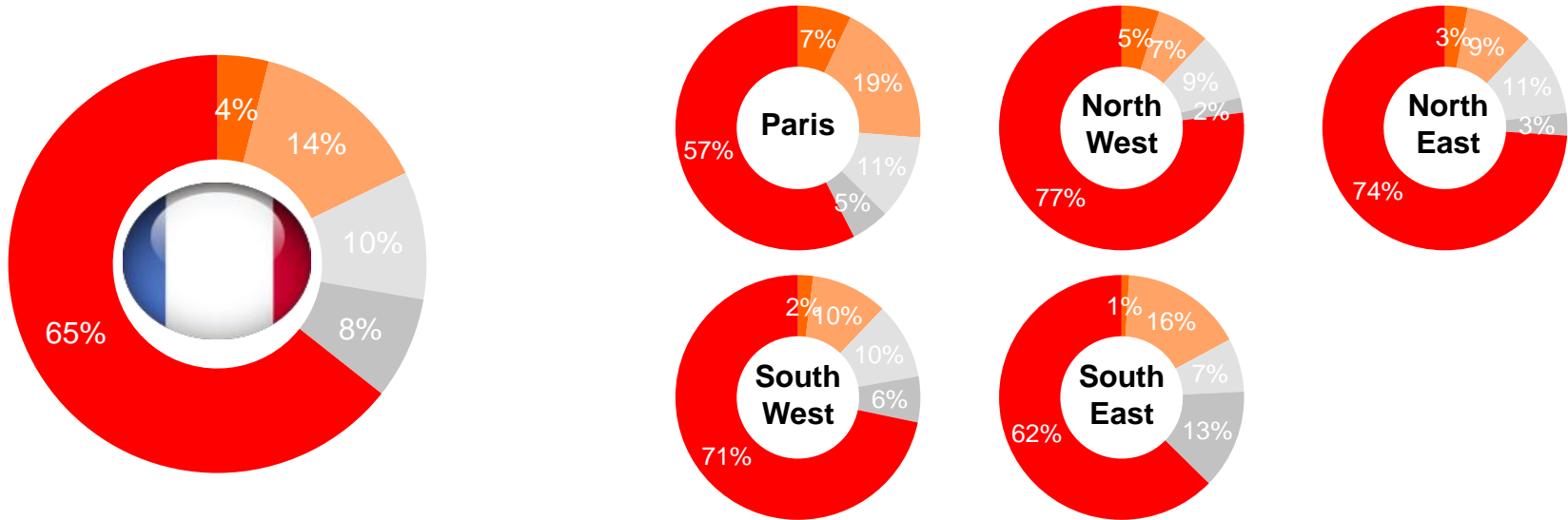
Global markets seen as having growth potential for exports



	Paris	North West	North East	South West	South East
China	18%	10%	13%	14%	18%
USA	15%	13%	12%	12%	15%
Canada	13%	13%	7%	21%	11%
Brazil	12%	6%	5%	9%	12%
Russia	12%	4%	7%	3%	9%
India	8%	6%	17%	6%	7%
Australia	7%	4%	8%	8%	4%
Japan	7%	3%	7%	8%	4%
Other Africa	9%	7%	3%	5%	3%
Middle East	8%	3%	3%	2%	3%
Turkey	4%	4%	3%	2%	5%
South Africa	5%	1%	5%	5%	4%
Indonesia	5%	1%	5%	3%	4%
Mexico	5%	3%	2%	2%	3%
Nigeria	2%	1%	2%	5%	2%
Other Asia	3%	1%	2%	2%	1%
New Zealand	2%	1%	2%	2%	1%
Other LatAm	1%	0%	2%	2%	1%
None of these	50%	58%	67%	61%	53%

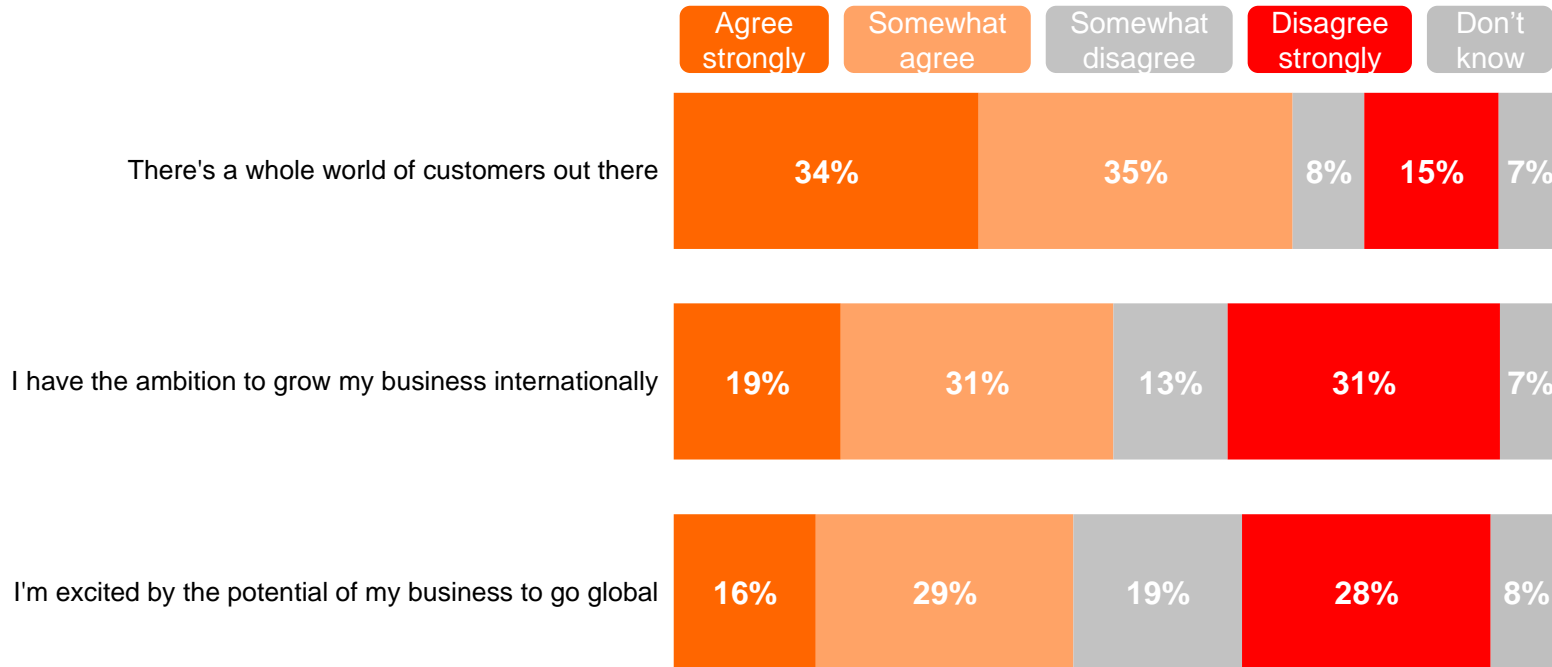
Two-thirds of French SMEs that do not currently export are never likely to do so; only 18% will begin in the next 3 years

Plans for trading internationally among SMEs that do not currently export



Whilst most French SMEs agree there is a whole world of customers out there, attitudes towards actually 'going global' are more polarised

Opinions about 'going global'

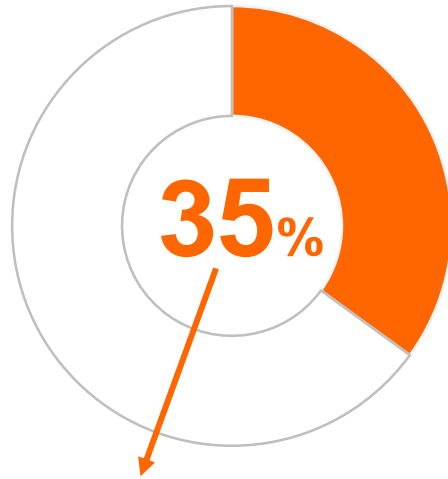




Imports – FRANCE

A similar proportion of French SMEs import as export – whilst there is some overlap, these are not always the same companies

What % SMEs import from other countries?



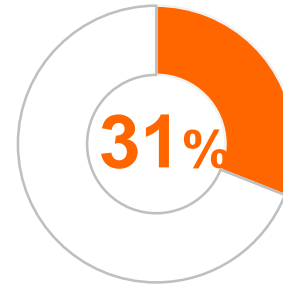
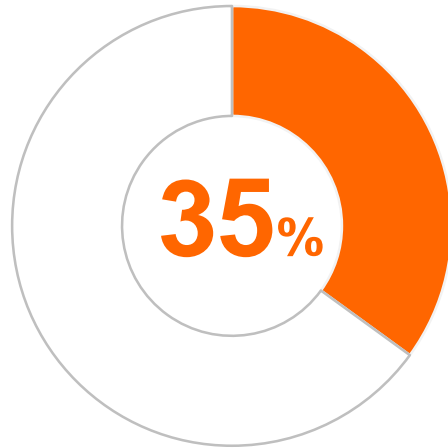
52% among SMEs that export
27% among SMEs that do not export



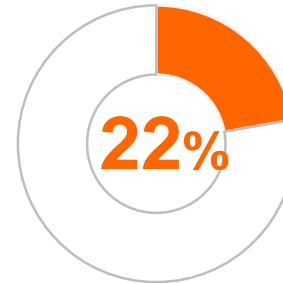
Base: Total sample (n=502)

Most French SMEs that import do so from other Europe countries whereas fewer import from outside Europe

What % SMEs import from other countries?



Within Europe

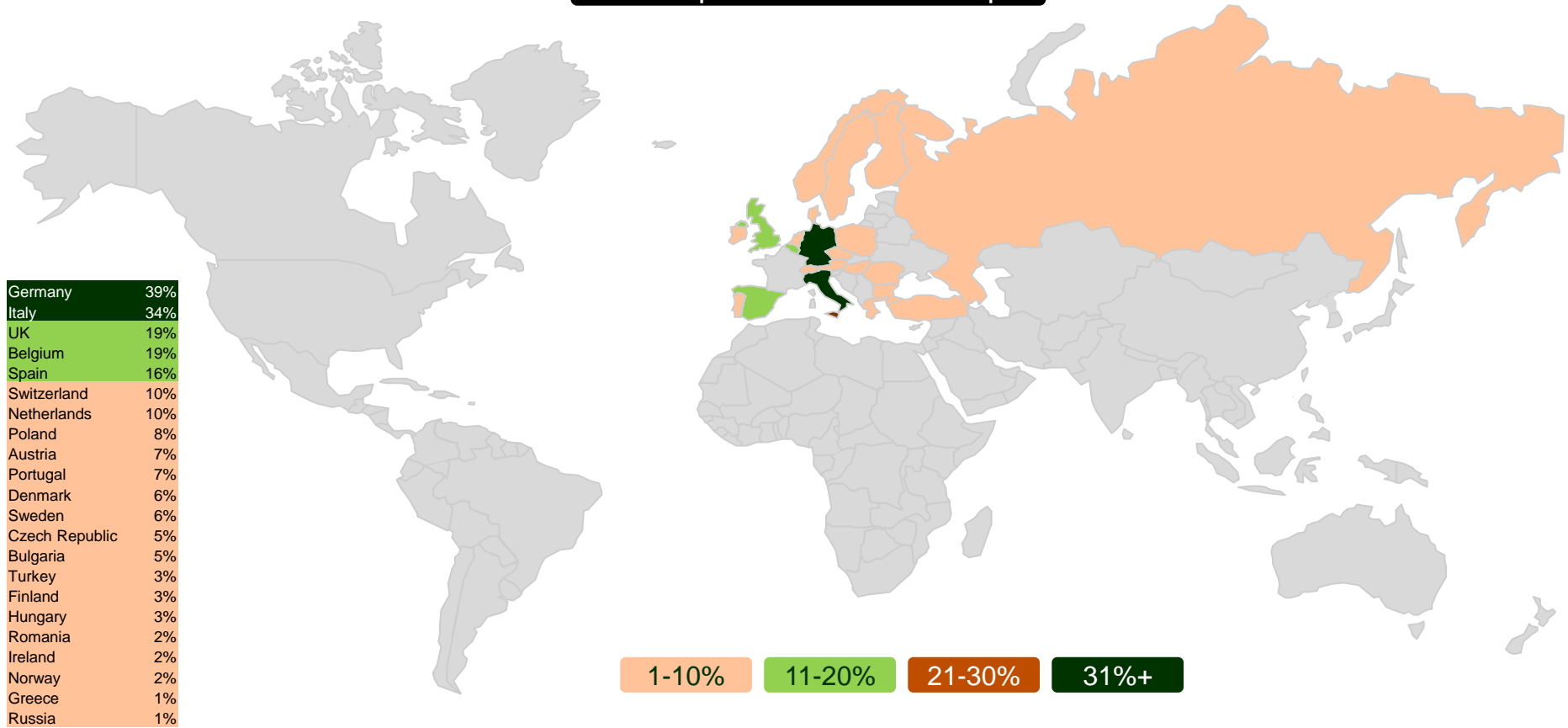


Outside Europe

Base: Total sample (n=502)

Germany and Italy are the top European markets from which French SMEs import produce

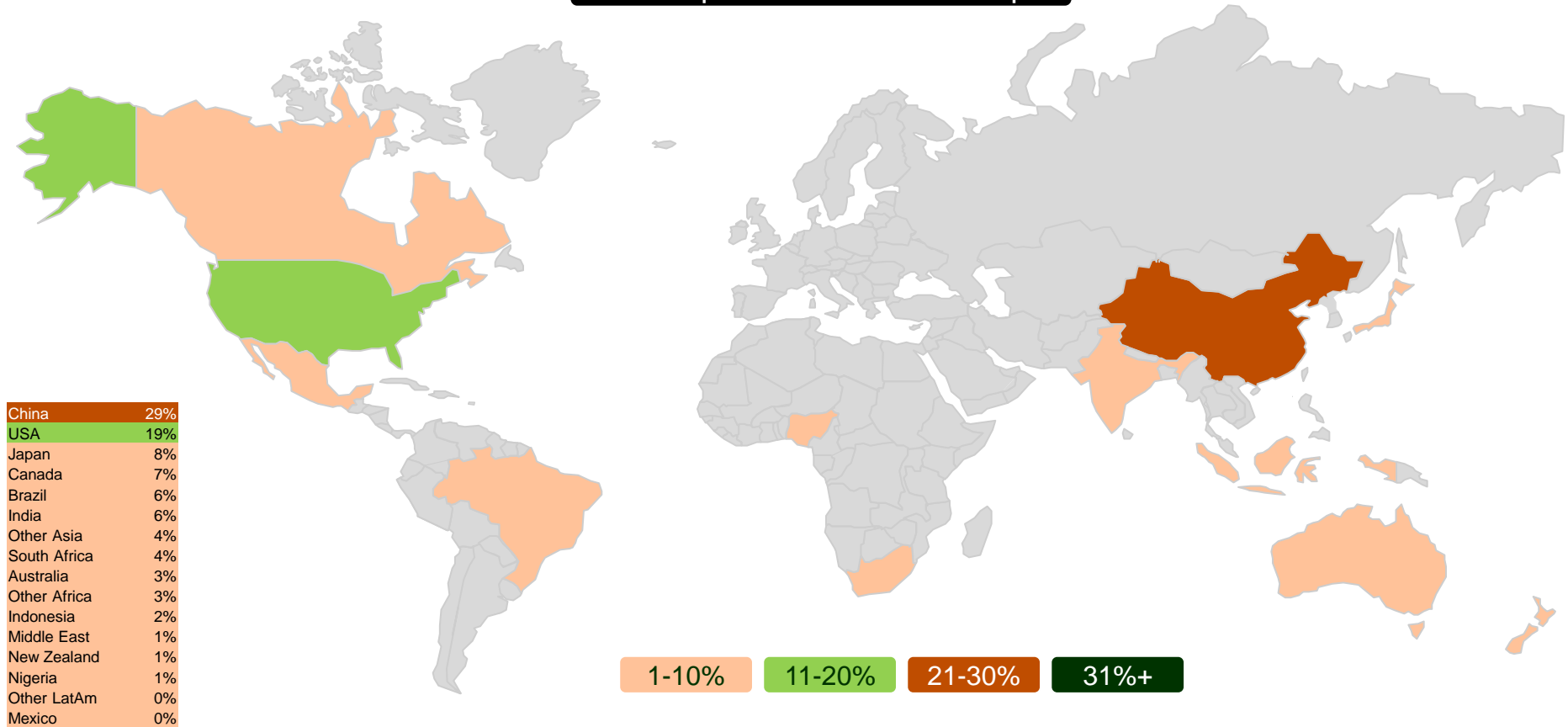
88% import from within Europe



Base: Companies that import (n=177)

China is comfortably the top import market for French SMEs followed by the USA

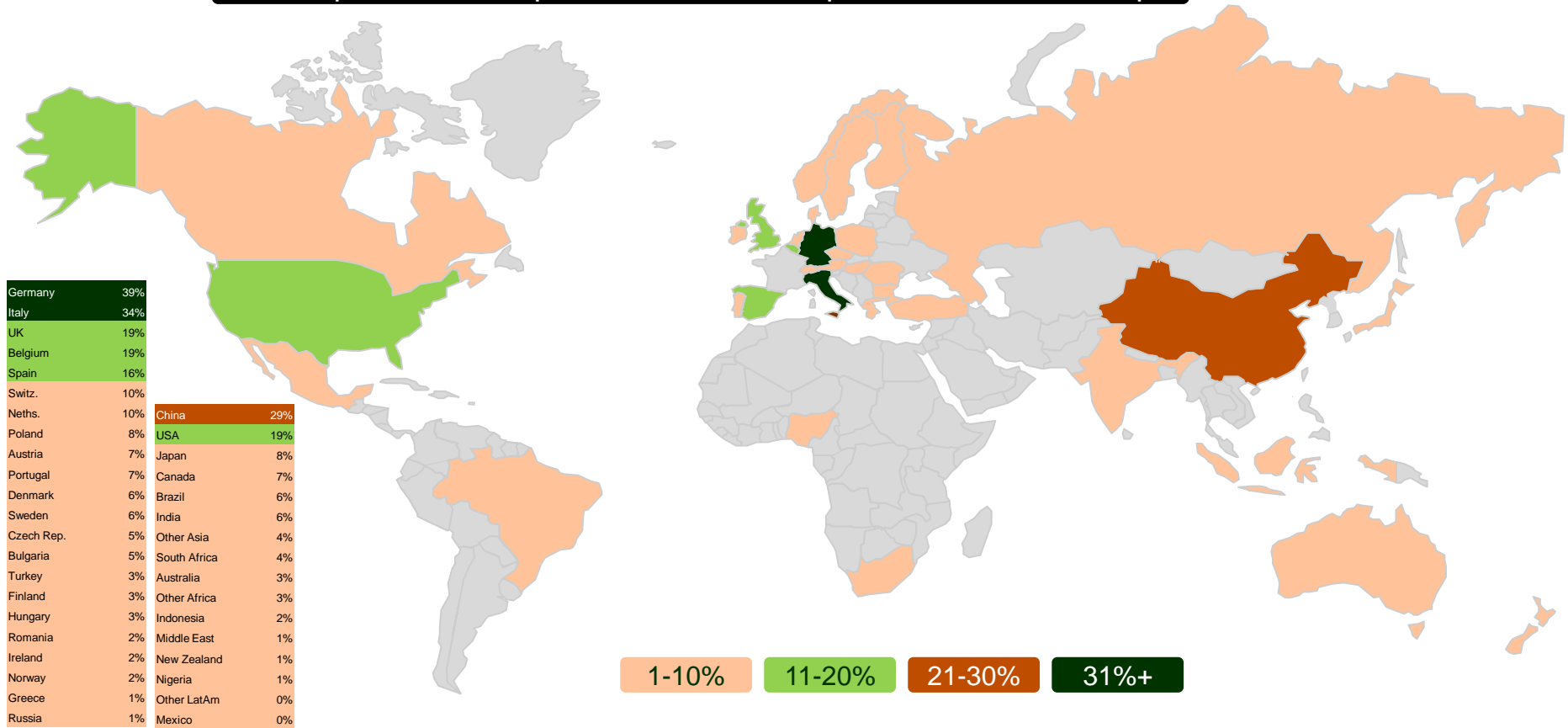
63% import from outside Europe



Base: Companies that import (n=177)

French SMEs are most likely to import goods from Germany, Italy and China

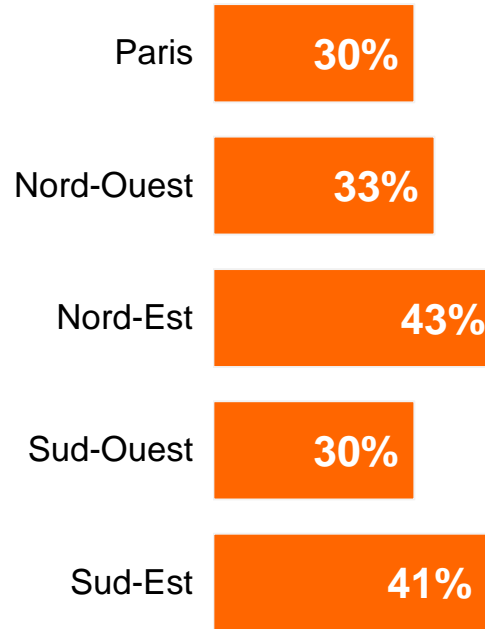
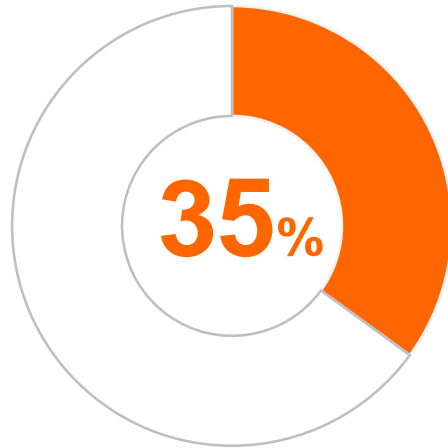
88% import from Europe countries, 63% import from outside Europe



Base: Companies that import (n=177)

SMEs in the North East region are most likely to import produce from other markets

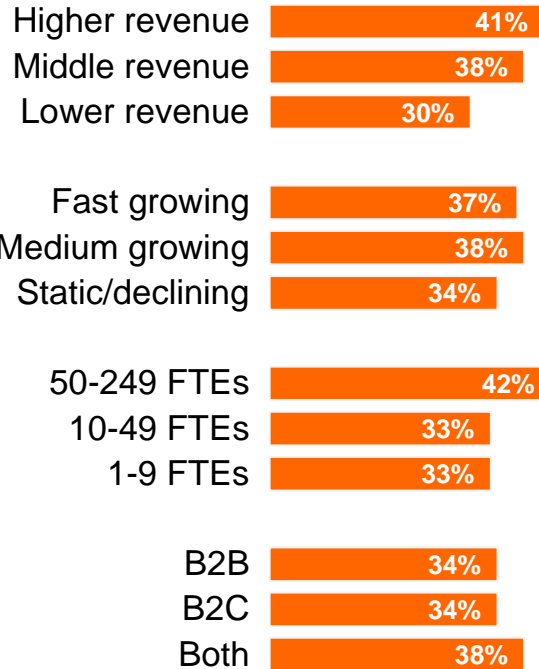
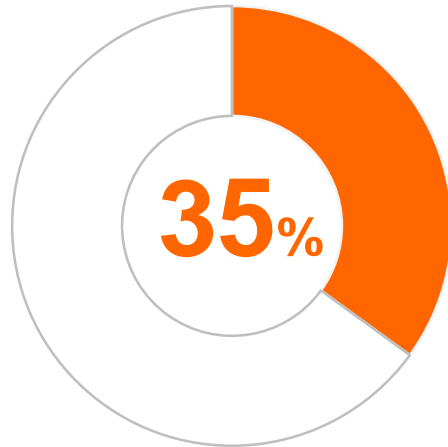
What % SMEs import from other countries?



Base: Total sample (n=502)

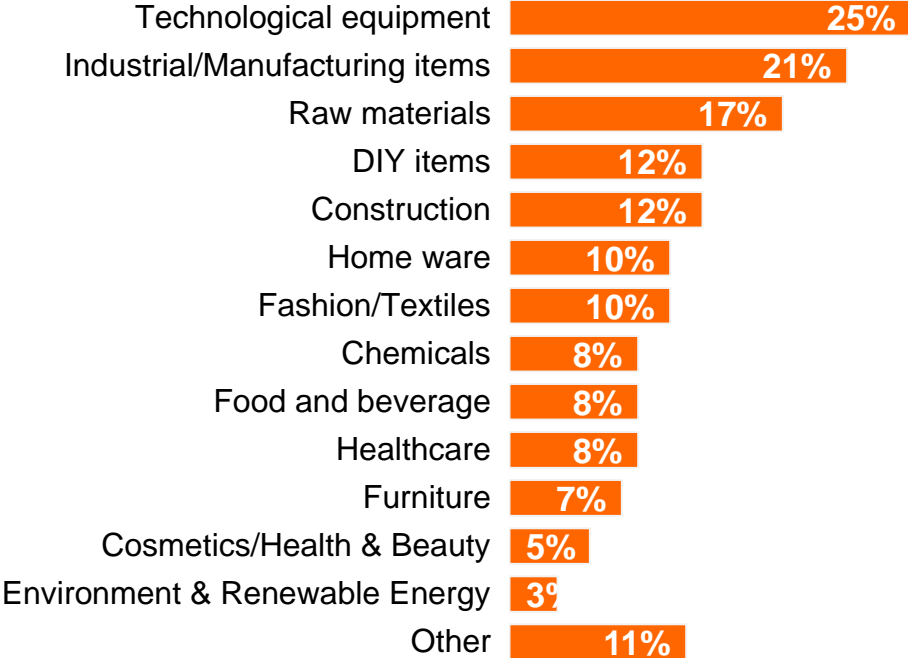
Larger French SMEs are most likely to import produce but importing is not an indicator of economic growth

What % SMEs import from other countries?



French SMEs import a range of produce including technological equipment, manufacturing items and raw materials

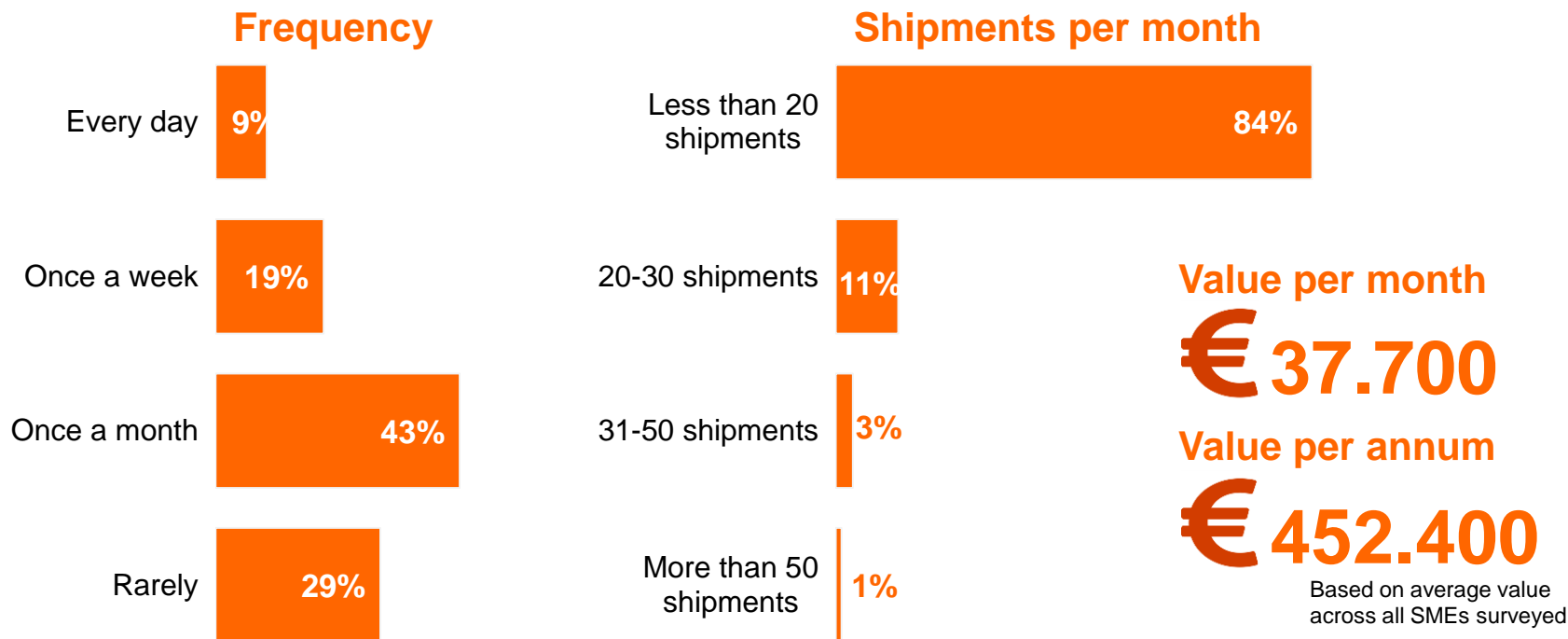
Produce imported on a regular basis from any other markets



Base: Companies that import from any markets (n=177)

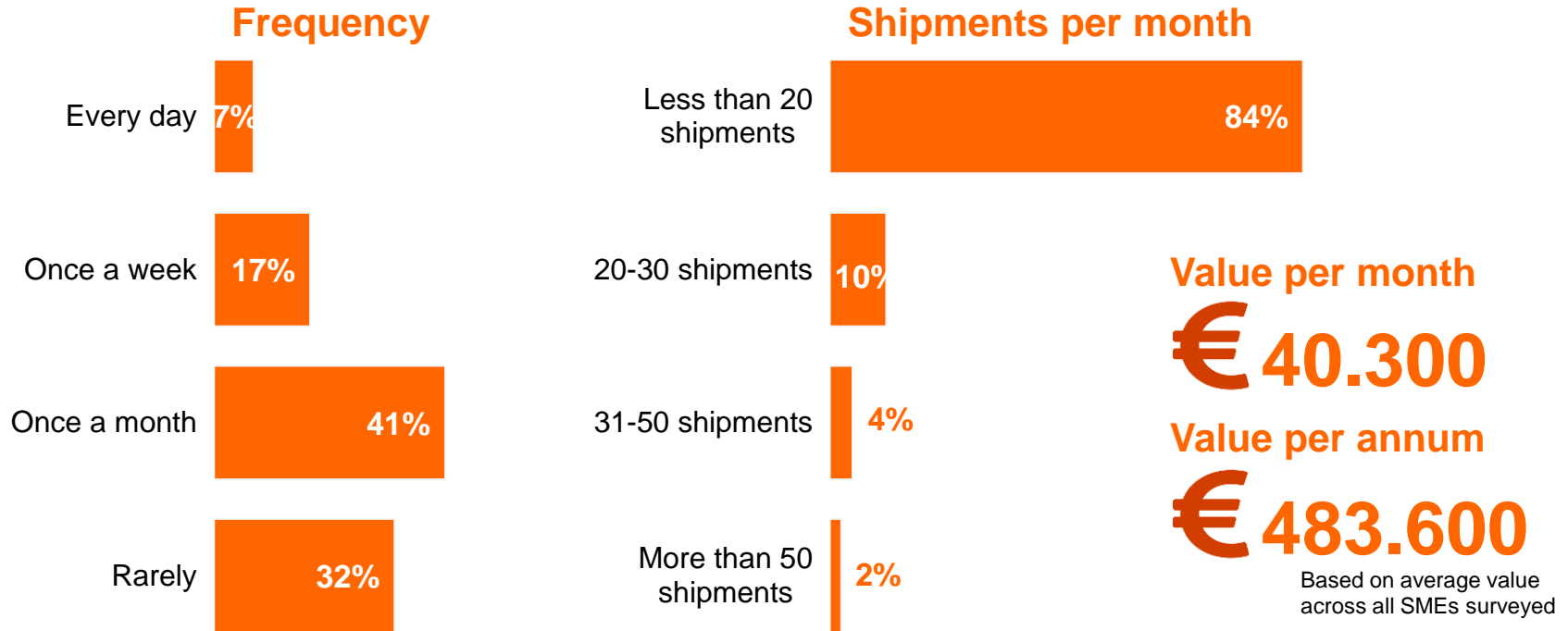
French SMEs import infrequently from Europe and the total annual value is around €130K lower than the equivalent figure for exports

Import statistics - European markets



However, the average annual value of non-European market imports is slightly higher than the equivalent figure for exports (+€16k)

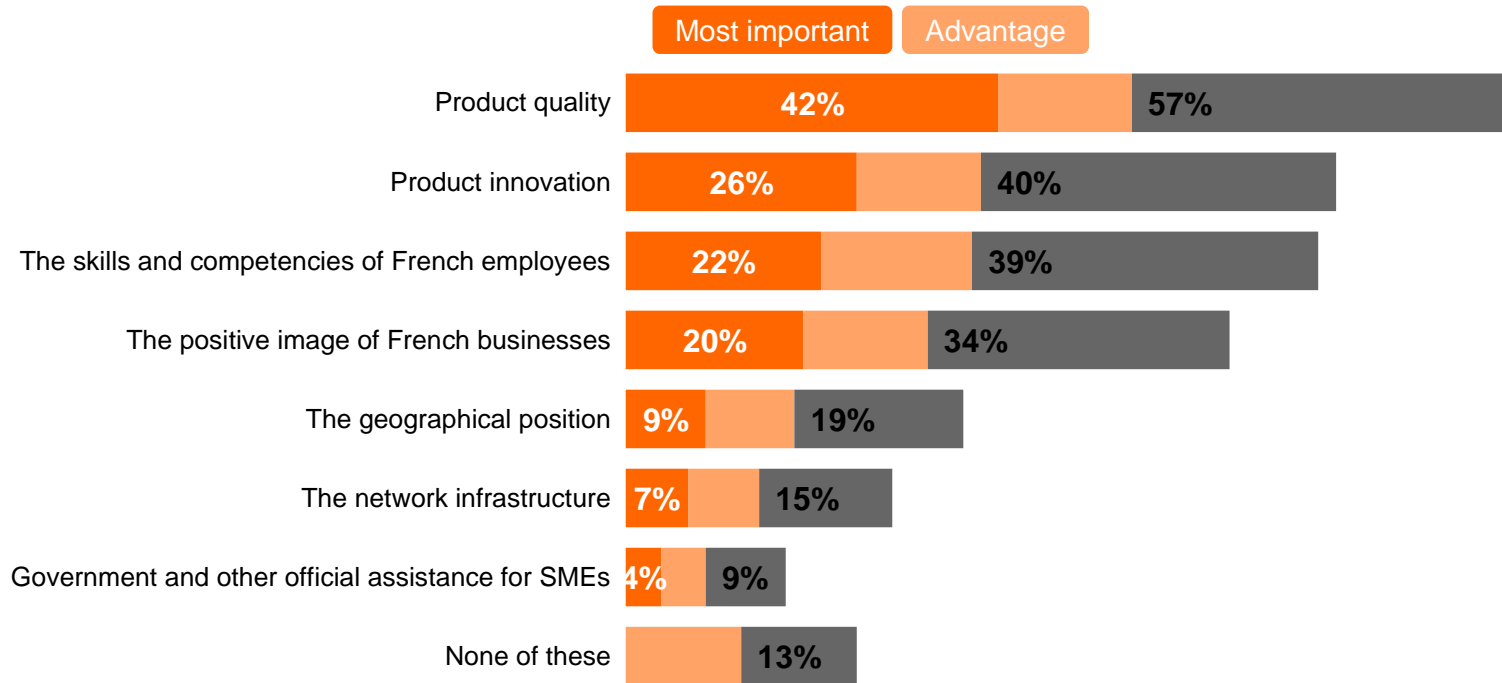
Import statistics – non-European markets



Country specifics

Product quality stands out as the key advantage French SMEs perceive they have in the export process

Perceived advantages for French SMEs in the export process

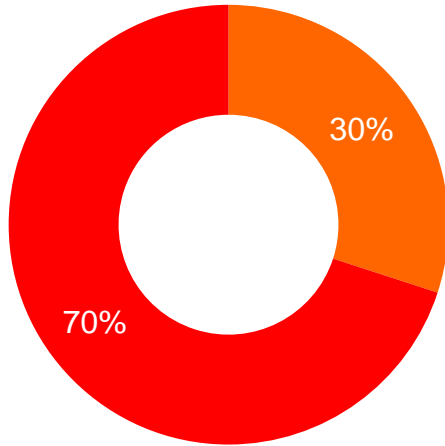


Base: Total sample (n=502)

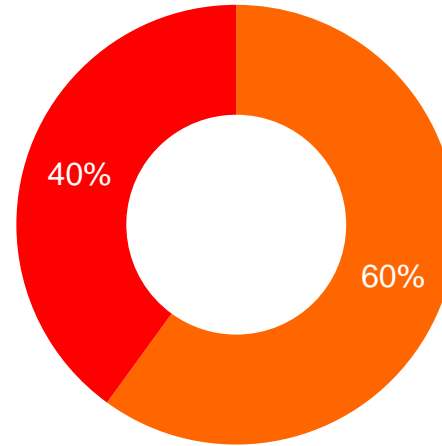
3 out of 10 French SMEs offer digital services to customers and the majority of these (60%) consider these to be exportable services

Digital services

Whether offered to customers



Whether considered to be exportable



Method & Sample

An online methodology was deployed to interview senior executives, familiar with their company's approach and attitude towards exporting. Businesses that do not export were included alongside businesses that do currently export – there were no 'screen-outs':

A broad cross-section of 502 French SMEs was interviewed:

Total sample	Paris	Nord-Ouest	Nord-Est	Sud-Ouest	Sud-Est	Micro (1-9 FTEs)	Small (10-49 FTEs)	Medium (50-249 FTEs)
502	167	69	60	66	118	229	152	121

All interviews were undertaken by Harris Interactive and took place between March 18-27th, 2015.



About FedEx Express

FedEx Express is the world's largest express transportation company, providing fast and reliable delivery to more than 220 countries and territories. FedEx Express uses a global air-and-ground network to speed delivery of time-sensitive shipments, by a definite time and date with a money-back guarantee.

About FedEx Corp.

FedEx Corp. (NYSE: FDX) provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of \$47 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 325,000 team members to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities. For more information, visit news.fedex.com.

www.fedex.com