Business Climate Survey France

Business Climate Survey France 2026

A report from Team Sweden in France

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88 respondents

(total +2,250 respondents for 41 markets)

Current business climate

Positive view on the current global business climate on the rise

Industry turnover

60%

of Swedish companies expect their industry turnover to increase

Future investments

40%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

1. Sales competence
2. Cost efficiency
3. Partnerships/local relationships

Brand Sweden

74%

of Swedish companies in France consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Physical infrastructure
2. Suppliers
3. Personal safety

Local conditions with least satisfaction

1. Labour market regulations
2. Corporate tax
3. Business mindset

Environmental considerations

73%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

Corruption

Risk considered very low

Human rights violation and labour rights abuse

Risk considered very low

Foreword

With a population exceeding 69 million, France remains the second-largest economy in the European Union and the seventh-largest in the world. It continues to be a key trade partner for Sweden, and the commercial ties between our countries remain strong. France is currently Sweden's 10th-largest export market and 10th-largest import source, underscoring the importance of this partnership in an increasingly complex global landscape.

In 2025, France recorded modest growth, with GDP increasing by 0.9 per cent, below the European average of 1.6 per cent. According to the European Commission, economic and political uncertainty, combined with fiscal consolidation, weighed on domestic demand and overall economic activity. Despite this subdued macroeconomic backdrop, France continues to demonstrate remarkable resilience as an investment destination. Over the period 2021–2025, France ranked as the fourth-largest destination in the world for industrial investment, behind only the United States, China, and India, according to the Trendeo barometer, the CESI Institute for Reindustrialisation, and McKinsey, a testament to the country's enduring appeal. From a Swedish perspective, investment activity in France remained solid, even as it moderated from the previous year's elevated level. In 2025, 29 Swedish investment project decisions were recorded, compared to 43 in 2024, of which 26 led to the creation of 558 jobs. Approximately 450 Swedish companies have established local operations in France, employing over 95,000 people, underscoring France's significance as a key European market for Swedish trade and investment.

Key findings of the Business Climate Survey France 2026 reflect a more challenging environment for Swedish companies operating in France. The share of companies reporting profitable financial performance declined to 59 per cent, down 13 percentage points from the previous year. Both the survey and qualitative data present possible reasons for this, such as domestic political instability and geopolitical tensions, in which companies view the market as a bit of a wait-and-see state.

This report is part of Team Sweden's global series of Business Climate Survey reports, conducted yearly by Business Sweden and Swedish Chambers International. This year's report covers 41 markets worldwide. The survey provides insights into how Swedish companies view their local market environments, and this French edition specifically sheds light on the views, performance, and outlook of Swedish firms operating in France.

We would like to sincerely thank all companies and partners who contributed to this year's report. We remain committed to supporting Swedish companies' continued success in France and to promoting trade and business development between our two countries

Caroline Vicini
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Country Manager, Business Sweden in France

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Executive summary

The Business Climate Survey in France is part of the global Business Climate Survey conducted in 41 markets worldwide and aims to deepen the understanding of the French business climate from the perspective of Swedish companies and their subsidiaries in France. This year's survey collected answers from 88 local executives representing Swedish companies in France.

During 2025, Swedish companies in France navigated a more demanding environment amid modest GDP growth, global trade tensions, and ongoing domestic political uncertainty. 59 per cent of respondents described their financial performance as profitable in 2025, down 13 percentage points from the previous year. Despite this, forward-looking indicators remain broadly encouraging: 60 per cent of respondents expect turnover in their industry to increase over the coming 12 months, broadly in line with last year's results, while the share expecting a decline fell significantly, from 24 per cent in 2025 to 15 per cent in 2026. Investment confidence has strengthened notably, with 40 per cent of Swedish companies planning to increase their investments in France over the next 12 months, up 14 percentage points from last year.

The overall perception of the business climate has edged upward, with 67 per cent of respondents holding a neutral to good/very good view of conditions in France (49 per cent neutral and 18 per cent good/very good), with an increase for good/very good of four percentage points since last year. This suggests that the pessimism observed in last year's survey may have bottomed out, even as underlying growth remains subdued.

A minority of Swedish companies encounter trade barriers in France that negatively affect their operations. Regulation is cited as the most challenging factor, with 25 per cent of respondents identifying it as a barrier — returning to 2024 levels after a brief decline in 2025. Corporate taxation and labour market regulations continue to receive the lowest satisfaction scores among assessed business environment factors. This can be contrasted with survey results pointing to factors conducive to business operations, with physical infrastructure, personal safety, and access to suppliers and service providers consistently scoring highly.

For the sixth year in a row, the vast majority of Swedish companies in France are primarily engaged in marketing and sales activities, with 81 per cent reporting this as a core local operation. In line with previous surveys, access to sales competence is ranked as the most important factor for maintaining competitiveness. The Swedish brand remains a valued asset in France, with 74 per cent of participating companies reporting that it benefits their businesses at least partially. France shares many similarities with Sweden in its emphasis on sustainable business conduct. Environmental aspects remain a significant consideration in customers' purchasing decisions, with 73 per cent of respondents indicating that their customers attach value to environmental factors — up slightly from 71 per cent in 2025.

> **“The attractiveness of developing operations in the French market is underpinned by a highly educated workforce and robust support schemes for innovation, particularly in renewable energy.**
>
> **Isaac Junior Pete**
> Chief Operating Officer
> Smartports France

About the survey

A Team Sweden collaboration

The Business Climate Survey is a Team Sweden project based upon a partnership created by Business Sweden and Swedish Chambers International in 2019. This year's survey has been conducted among Swedish companies in 41 markets worldwide. It is an important tool for mapping the opportunities and challenges that Swedish companies face when doing business abroad. Since 2020, the survey has been organised annually to track and analyse market conditions and the performance of Swedish companies abroad. This report presents the results from a French market perspective.

By providing key facts on the French economic outlook, as well as insights into Swedish companies and their success factors in the French market, Team Sweden aims to assist and support institutions, investors and other relevant stakeholders in developing Swedish investments and business activities in France. The survey provides insights into how Swedish companies view their local market environments, and this French edition specifically sheds light on the experiences, performance, and outlook of Swedish firms operating in France. It also contributes to the ongoing dialogue on bilateral trade and cooperation between Sweden and France.

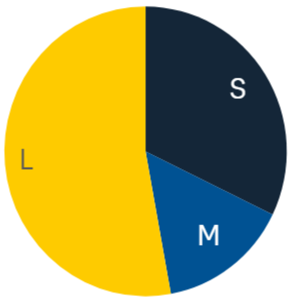
This year, the survey was sent to a sample of 333 local executives representing Swedish companies in France, of whom 88 provided responses. This sample size is representative of Swedish companies in France with a 95 per cent confidence level and a 9 per cent margin of error.

The report is divided into the following sections: Economic Outlook, The Market, How Swedish companies succeed in France, and Acting Sustainably.

The answers were collected between 4 February and 2 March 2026. Interviews were conducted later with selected companies to gain a deeper understanding of the factors behind their survey responses.

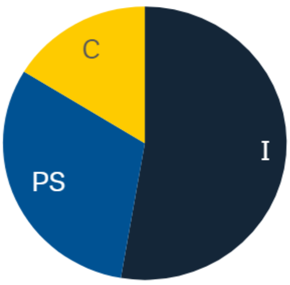
Fifty-three per cent of the survey's respondents represented large companies, 15 per cent were medium-sized companies, and 32 per cent were small companies. Fifty-three per cent of the respondents were from the industrial sector, 31 per cent from the professional services sector, and 16 per cent from the consumer products sector. The majority (66 per cent) of the participants are mature companies that have operated in France for more than 20 years. Twenty-five per cent are experienced companies and 8 per cent are newcomers with only a few years of experience in the French market.

Size of companies



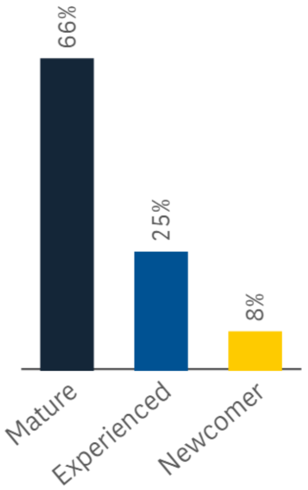
NOTE: Global employees
Large >1,000
Medium 250–1,000
Small 0–249

Main industry



NOTE: Industrial 53%
Professional services 31%
Consumer 16%

Age of companies



NOTE: Mature (-2004)
Experienced (2003-2020)
Newcomer (2021-)

Economic outlook

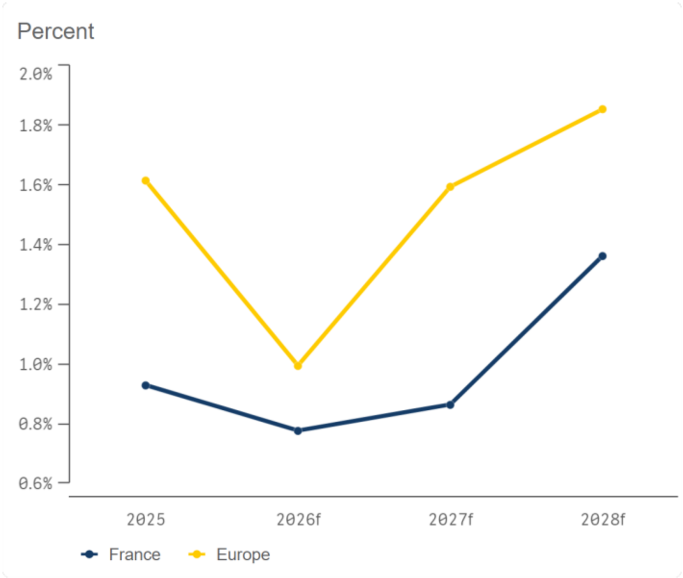
France trails European growth but maintains strong investment appeal

In 2025, France saw limited growth, with GDP increasing by 0.9 per cent. This compares with an annual growth rate of 1.6 per cent in Europe overall, as shown in the graph below. According to the European Commission, economic and political uncertainty, together with fiscal consolidation, weighed on domestic demand and overall economic activity in France.

The outlook for 2026 suggests that the French economy will continue to experience modest growth, with GDP projected to increase by around 0.8 per cent. Activity is expected to pick up slightly to 0.9 per cent in 2027. As shown in the graph below, growth in Europe is projected at 1.0 per cent in 2026. French GDP growth remains below that of countries such as Germany (1.2 per cent), Spain (2.3 per cent) and Sweden (2.6 per cent) according to the European Commission's projections for 2026.

Although France's growth remains modest, the country still ranks as the fourth-largest destination in the world for industrial investment, after the US, China, and India, over the period 2021–2025, according to the Trendeo barometer, the CESI Institute for Reindustrialisation, and McKinsey. According to the EY France Attractiveness Survey 2026, which measures investment activity in 2025, France remained Europe's leading destination for foreign investment projects for the seventh consecutive year. However, overall performance showed signs of pressure, with a notable decline in the number of projects, although France demonstrated relative resilience in employment terms compared to other European countries. Additionally, the latest report concerning foreign direct investments in France by Business France shows that the number of investment projects increased by 2 per cent. At the same time, manufacturing projects rose by 1.5 per cent, excluding retail outlets, supported by France's structural advantages, including a skilled workforce, strong capacity for innovation, and well-developed infrastructure. The number of manufacturing investments continued to grow in 2025, with more than 800 projects in the industrial sector, R&D centres growing by 33 per cent, and as many logistics projects in 2025 as in 2024. Business France also emphasises that 2025 was a historic year for Nordic and Baltic investments in France, with investment projects reaching an all-time high of 155. These investments created or safeguarded 2,309 jobs in France.

Projected GDP growth in France



NOTE: Constant prices
SOURCE: Oxford Economics 20 March 2026, Oxford Economics, European Commission, Business France, Trendeo barometer, the CESI Institute for Reindustrialisation, EY, and McKinsey

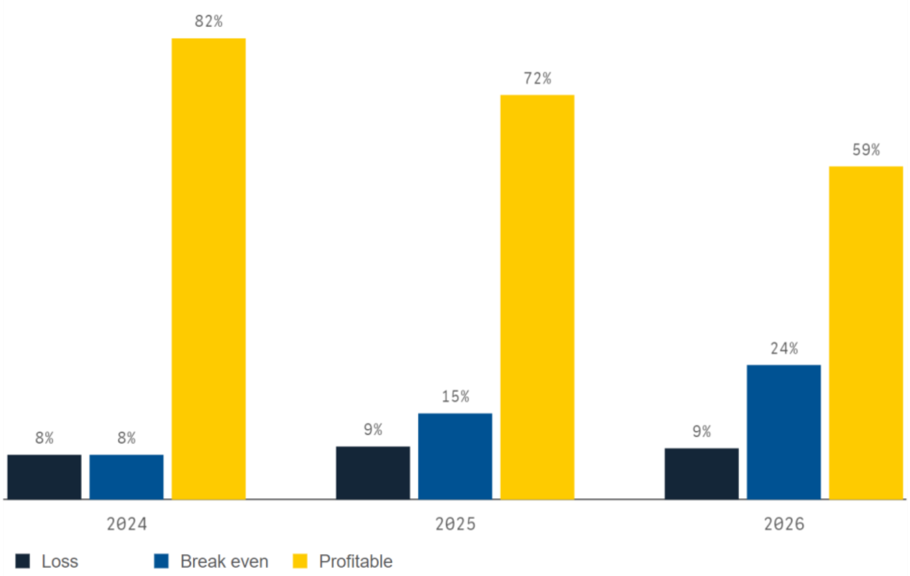
Majority of Swedish companies in France remain profitable despite slowdown

In 2025, 59 per cent of Swedish companies operating in France reported profitable financial performance, a 13-percentage-point decrease from 72 per cent in 2024. Meanwhile, 24 per cent of companies reported a break-even result, while 9 per cent reported a loss, the same as in 2024.

Among the companies reporting profits, 70 per cent were large, 38 per cent medium-sized, and 50 per cent small. Losses were slightly more common among small companies, with 14 per cent reporting losses, compared with 8 per cent among medium-sized companies and 7 per cent among large companies. This suggests that company size influences financial performance and that large companies report profits more frequently, which aligns with last year's results.

Unlike previous years, this year's Business Climate Survey indicates that companies operating in the consumer sector are most frequently described as profitable. A total of 75 per cent of companies in the consumer sector report a profitable financial performance, compared to 72 per cent in the industrial sector and 48 per cent in the professional services sector. Lastly, differences in financial performance can be observed across companies depending on their maturity level. In terms of financial losses, newcomer companies are overrepresented, with 43 per cent reporting losses, compared to 10 per cent of experienced companies and only 4 per cent of mature companies. Conversely, 65 per cent of mature companies reported a profitable financial performance, compared to 62 per cent of experienced companies, while none of the newcomer companies reported profitability.

How would you describe your company's financial performance in France in the past year?



NOTE: The number of respondents for this question was 88. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026, Business France Nordics

High optimism in turnover expectations as fewer companies anticipate decline

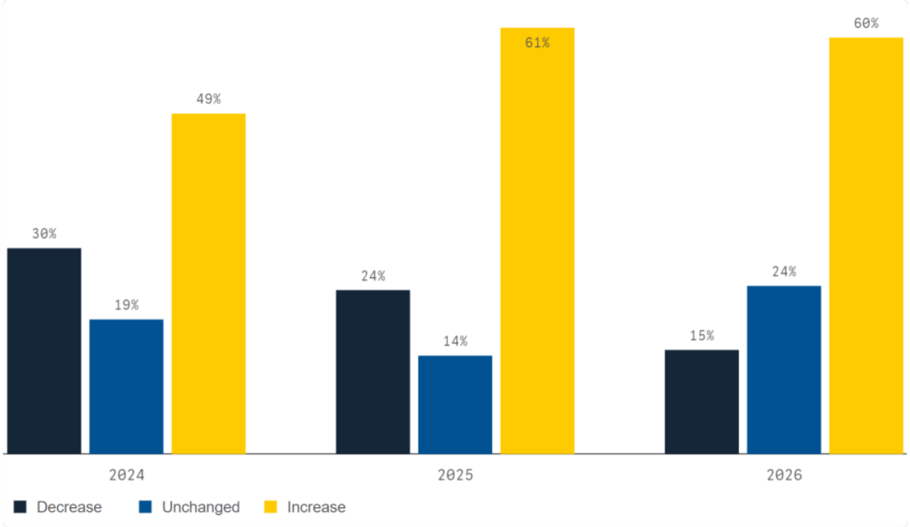
Expectations for industry turnover remain optimistic, with 60 per cent of Swedish companies operating in France expecting an increase in turnover for the upcoming 12 months. This is very similar to the figure in last year's report, where 61 per cent of companies anticipated an increase. Meanwhile, only 15 per cent of companies expect their turnover to decrease, versus 24 per cent in 2025 and 30 per cent in 2024. The decline in the expectation of a decrease reflects a more optimistic view of an unchanged development, from 24 per cent in 2026 to 15 per cent in 2025.

Company size appears to have little impact on expected turnover over the coming months, as similar shares of companies across all size groups anticipate an increase. Around 58 per cent of large companies, 62 per cent of medium-sized companies, and 61 per cent of small companies expect turnover to grow over the next 12 months. Likewise, the share of companies expecting a decline remains comparable across size groups, at 16 per cent for large companies, 15 per cent for medium-sized companies, and 14 per cent for small companies.

Sectoral differences in expected turnover also appear limited, though some variation is evident. Companies in the professional services and industrial sectors report similarly strong expectations, with 64 per cent in both sectors anticipating an increase in turnover, compared to 50 per cent in the consumer sector. At the same time, only 10 per cent of companies in the industrial sector expect a decline in turnover, compared to 18 per cent in professional services. This is notable given that professional services firms reported lower profitability in the past year than firms in the consumer and industrial sectors. Despite this, expectations for the coming 12 months remain positive, with nearly two-thirds expecting turnover to increase.

From a maturity perspective, expectations regarding turnover vary more. Experienced companies, established in the country between 2005 and 2020, appear the most optimistic, with 76 per cent reporting that they expect an increase in turnover over the next 12 months, followed by newcomer companies, established locally since 2021, at 71 per cent, while mature companies, established in France before 2004, report a lower share at 55 per cent. At the same time, a higher proportion of mature companies (18 per cent) expect a decline, compared to 5 per cent of experienced companies and 14 per cent of newcomers.

Compared to the development in the past 12 months, what are your expectations for the coming 12 months for your industry in France regarding turnover?



NOTE: The number of respondents for this question was 88. “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026

Investment confidence strengthens in France

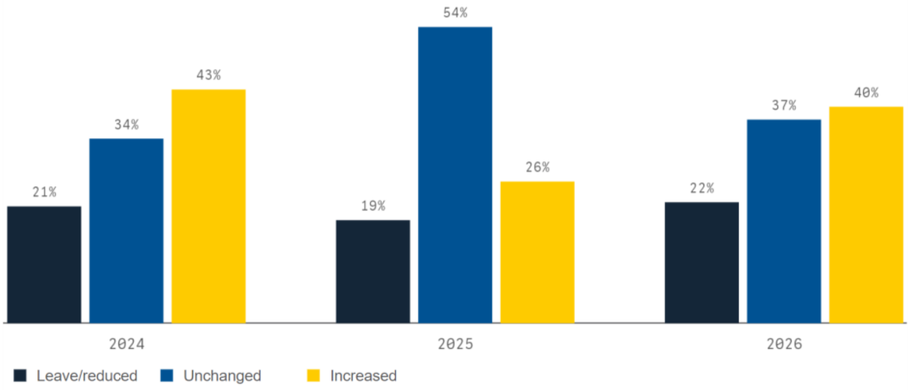
The results of this year’s survey show that 40 per cent of Swedish companies operating in France plan to increase their investments over the next 12 months. Compared to last year, this represents an increase of 14 percentage points. This indicates a more optimistic outlook among companies regarding the French market than in the previous year. Among respondents, 22 per cent of companies indicated reduced investment plans, slightly higher than last year.

Regarding company size, large companies appear to be more cautious and less optimistic about investments. Only 27 per cent of large companies reported that they plan to increase their investments in France over the upcoming 12 months. In contrast, 58 per cent of medium-sized companies and 54 per cent of small companies reported that they intend to increase their investments in France. Similarly, 31 per cent of large companies stated that they will decrease or withdraw their investments in France, compared to only 8 per cent of medium-sized companies and 14 per cent of small companies.

Across industries, a larger proportion of companies operating in the consumer sector (42 per cent) and in the professional services sector (29 per cent) reported plans to reduce or withdraw their investments in France, while only 13 per cent of companies in the industrial sector reported the same. Meanwhile, 46 per cent of companies in the industrial sector plan to increase their investments, compared to 43 per cent in professional services and 33 per cent in the consumer sector.

The variation across different levels of market maturity is also significant. Newcomers appear to have greater confidence in the French market over the coming 12 months, with 83 per cent reporting that they plan to increase their investments in France. This compares to 52 per cent of experienced companies and 33 per cent of mature companies.

What are your company's investment plans for the coming 12 months in France, compared to the past 12 months?



NOTE: The number of respondents for this question was 86. “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026, Business France Nordics

> **France remains an attractive country for us because of its strong industrial sector.**

Franck Borgnon
General Manager
Atlas Copco

The market

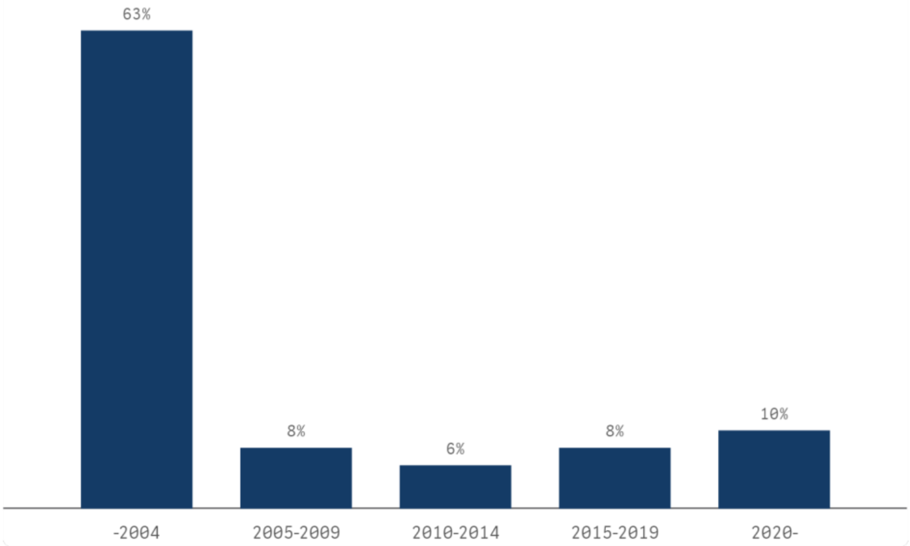
Steady trade relations and Swedish corporate presence in France

With 69 million inhabitants, France is the second-largest economy in the EU by GDP and the seventh-largest economy in the world. The French market remains a stronghold for large corporations, with France now boasting 24 companies on the Fortune Global 500 list, ranking fifth globally. The Paris region boasts the highest concentration of Fortune 500 corporate headquarters in Europe, solidifying its position as a key business hub. From a labour-market perspective, France offers a strong supply of skilled labour, with workers possessing high-level qualifications that rank above the EU-27 average, with Paris standing out as one of Europe's leading regions for high-skilled employment, well above the EU average.

This robust talent pool, combined with France's highly developed infrastructure, stable business climate, well-developed financial markets and ongoing structural reforms to promote domestic industry, economic growth and labour market efficiency, makes the country an attractive destination for foreign investors. According to Kommerskollegium, in 2025, France ranked tenth as a source of Sweden's goods imports and tenth as a destination for Sweden's goods exports. Total bilateral trade, including both goods and services, amounted to SEK 254.6 billion, a slight decrease from SEK 266.2 billion in 2024, a minor setback as the broader trend over recent years remains clearly positive. The service sector accounted for most of this setback, declining from SEK 111.7 billion in 2024 to SEK 101.5 billion in 2025, a contraction of SEK 10.2 billion, almost entirely driven by lower Swedish exports. The trade in goods has shown greater resilience to turmoil in international markets, contracting only by SEK 1.4 billion to SEK 153.1 billion. Swedish-French service trade remained north of SEK 100 billion, surpassing it for the first time in 2024 after years of strong positive momentum, and now stands at more than twice the level in 2020, at SEK 46.5 billion. Breaking the numbers down, France has a service trade deficit of approximately SEK 1.7 billion, as Swedish service exports to France equalled SEK 51.6 billion and imports totalled SEK 49.9 billion. In goods trade, Sweden has a positive trade balance with France of SEK 14.1 billion: exports amount to SEK 83.6 billion, while imports amount to SEK 69.5 billion. From 2020 to 2025, bilateral trade in goods increased by 38 per cent. The main sectors involved in this trade are automotive products and equipment, mechanical, electrical, and electronic machinery and equipment, and chemical products.

Beyond trade, Swedish business establishment and activity in France remain strong. More than 450 Swedish companies have established operations in the country, with the majority having been active since the last century, and 63 per cent since before 2004. Ten per cent of the companies have been established since 2020, suggesting that France remains an approachable market for international companies.

In what year did your company establish operations in France?



NOTE: The number of respondents for this question was 87. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026

France's industrial landscape is broad and well-established, driven by key industries including aerospace, automotive manufacturing, and nuclear energy. It is Europe's leading producer of nuclear power. Furthermore, according to the Global Tech Index 2025, Paris now ranks as Europe's leading AI hotspot, ahead of London and Munich.

As previously stated, France maintained its position as Europe's leading destination for foreign investment in 2025, with 852 projects identified, ahead of the United Kingdom (730 projects) and Germany (548 projects), according to the EY France Attractiveness Survey 2026. While this confirms France's continued leadership for the seventh consecutive year, the survey also highlights a notable decline in the number of projects in a challenging global environment. In France, the number of FDI projects declined by 17 per cent, compared to a 7 per cent decline for Europe as a whole.

In Business France's annual report on foreign investment in France, they track the number of recorded investment decisions and associated job impacts, metrics that differ from the number of FDI projects tracked by EY. In 2025, they recorded 1,878 foreign investment decisions, corresponding to 47,734 jobs created or maintained, indicating that foreign investors continued to commit to France despite a challenging international environment. In total, 1,021 foreign businesses undertook at least one investment project, including 315 first-time investors, signalling both a broad base of existing investors and continued renewal of the foreign corporate footprint in France. New site creations remained the dominant type of operation (1,161 projects; 62 per cent), followed by expansions (563; 30 per cent), illustrating a model driven both by new entrants and reinvestment by established players. From a Swedish perspective, investment activity in France remained strong, even though it declined from the previous year's high. In 2025, 29 project investment decisions were recorded (43 in 2024), of which 26 led to the creation of 558 jobs (851 in 2024). Sector-wise, 45 per cent of the projects were in manufacturing, accounting for nearly two-thirds of total jobs created.

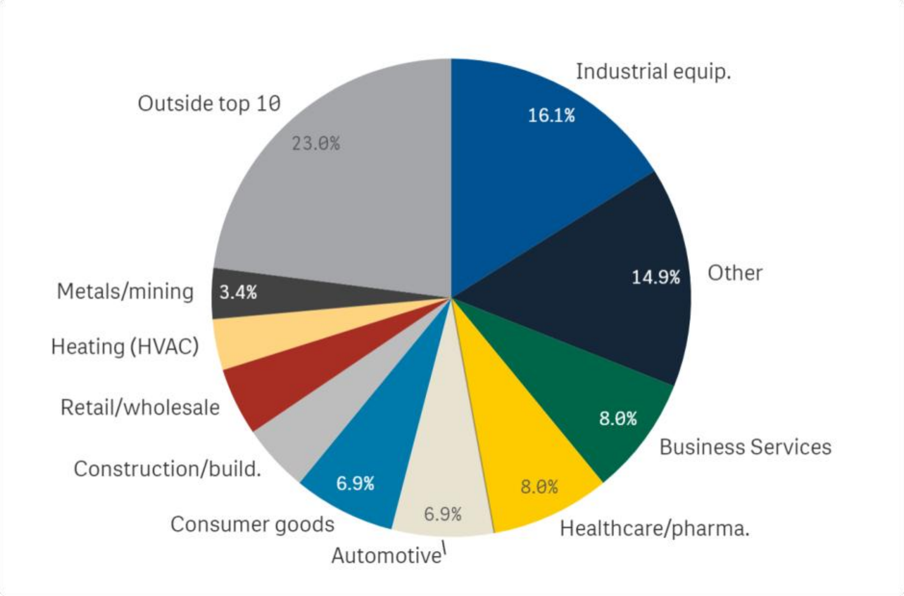
These investment dynamics are closely linked to national strategic priorities. Business France reports that France 2030 priorities (including areas such as artificial intelligence, healthcare, low-carbon mobility and renewable energy) accounted for 25 per cent of recorded decisions and 46 per cent of projected jobs in 2025. France 2030, a EUR 54bn national investment plan, is designed to accelerate industrial transformation and innovation. By April 2025, the government's France 2030 press materials report that EUR 38bn has been invested since launch, with 7,500 projects supported. This continued mobilisation of public funding contributes to the pipeline of investment opportunities across strategic sectors.

This strong alignment between foreign investment and strategic priorities is also reflected in the deepening of industrial partnerships across key sectors, including defence. In this context, defence cooperation between France and Sweden has continued to advance through concrete industrial and procurement initiatives. Notably, in January 2024, Saab and the French missile group MBDA signed Letters of Intent to strengthen collaboration in anti-tank and air-defence capabilities.

Momentum accelerated at the Paris Air Show in June 2025, when Saab and France's defence procurement agency (DGA) signed a joint declaration of intent covering France's planned acquisition of two GlobalEye airborne early warning and control (AEW&C) aircraft, with an option for two additional units, thus positioning GlobalEye as the successor capability to France's ageing AWACS fleet. This intent was later translated into a firm step; in December 2025, Saab announced it had entered a contract and received an order from the DGA for two GlobalEye aircraft (including training, support and associated equipment), with deliveries planned for 2029–2032 and an option for two more.

AI and deep tech continue to gain momentum in France, with major investment decisions and funding being secured. In February 2025, 23 Swedish companies participated in the high-level Summit for Action on Artificial Intelligence in Paris, organised by President Emmanuel Macron. The Summit concluded with the Global Declaration for Inclusive and Sustainable Artificial Intelligence, signed by 62 countries including Sweden, alongside national and international investment commitments of up to EUR 109 billion. The Swedish company evroc announced plans to build an "AI factory" in Mougins, partly chosen for its proximity to the innovation hub Sophia Antipolis. The data centre of 96 MW will be designed for hyperscale cloud and AI workloads, and evroc plans to raise four billion euros for the project. Funding for deep-tech startups in 2025 amounted to EUR 4.1 billion, half of the total funding for tech startups in France, with Paris positioning itself as a global leader, ranking third in deep-tech investment behind the Bay Area and Boston.

What is your company's main industry in France?

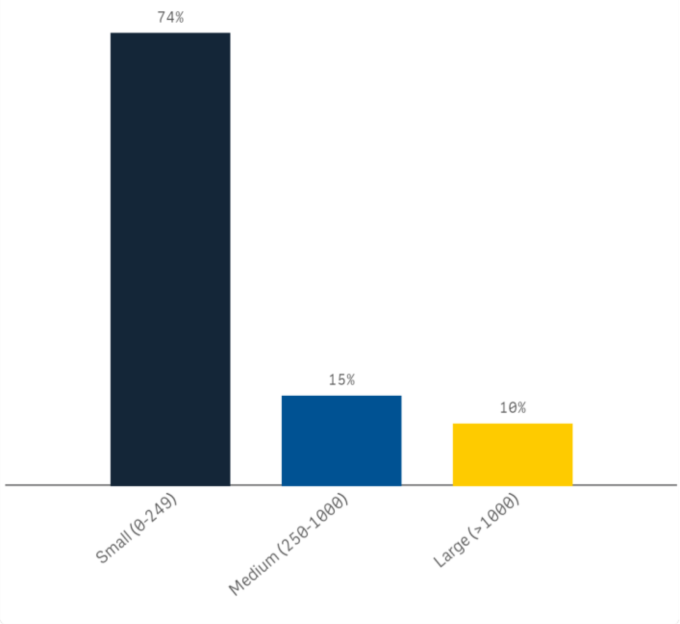


NOTE: The number of respondents for this question was 87. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026

The distribution of the main industries for Swedish companies established in France is in line with previous years, with industrial equipment consistently the largest at 16 per cent. Business Services remains a top category despite a 1.4 percentage-point decrease. Healthcare/pharma stands out, having increased by four percentage points to eight per cent, making it one of the most prominent industries for Swedish companies. Conversely, IT/Electronics has experienced a significant contraction of four percentage points, from six per cent to two per cent since the previous year.

Almost three-quarters of the companies participating in the survey (74 per cent) have fewer than 250 local employees, in line with the previous year (73 per cent). A further 15 per cent employ between 250 and 1,000 people, while 10 per cent have more than 1,000 local employees, compared with 14 per cent and 13 per cent, respectively, in last year's survey.

Swedish firms’ local number of employees in France in 2026



NOTE: The number of respondents for this question was 88. “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026, Eurostat, Fortune 500, INSEE, Kommerskollegium, SCB, CCI Paris, US Department of State (Bureau of Economic and Business Affairs), Business France “2025 Report on Foreign Investment in France”, Business France “Sweden Annual Report 2025”, EY “France Attractiveness Survey 2025”, EY “France Attractiveness Survey 2026”, French Government, Saab, Le Figaro, The French Tech Journal, Relance 2030, Dealroom

Business climate perception recovers modestly following the 2025 downturn

A total of 67 per cent of the surveyed companies have either a neutral or good/very good perception of the business climate in France. The share reporting good/very good perceptions is 18 per cent, up 4 percentage points from last year’s survey, while poor/very poor perceptions have decreased to 33 per cent, down from 36 per cent. The perception of the business climate in France declined considerably between 2024 and 2025 (good/very good perception fell from 26 per cent to 14 per cent, and poor/very poor perception doubled from 18 per cent to 36 per cent). The pessimistic perception aligns with a broader trend, as evidenced by an economic slowdown and lower GDP growth. During the 2020 pandemic, when GDP contracted by 7.5 per cent, almost 50 per cent of companies had a pessimistic view of the business climate in France. However, this was followed by steadily increasing optimism during the economic recovery, culminating in 57 per cent (good/very good perception) in 2022, spurred by 2.5 per cent GDP growth. The steady decline in optimism since has coincided with low growth of around one per cent per year, together with high political instability both domestically and globally. However, as perceptions of the business climate have become slightly more optimistic in 2026, it is possible that pessimism bottomed out in 2025. The GDP growth projection for 2026 remains low, in line with recent years; however, the domestic political scene has been somewhat more stable compared to last year.

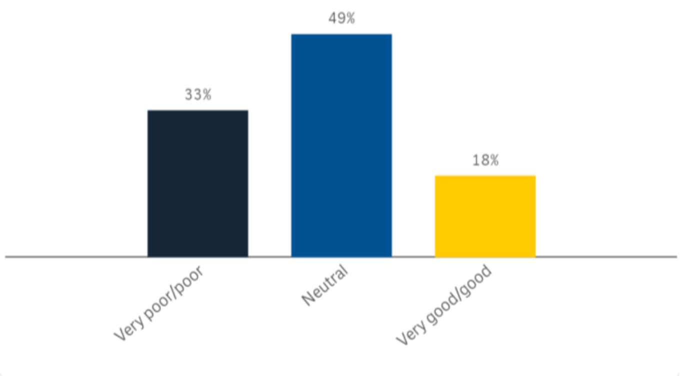
The Global Business Climate Survey, which consolidates findings from all local surveys, offers a clearer view of how Swedish companies’ confidence in the French market compares with other markets. However, cross-country comparisons of business confidence should be treated with caution as the link between these indicators and actual growth varies by market and by respondent culture. For instance, the French Ministry of Finance has noted that German and French PMI respondents tend to report lower confidence than Italian respondents, even when underlying growth is similar.

These economic developments, together with the survey results, align reasonably well with INSEE’s French Business Climate Indicator, which combines French business managers’ assessments of market conditions with quantitative measures related to employment trends, capacity utilisation, and investment. The indicator has remained slightly below its long-term average of 100 since spring 2024. In April 2026, it stood at 94, signalling subdued sentiment and marking a notable decline from January, when it reached 99.4, close to the long-term average.

A sectoral breakdown of the Business Climate Survey suggests that the growing share of good/very good and neutral perceptions is largely concentrated among respondents in the industrial segment, with a partial share in the consumer goods segment. These sectors are likely to be more exposed to energy price volatility, customs duties, and supply chain disruptions, which may shape their view of the business climate. These uncertainties were particularly prominent in 2025, and while they remain, their effective impact may have declined, or firms may have become more resilient in managing them, resulting in a more positive outlook in 2026. Professional services, however, that enjoyed much higher levels of optimistic perceptions in 2025 are now moving towards more neutral and pessimistic perceptions.

When analysing the responses by company maturity, we find that newcomers to the French market remain the most optimistic group, with 50 per cent perceiving the business climate as good/very good, an increase of 7 per cent, signalling a continued strong outlook among these respondents. This may still partly reflect France's attractive environment for innovation and the availability of fiscal and financial incentives to attract new businesses and start-ups. Mature companies, meanwhile, stand out as the group most concentrated in neutral perceptions, with 56 per cent reporting a neutral view. Finally, poor/very poor sentiment is broadly similar across all maturity groups, with each hovering at around 30 per cent, suggesting that downside perceptions are relatively evenly distributed regardless of tenure in the market.

How do you perceive the current business climate in France?



NOTE: The number of respondents for this question was 83. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026, INSEE, French Ministry of Finance, Trading Economics

Overall satisfaction remains solid among Swedish companies in France

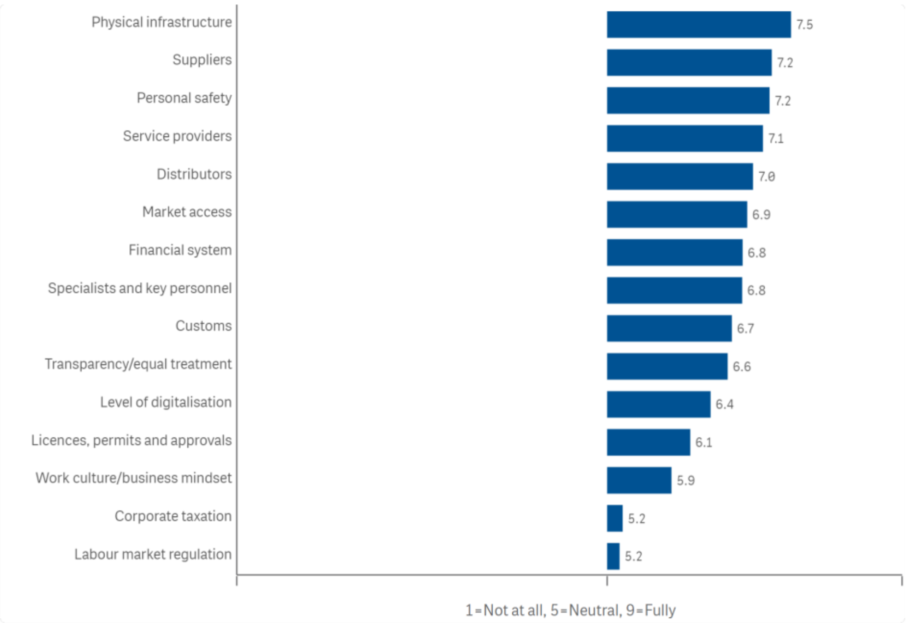
We surveyed Swedish companies to assess the extent to which selected market conditions in France meet their requirements and expectations. Overall, the factors assessed received ratings above the midpoint of the scale, supporting the conclusion that France offers broadly business-enabling market conditions for Swedish companies. Apart from some shifts in individual scores, the overall pattern is broadly in line with previous years, suggesting relatively stable perceptions over time, although the average rating declined slightly, by just over 0.2 points, compared to 2025.

Among the conditions assessed, factors that support safe and efficient operations received some of the strongest ratings. Physical infrastructure was rated 7.5 out of 10, while personal safety received 7.2. Other comparatively high-scoring conditions relate to the presence of key value-chain actors: respondents report that France's suppliers (7.2), service providers (7.1) and distributors (7.0) meet their needs to a significant extent.

While still above the midpoint, the lowest scores were assigned to corporate taxation (5.2) and labour market regulation (5.2). Respondents may view taxation as a constraint despite France's standard corporate income tax rate having been reduced to 25 per cent in recent years, since it remains higher than Sweden's 20.6 per cent and is rather complex, with several conditions that can both decrease and increase the tax rate.

France's level of digitalisation received a moderate satisfaction rating of 6.4, unchanged from 2025. Given Sweden's strong international standing in digital competitiveness, Swedish companies may be well positioned both to deploy and provide digital solutions in less digitally mature segments. This broader picture is consistent with the IMD World Digital Competitiveness Ranking, where Sweden remains among the leaders (5th in 2024, 8th in 2025) and France ranks lower (21st out of 69 economies in 2025).

How well do the following conditions meet the needs of your company in France?



NOTE: The number of respondents for this question was 88.
SOURCE: Business Climate Survey for Swedish Companies in France 2026, IMD World Digital Competitiveness Ranking 2024, Business France, PwC, Directorate General of Public Finances

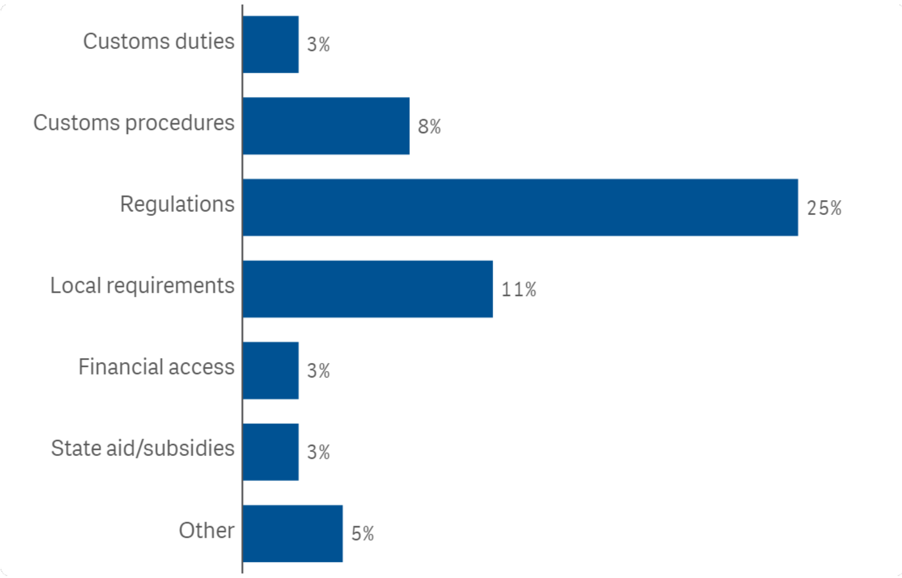
Limited trade barriers, but a rising regulatory burden noted by Swedish companies

In line with the generally positive assessment of France's business-enabling conditions, most Swedish companies operating in France report not facing trade barriers that materially hinder their operations. Among the minority that do, regulation remains the most frequently cited obstacle. After declining from 24 per cent in 2024 to 17 per cent in 2025, the share citing regulation as a negative factor rose again to 25 per cent in 2026, broadly returning to the 2024 level. Overall, the renewed slight increase in regulatory barriers reported by respondents comprises the main shift in the 2026 results, which are otherwise largely consistent with 2025. It should be noted that Swedish companies in other surveyed markets exhibit similar tendencies; 24 per cent of companies surveyed in the 2025 Business Climate Survey in Germany reported encountering regulatory trade barriers.

“France is an important retail market at the heart of Europe. We believe it should lead by example and harmonise its laws and regulations with the European Union as much as possible, so we can reap the benefits of a truly functioning single market. National regulations that overcomplicate things cost money and time that otherwise could be invested elsewhere.

Pär Lindbäck
H&M
Country Sales Manager

Has your company in the past year encountered trade barriers in France with a noticeably negative impact on operations, in any of the following areas?



NOTE: The number of respondents for this question was 88.
SOURCE: Business Climate Survey for Swedish Companies in France 2026

Regarding trade barriers, a larger proportion of respondents in the survey identify regulatory factors as challenging (such as labour regulations and tax legislation), even though these do not necessarily have a direct or significant negative impact on their day-to-day activities. Qualitative responses highlight this, noting that the regulation is sometimes perceived as exceeding EU-level requirements, which can raise compliance costs and reduce operational flexibility, with sustainability-related regulation and reporting obligations frequently cited as particularly demanding. Respondents also underscore that policy predictability matters; shifting or unclear policy signals are described as influencing customer behaviour, contributing to delayed investments, postponed capex, and slower decision-making. Notably, while Swedish companies often view sustainability requirements as a competitive opportunity, this year's open-ended feedback reveals a more nuanced picture, with some firms expressing concern that the reporting and administrative burden associated with sustainability regulation risks becoming a constraint rather than an enabler. However, France's front-running position in sustainability regulation also creates business opportunities, with regulation acting as an enabler.

> **“France's regulatory framework is a powerful enabler for our business, with targeted legislation driving demand and increasing the visibility and acceptance of our solutions in the market.**
>
> **Isaac Junior Pete**
> Chief Operating Officer
> Smartports France

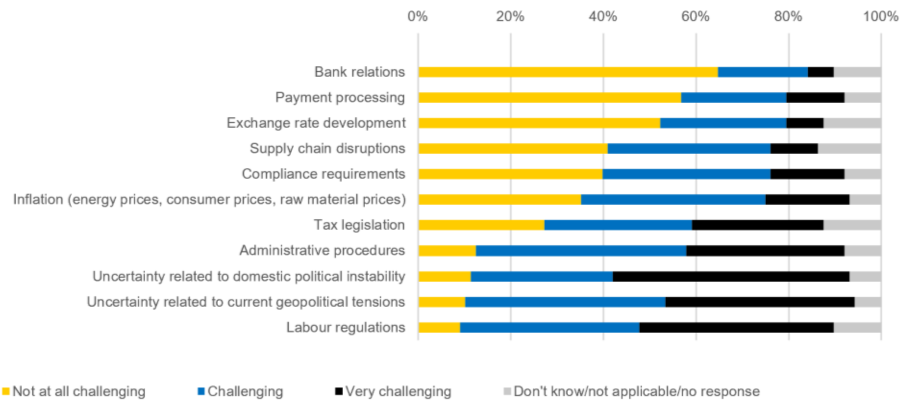
Regarding labour regulations, despite a highly skilled workforce, the French labour market is characterised by relatively rigid rules, including complex hiring and dismissal procedures. Frequent industrial action, particularly in transport and the public sector, can further disrupt operations and increase planning uncertainty. However, under President Emmanuel Macron, France has implemented several major labour market reforms aimed at increasing flexibility and reducing administrative burdens for employers, including simplified collective bargaining, capped unfair dismissal compensation, and streamlined hiring and redundancy procedures through the 2017 “Ordonnances Macron”.

Factors perceived as less challenging include banking relations, payment processing and exchange rate developments. In particular, banking relations and payment processing depend on the financial infrastructure, which is well developed in France, thereby making this less likely to be perceived as a challenge by companies. The Swedish krona (SEK) has depreciated against the euro for several years, supporting export competitiveness by making Swedish goods more affordable in the euro area. However, since early 2025, the SEK has appreciated against the euro, which may reduce import costs for Swedish companies but weigh on export competitiveness. This development has been gradual, making it easier for companies to relate to it in their operations.

Macroeconomic fundamentals, although still somewhat volatile, are showing increasing signs of stabilisation. Interest rates remain at manageable levels by historical standards, supported by the recent easing of inflationary pressures. Following the surge observed in 2022–2023, inflation in France has declined. While it has picked up slightly in recent months, the share of companies perceiving it as a challenge has decreased marginally.

Lastly, heightened uncertainty remains a key challenge, weighing heavily on business sentiment. This reflects both domestic political instability and global geopolitical tensions. The share of companies that view domestic political uncertainty as very challenging has increased compared to last year's Business Climate Survey, although there has also been a slight rise in the share of respondents who do not perceive it as a challenge. Similarly, the proportion of companies that consider current geopolitical tensions to be challenging or very challenging has increased since last year. It is important to note that the previous survey was conducted before the so-called "Liberation Day" on 2 April, when US President Donald Trump announced a broad package of import tariffs, significantly intensifying global trade tensions that remain highly prominent today. Furthermore, most respondents to this year's business climate survey responded before the major conflict in the Middle East began on February 28th, which has resulted in a global energy supply shock and further heightened geopolitical tensions. This is important both in the context of managing uncertainty and the aforementioned macroeconomic fundamentals, including inflation, as the surging energy prices are feared to once again put significant upward pressure on inflation.

What factors do you consider particularly challenging for your business in France today?



NOTE: The number of respondents for this question was 88.
SOURCE: Business Climate Survey for Swedish Companies in France 2026, World Bank, Trading Economics, ECB, Banque de France, SEB, CNBC

> **While the French market can be complex, the centralised healthcare system means companies have a single regulatory counterpart, enabling a unified discussion rather than multiple parallel processes.**

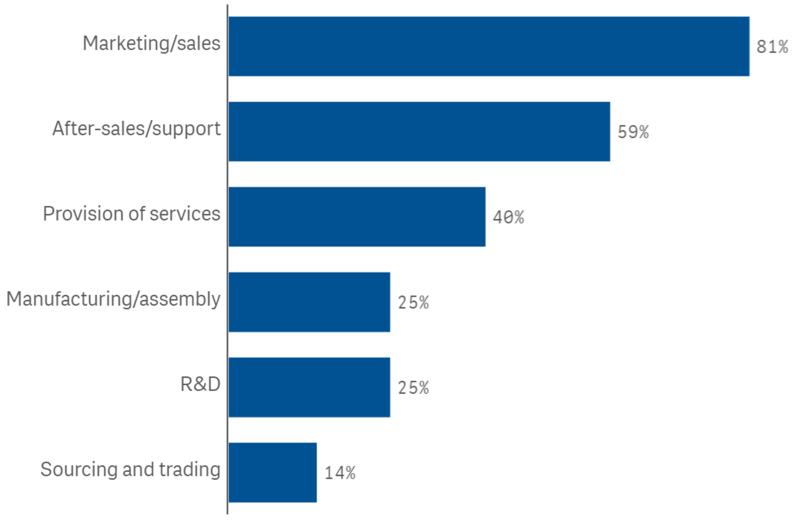
Fredrik Edström
Country Manager
Livi France

How Swedish companies succeed in France

Marketing and sales activities dominate the local operations

A vast majority (81 per cent) of companies active in the French market indicate they are involved in marketing and sales activities. Fifty-nine per cent operate in aftersales and support activities; 40 per cent of companies in our sample provide services; 25 per cent undertake manufacturing or assembly activities in France; 25 per cent perform R&D activities; and 14 per cent operate in sourcing and trading.

Operations of Swedish firms in the market



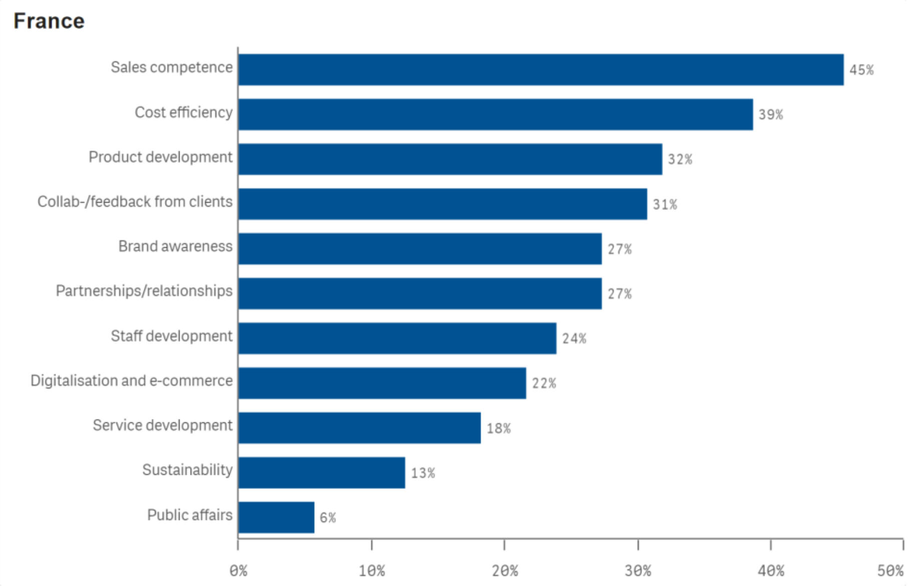
NOTE: The number of respondents for this question was 88. “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026

Sales competence remains the key driver of competitiveness

Several factors contribute to strengthening the competitiveness of Swedish companies on the French market. In line with previous findings, many Swedish companies maintain a presence in France through marketing and sales activities, with sales competence continuing to be ranked as the most important factor (45 per cent). Cost efficiency (39 per cent) is also highlighted as a key driver, followed by product development (32 per cent) and client collaboration/feedback (31 per cent).

Brand awareness (27 per cent) and partnerships/relationships (27 per cent) remain important, though slightly less emphasised than the top-ranked areas. Staff development (24 per cent) and digitalisation and e-commerce (22 per cent) are seen as moderately important contributors.

To date, which of the following areas have been important in maintaining competitiveness in France?



NOTE: The number of respondents for this question was 88. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026

> **For us, it's also very important to onboard more young people to ensure we have enough technicians for tomorrow.**

Benoit Tanguy
President
Scania France

Continuous positive associations with the Swedish brand

France continues to hold a favourable perception of Sweden, according to the surveyed companies, with strong associations to quality in areas such as services, management, products, technical expertise, innovation, and sustainability. Sweden's long-standing positive reputation aligns with the generally high level of trust in the Nordic countries. This year's survey confirms that the Swedish brand remains an important asset. In total, 74 per cent of responding companies indicate that it contributes at least partially to their business in France, with 18 per cent believing it contributes very much. Twenty-three per cent consider that the Swedish brand does not contribute or contributes only a little to their business.

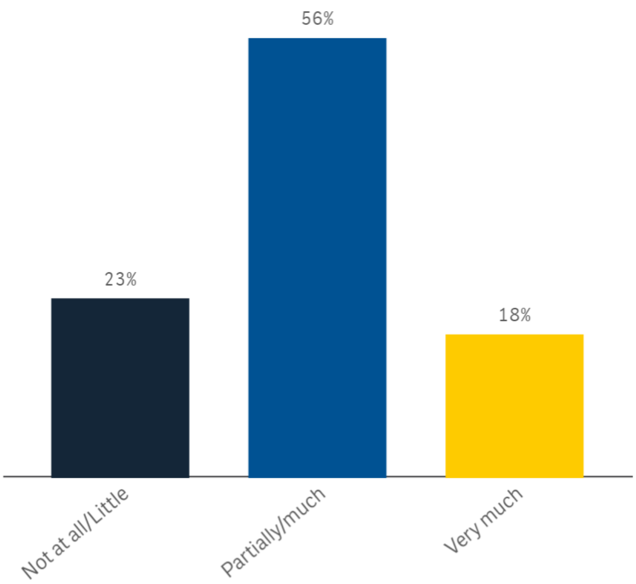
> **Sweden is often seen in France as strong in both technology and healthcare — whether that fully reflects reality or not, it is clearly the prevailing perception.**

Fredrik Edström
Country Manager
Livi France

A clear majority of companies report that the Swedish brand contributes to their business in France, with nearly three-quarters indicating at least some level of impact. Overall, this positive perception appears broadly similar across sectors, with no pronounced differences among industrial, professional services, and consumer goods companies.

In contrast, variations are more evident across company maturity levels, with newcomer companies reporting a notably lower reliance on the Swedish brand compared to more established firms. This suggests that market presence and experience may play an important role in the extent to which the Swedish brand supports business performance.

To what extent would you estimate that the "Swedish brand" contributes to your business in France?



NOTE: The number of respondents for this question was 87. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026

> **Swedish companies are generally perceived as sustainable and socially responsible. They are better considered by customers and are attractive to future employees.**

Franck Borgnon
General Manager
Atlas Copco

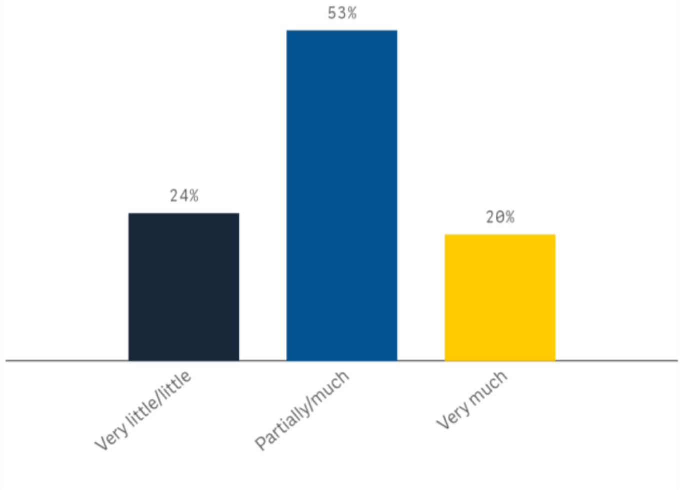
Acting sustainably

Environmental aspects are continuously considered in customers' purchasing decisions, but regulatory burden remains high

Sustainability remains a meaningful consideration for customers of Swedish companies operating in France, although the survey continues to indicate a clear gap between intention and action. In 2026, 73 per cent of respondents report that customers in their industry consider environmental aspects at least to some extent (53 per cent partially/much and 20 per cent very much), up slightly from 71 per cent in 2025 (57 per cent partially/much and 14 per cent very much). This suggests broadly stable customer attention overall, alongside a shift toward stronger stated prioritisation (a higher share selecting "very much").

These findings are consistent with BCG's 2025 Consumer Sentiment Survey for France, which finds that 44 per cent of French retail consumers frequently consider sustainability in their purchases, while only 18 per cent are willing to pay a premium, highlighting the tension between sustainability preferences and price sensitivity among retail consumers. Qualitative responses in this year's survey echo this dynamic, with some companies pointing to a perceived discrepancy between what customers say and how they ultimately buy (often choosing the cheaper option) and noting that heavy administrative and reporting burdens tied to sustainability-related regulation can weaken global competitiveness. It is also important to bear in mind that almost one-fourth of the surveyed companies say that the extent to which their customers take environmental aspects into consideration is very little/little.

In your view, to what extent do customers in your industry in France consider the environmental aspects of a product or service in their purchasing decision?



NOTE: The number of respondents for this question was 88. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in France 2026, BCG European Consumer Sentiment Study

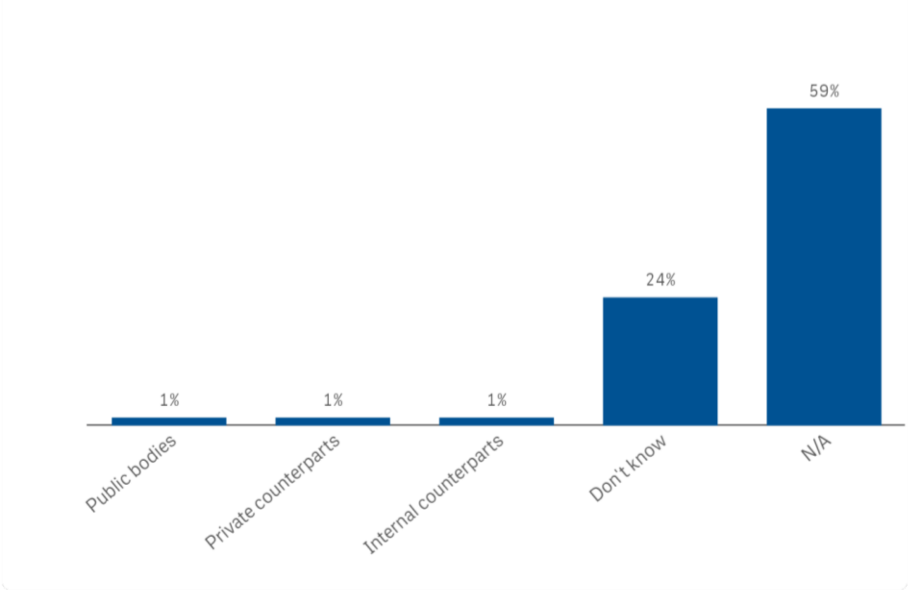
> **"Environmental specifications and requirements have been integrated into the overall criteria for selecting manufacturers and awarding tenders. This is now a very widespread trend.**

Joël Poirier
Business Director
Health Medical Essity

Corruption levels in France are very low compared to most markets

When asked whether their companies had encountered corruption, such as attempted bribery or fraud, very few respondents reported this as an issue in France. Only 1 per cent of Swedish companies in the sample indicated any such incidents across interactions with public authorities, private counterparts, or internal counterparts. Given the very small number of reported cases, meaningful comparisons by company size, sector, or time in the French market cannot be reliably drawn.

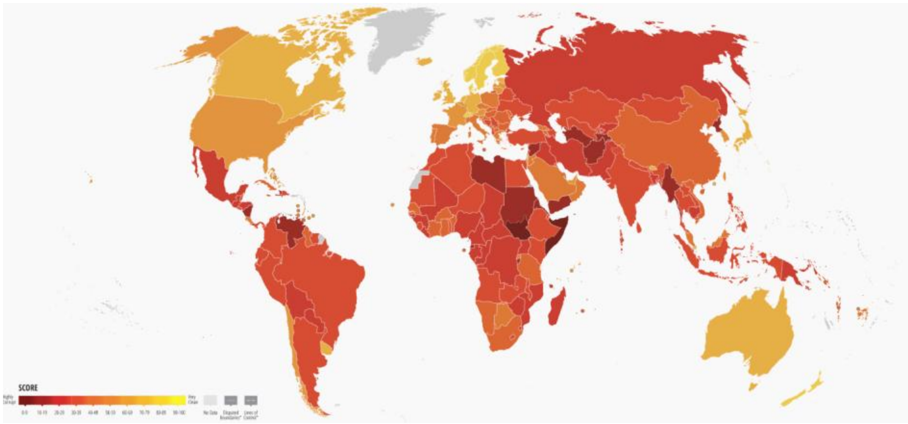
Has your company in France been exposed to corruption, such as, but not limited to, attempts of bribery or fraud in contacts with any of the following areas?



NOTE: The number of respondents for this question was 88.
SOURCE: Business Climate Survey for Swedish Companies in France 2026

The low level of corruption perceived by Swedish companies in France can be compared with the global Corruption Perceptions Index (CPI), which ranks 182 countries on a scale from 0 to 100 based on perceived corruption in their public sectors. France exhibits a relatively low level of corruption, ranking 27th out of the 182 countries assessed.

Corruption Perceptions Index 2025



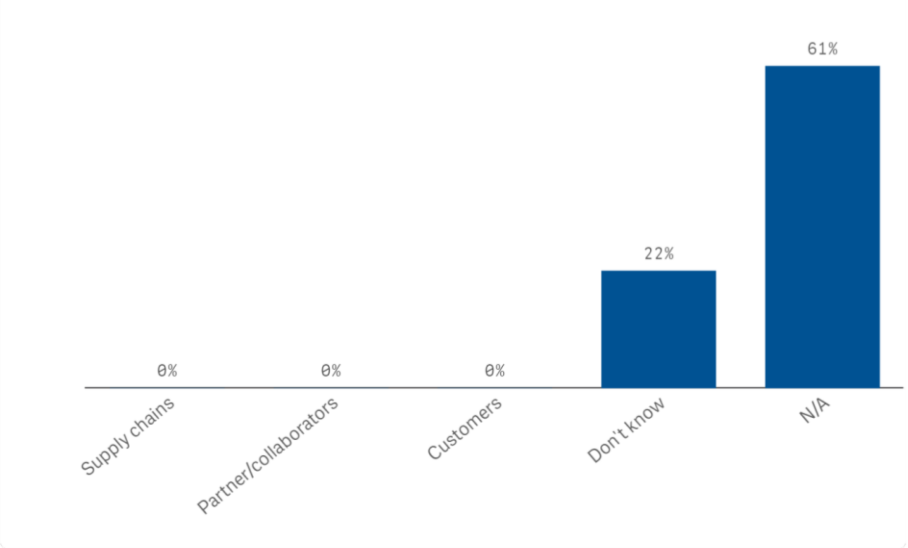
NOTE: The designated territories illustrated in the map do not imply any opinion regarding the legal status of any state or country.
SOURCE: Transparency International

Reported human and labour rights issues remain rare among Swedish companies in France

Across company sizes and industry segments, no respondent reported encountering human or labour rights abuses linked to supply chains, partners/collaborators or customers in 2026. As a result, no subgroup patterns can be identified, and the relatively high shares of “Don’t know” (22 per cent) and “N/A” (61 per cent) should be considered when interpreting the results.

Overall, the survey results suggest that France maintains a strong reputation for low corruption and minimal human and labour rights violations.

Has your company in France encountered any form of human rights violations and/or labour rights abuse in any of the following areas?



NOTE: The number of respondents for this question was 88.
SOURCE: Business Climate Survey for Swedish Companies in France 2026

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