COUNTRY FACT SHEET: # France

General information

Capital: Paris

Surface area: 551,500 sq. km

Official language(s): French

Currency: Euro

Trading language(s): French

Population: 66 million (2014)

Unemployment rate: 10% (2013)

Households: 28 M (2013)

Average household size: 2.2 (2013)

Key macroeconomic indicators

- GDP growth : +0.8%, June 2014
- Food price inflation : 1.1% 2013
- Purchasing power: -0.5% (Q2 2013)

Food industry structure

- The food sector is the **N°1 industry in France -** Food is an important part of French life style
- France is n°1 in the European Market for Grocery Retail market (208 €Bn)
- 15 000 food companies - 97% of which are SMEs

Grocery retail structure

- 1 400 Hypermarkets, 4 300 Supermarkets, + 9 000 Convenience stores & 4 700 Hard Discount Stores
- Market Share (YoY -Dec 2013): Leclerc: 19.4%, Carrefour HM/SM:18.5%, Intermarché:13.1 %, Groupe Auchan: 8.4%, Système U: 9.9%, Groupe Casino 8.4%.
- After a strong development of HD**,** their MS is slightly decreasing (12,2% in 2013 vs 14,1% in 2009)
- Food products represented 76% of hypermarkets overall value sales and 90% of supermarkets
- Price positioning 2014: Fierce battle to be n°1 between Leclerc and Carrefour.
- Increase in investment in smaller formats as consumers looking for convenience when purchasing groceries.
- Private label (Dec 2013) represents 36% of market share in average, depending on food categories

Major grocery retailers

Group	**No. of stores**	**TOTAL turnover in France (in billion EUR)**	**Market share (%)**	No. of depots	Positioning
A CARREFOUR	231HM 936SM	86.6	19.8	2 to 12	Leader : repositioning on Price + Products
B LECLERC	573HM 56SM	43.7	18.4	16	Price – independent stores
C INTERMARCHE	84HM 1363SM	39.1	14.4	2 to 8	Price – rural – strong PL
D SYSTEME U	65HM 741SM	23.2	10.8	2 to 28	Focus on Private Label
E AUCHAN	137HM	46.9	7.9	1 to 14	Large HM - Choice = large ranges

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Compiled by Green Seed France www.greenseedfrance.fr
June 2014 *Sources : Lineaires- INSEE – DataMonitor 2013/2014*
In collaboration with the Flemish government and Flanders Investment & Trade

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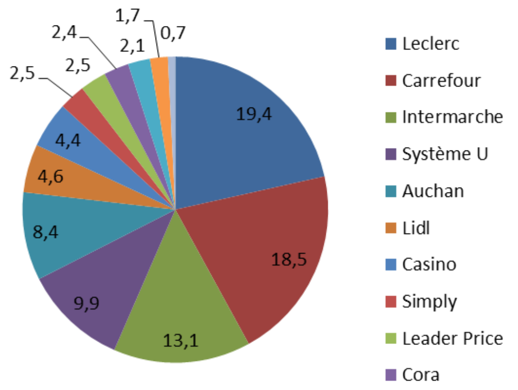

Market Share per retailer YoY *2013*

Foodservice structure

- Horeca: numerous individual operators
- 2 major distributors (Pomona, Brake) providing large ranges + distributors specialized in various products (Davigel, Transgourmet etc.)
- Many hotels chains (Mercure, Etap Hotel …) and restaurants chains (Buffalo Grill, Mac Do, Pizza Hut…)

Main food shows

- SIAL in Paris, every 2 years in October, international food trade
- SIRHA in Lyon, every 2 years in January, Food service
- Sandwich and Snack Show in Paris, each year in March

Main trade magazines

- LSA : weekly – retail – circulation 31,000 copies
- Linéaires : weekly – retail and Distribution focused – circulation 12,500 copies
- Point de ventes : every other Monday – circulation 13,800 copies

Consumer behaviour today & expected food trends – Opportunities for French food exporters

- **Healthy eating & nutritional** products: development of products offering well being, balanced diets, healthy positioning, gluten-free …
- **Convenience :** covering all categories of products, Convenience is an in-depth trend which can revolutionize a market (E.g. : lunch boxes for the Ready meals category)
- **Organic market** represents 5% of the food market, still growing: +2% in 2012
- **Natural products** are a growing trend. Consumers are demanding products which promote simple manufacturing processes along with a simple marketing message.

EVALUATION OF MARKET AND OPPORTUNITIES

- France is the largest food market in Europe
- France is a complicated market which offers numerous opportunities, either in retail or food service, for brands or private labels
- Specific French law (LME) regulates relationship between retailers and manufacturers = a good preparation is needed to enter the French market
- French buyers are open to products from abroad as long as they bring something new to the category
- Huge potential in retail which is very centralized (7 major players)
- Purchasing/logistics are very efficient
- Buying process is often very long, patience and persistence will be key

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