



CROSS-CHANNEL INSTITUTE

for the promotion of Franco-British sustainable prosperity

PRESS RELEASE

THE CROSS-CHANNEL INSTITUTE PUBLISHES THE 2nd BAROMETER OF FRANCO-BRITISH ECONOMIC RELATIONS: With €97bn (+6%), the dynamic growth in trade reflects companies' Brexit preparations

21st November 2019 - Paris, France - The "Cross-Channel Institute" Think Tank publishes its 2nd barometer of Franco-British economic relations for 2018, with initial trends for 2019. The dynamic of trade between the two countries continues with a total of €97bn in 2018, up 6% from 2017 (€92bn), including a 12% increase in services alone (€37bn vs. €33bn in 2017), linked to Brexit preparations. France and the United Kingdom remain close partners in 2018 with Foreign Direct Investments (FDI) up 8% bilaterally.

Regarding trade of goods (relatively stable at €60bn), it was mainly the export of wine, spirits and tobacco that supported France's surplus with the United Kingdom (+€2.5bn). On the British side, it was machinery and transport equipment (+€1.8bn), as well as fuels and energy (+€0.2bn) where there is a trade surplus.

Bilateral growth was strongest in trade of services (+12%). Companies' preparations for Brexit are reflected in the "Other Services" sector (+€2.6bn), which includes services such as legal and tax advice, consulting, trade services (customs tariffs), etc. It is therefore a sign that companies have prepared for the deadline on both sides of the Channel.

Over the first 8 months of 2019, and in the trade of goods alone, the growth in bilateral transactions was significant, with an increase of 7.4% between 2018 and 2019 over the same period, probably a sign that non-perishable food products were being stockpiled.

Created in January 2019 as part of the strategic partnership of its three founding members - the Franco-British Chamber, the international audit firm PwC and the British DIT* - the "Cross-Channel Institute for the promotion of Franco-British sustainable prosperity" is an independent Think Tank aimed at fostering the development of Franco-British business relations over the long term. The Institute publishes the Barometer of Franco-British Economic Relations, the only resource providing a comprehensive, dynamic and detailed overview of trade in goods and services between the two countries.

Thierry Drilhon, President of the Franco-British Chamber, said: "Since the referendum, in the face of Brexit uncertainty, the Franco-British Chamber has tirelessly supported its member companies with a pragmatic, positive and constructive approach. We are preparing ourselves for the post-Brexit era to transform this challenge into an opportunity. An opportunity to revisit Franco-British economic relations. An opportunity to enhance the attractiveness of the French and British marketplaces. This 2nd barometer confirms the strength of trade between two long-term strategic and economic partners. It is a reliable source of strategic thinking and decision-making for international leaders of large companies, but also small to medium ones, who need to consider their business value chains between our two countries."

Jimmy Zou, Partner at PwC France, commented: "This 2nd Cross-Channel Institute Barometer confirms the readiness of large companies that have thoroughly assessed the impact of Brexit on their value chain. No one has anything to gain from chaos, and we believe that after a period of adjustment during the renegotiation of the treaties, trade volumes will remain high with a likely redistribution of flows. Following the implementation of the Withdrawal Agreement, trade between the two countries will continue and mergers & acquisitions will gradually regain momentum".

Paul Taylor, Deputy Director, Department for International Trade (DIT), British Embassy in France, added: "The figures and analysis presented in this 2nd Barometer provide an in-depth understanding of Franco-British trade relations, and in particular the sectors of growth and the potential for the future. It is a useful reminder that France and the United Kingdom are major economic partners and will continue to create jobs, growth and opportunities together in the years to come".



For more information on the Cross-Channel Institute, or to obtain the Barometer, please visit:
www.crosschannelinstitute.com - [https://crosschannelinstitute.com/en/barometre/
contact@crosschannelinstitute.com](https://crosschannelinstitute.com/en/barometre/contact@crosschannelinstitute.com)

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Cross-Channel Institute

Created in partnership by the Franco-British Chamber, the international audit firm PwC France and the Department for International Trade, the Institute is the observatory and meeting place for companies on both sides of the Channel to give a new impetus to the historical and powerful business relationships between the two countries. Through studies, analyses and debates, it seeks to provide companies and institutions on both sides of the Channel with an innovative and sustainable vision of post-Brexit economic relations. The Institute publishes the Barometer of Franco-British Economic Relations, the only resource providing a comprehensive, dynamic and detailed overview of trade in goods and services between the two countries. Based on an analysis of official French and British sources, the Barometer is published on an annual basis. www.crosschannelinstitute.com <https://crosschannelinstitute.com/en/barometre/>

Franco-British Chamber of Commerce & Industry

The Franco-British Chamber of Commerce & Industry, created in 1873, is the oldest international chamber of commerce in Europe. It offers its members - companies of all sizes, all sectors of activity, and of French or British origin - a wide range of tailor-made services to help them develop their cross-Channel activities. Established in Paris for more than 146 years, the Franco-British Chamber is a powerful business network that supports and brings companies together. The "Business Connect" service, from member to member, fosters a privileged and efficient relationship. www.francobritishchamber.com



PwC France & Francophone Africa

PwC is developing its advisory, audit and accounting engagements in France and French-speaking Africa by leveraging an industry-specific approach.

More than 276,000 people in 157 countries belonging to the PwC international network share their ideas, expertise and innovative views to deliver high-quality service to clients and partner companies. PwC's French and French-speaking African firms comprise 6,400 people working out of 23 countries. For more information, visit www.pwc.fr

By working every day to advise clients and support them in their success, PwC actively contributes to the development of the French economy. Through its studies and expert analyses, PwC is also committed to preparing for the economies of the future and developing new technological applications. Lastly, by providing solutions for risk management, PwC creates trust among stakeholders and helps maintain a secure environment at the heart of the French economy.

PwC France launched the #LetsgoFrance movement to showcase all the people, companies and organisations that are working to ensure the success of the French economy.

Come join us and work together at: letsgofrance.fr

"PwC" refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. For more information, visit www.pwc.com/structure

Department for International Trade (DIT) – British Embassy in France

The Department of International Trade (DIT) ensures the United Kingdom's prosperity and global prosperity by promoting and financing international trade and investment and defending free trade.

International Economic Department, it is responsible for:

- bringing together policy, advocacy and financial expertise to remove barriers to trade and investment and help businesses succeed;
- developing a new trade policy framework for the United Kingdom once the United Kingdom has left the EU;
- promoting British trade and investment around the world;
- stimulating interest in British products and services worldwide.

In France, DIT helps British companies penetrate the French market and assists French companies in their investments in the United Kingdom. The team in France also supports the strategic bilateral partnership in key sectors.

<https://www.gov.uk/government/organisations/department-for-international-trade>

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