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Choose France 2024: France's attractiveness still at its highest

The 7th *Choose France* Summit, held on May 13, 2024, brought together nearly 200 foreign business leaders of 40 different nationalities. 56 foreign investment projects were announced, representing a total of €15 billion and 10,000 jobs.

Created in 2018 by President Emmanuel Macron, *Choose France* aims at highlighting the importance of international investment and presenting to international companies the reforms carried out by the French Government to promote economic growth on its territory.

During the last 6 editions of the *Choose France* Summit, 122 projects were announced, representing a total of €31.2 billion in foreign investment.

Article authored in collaboration with Rémy Coriat, trainee

This success illustrates France's ongoing efforts to strengthen its economy and attract foreign investors. These results are particularly due to bold tax reforms (including the harmonization of capital taxation—the so-called “flat tax” reform —and the reduction of the corporate income tax), significant support for innovation, unparalleled energy advantages, administrative simplification, and favorable labor law reforms.

Attractive Tax System and Subsidies

Since 2017, France has been implementing a series of tax reforms aimed at attracting private investors. These include the reduction of the corporate income tax, production taxes, and flat-rate taxes on capital gains. This attractive tax policy is complemented by substantial state subsidies for industrial projects, allowing many industrial companies to benefit from significant financial support. President Emmanuel Macron's personal commitment to the reindustrialization of France has greatly contributed to this dynamic.

For green projects, tax incentives have been set up. Research tax credits reduce taxes on profits for new industrial projects in areas such as electric batteries, wind power, photovoltaic cells, and heat pumps.

Focus on Innovation and Technology

France stands out for its massive investments in innovation and technology. In 2024, more than €6 billion in investments in the artificial intelligence industry were announced (including 4 billion euros by Microsoft for the construction of a cutting-edge infrastructure dedicated to cloud and artificial intelligence services, training, and support for the national start-up ecosystem, and €1.3 billion euros by Amazon to support the expansion of its logistics network and cloud infrastructure), €5 billion euros in decarbonization projects, and €1 billion euros in the health sector.

Following the COVID-19 crisis, the "France 2030" investment program allocated more than €54 billion euros to innovation, thereby supporting research and development in key sectors.

Energy Transition and Nuclear Advantages

Energy transition is a fundamental pillar of French policy, positioning the country as a leader in green industrial production. One of France's main assets is that it sources 75 percent of its electricity from nuclear energy. This advantage allows industrial sectors to benefit from low-cost, decarbonized production. France plans to add new innovative nuclear reactors to increase its energy production, thus ensuring competitive and stable energy supply.

Simplification of the Business Climate

France is committed to simplifying the business climate by cutting red tape and reforming the labor market. Measures have been implemented to speed up administrative response times, thereby facilitating procedures for businesses. Talent development is also a priority, with reforms in the vocational education system aimed at aligning training programs with industrial needs.

Labor Law Reform

French Labor law has been revamped to encourage employers to hire. The introduction of a cap on damages that can be awarded by French labor courts allows employers to better assess the economic risks involved,



such as, for example, those related to workplace accidents, thereby promoting job creation.

Conclusion

France's proactive policy on taxation, administrative simplification, and support for innovation is attracting an increasing number of foreign investments. With unparalleled energy advantages and a central geographic position, France is ready to embrace the technological and climate revolution, thereby consolidating its status as a preferred investment destination in Europe.

For more than forty years, SoulieR Avocats has been assisting foreign investors in structuring, optimizing, and securing their investment projects, business creation strategy, and external growth transactions in France.

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