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Franco–British Economic Relations Barometer

2024: A year of consolidation for Franco-British Trade

Contents

Notes and References 4

Evolution of Bilateral Trade 6

2024: Exchange of Goods and Services 7

Trade in goods

2024: Main sectors of trade in goods 8

Evolution of trade in goods in 2023 and 2024 9

Trade in Services

2024: Main sectors of trade in services 10

Evolution of trade in services in 2023 and 2024 11

Sectors in surplus

Sectors in surplus for France 12

Sectors in surplus for the UK 13

Global analysis

2024: A year of consolidation for Franco-British Trade 14

Indications and expectations for 2025 15

Foreign direct investment in 2024 18

Ranking of UK trading partners 19

A closer look at

Northern Ireland 20

Scotland 22

Wales 24

Q1 2025

Slowdown in trade reflects context of global economic uncertainty 26

Foreword

Olivier Campenon,
Chairman of the Cross-Channel Institute

In 2024, the trade relationship between France and the United Kingdom proved to be both stable and resilient in a world marked by geopolitical uncertainties. Despite tensions shaking the global economy, the Franco-British partnership remained strong and continued to be essential for both countries.

This year's Franco-British Economic Relations Barometer, published by the Cross-Channel Institute*, shows that the value of Franco-British trade was just shy of the record levels set last year, standing at €123 billion. Upon closer examination, we observe that while trade in goods declined slightly—by 6%, to €71 billion—trade in services grew by 11% to reach €52 billion. These shifts illustrate the ability of trade flows to adapt to external challenges while seizing new opportunities. This demonstrates that the strength of this commercial relationship lies not only in the volume of trade but also in its dynamism and adaptability in the face of adversity.

In 2024, French exports of services to the UK rose by 14%, driven by strong growth in sectors such as tourism—boosted by the Olympic Games—as well as business and financial services. This underscores the key role that services continue to play in bilateral trade and the complementarity of the French and British economies.

The picture is more complex, however, when it comes to goods. French exports of machinery and transport equipment—traditionally a pillar of Franco-British trade—declined, a trend linked to a more cautious business investment climate. On the other hand, sectors such as agriculture, livestock, and chemical products remained steady.

This ability to adapt and overcome obstacles is rooted in Franco-British ties based on shared values and a joint commitment to collaboration, even in challenging times. Valuable work is being carried out to streamline customs and immigration procedures, facilitating the mobility of people and goods across the Channel.

The data from this Barometer illustrates the innovative spirit of businesses and the dynamic collaboration between the two countries. The artificial intelligence and clean energy sectors (as French nuclear power plants resumed full operation) provide further examples of this joint approach. Partnerships in these areas signal that the Franco-British relationship continues to evolve and reinvent itself.

Ultimately, this Barometer is not just a collection of figures; it is a reflection of the living Franco-British partnership, which continues to adapt to global uncertainties. In a world that remains unpredictable, it is essential to remember that trust, open dialogue, and cooperation are the keys to building a shared and successful future.

**The Cross-Channel Institute is the independent and apolitical think-tank of the Franco-British Chamber.*

Notes and references

1 Data source is UK Office of National Statistics

Services
https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/datasets/uktradeinservicesservicetypebypartnercountrynonseasonallyadjusted

Goods exports
https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/uktradecountrybycommodityexports

Goods imports
https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/uktradecountrybycommodityimports

Goods & Services
https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/uktradegoodsandservicespublicationtables

2 The latest data include trade between January 2023 and December 2024 as published by the ONS on 15 May 2025. Published data may be revised and updated as further data becomes available or when methods and systems are changed.

3 All figures are reported in current prices (not adjusted for inflation), unless otherwise stated.

4 Annual percentage change (%) is calculated on a nominal basis and is non-seasonally adjusted.

5 As this report is presented to a predominantly French audience, the methodology adopted converts UK trade data from pounds sterling (£) to euros (€) using the average annual exchange rate for the year as published by the European Central Bank (ECB).

https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-gbp.fr.html

AER	**2020**	**2021**	**2022**	**2023**	**2024**
GBP1 = EUR	1.12397	1.16333	1.17266	1.14970	1.118117
Variations		*3.5%*	*0.8%*	*-2%*	*2,7%*

6 Following a decade of relatively low inflation, in 2022 and 2023 the post-Covid economic recovery and energy crisis caused by Russia's invasion of Ukraine have fed through to higher prices.

Moreover, trade statistics have seen high levels of volatility since the implementation of the UK-EU Trade and Cooperation Agreement (TCA), global supply chain disruptions (e..g. shortage of semi-conductors).

This makes it challenging to disentangle price/mix/volume effects on trade. As such, caution is needed when interpreting these data sources.

Headline and core inflation figures* are shown in the table below:

		2020	2021	2022	2023	2024
UK	Headline	0.9	2.6	9	7.4	2.5
	Core	1.4	2.4	5.9	6.2	3.7
France	Headline	0.5	1.6	5.2	4.9	2.0
	Core	0.6	1.1	3.8	5.1	1.8

7 The ranking of UK total trade partners (page 21) and the Quarterly trade in goods data (page 22) is published and presented in pounds sterling (£).

8 Trade definitions:

- **UK imports** – Goods and services that were produced or sourced in the UK, which were sold to France (from the UK to France).
- **France exports** – Goods and services that were sold to the UK, which were produced or sourced in France (from France to the UK).
- **Total or 'bilateral' trade** – The value of total trade between France and the UK (imports plus exports).
- **Trade balance** – the difference between exports and imports, calculated by France exports minus UK imports.
- **Trade surplus** – the amount by which the value of a country's exports exceeds the value of its imports.
- **Trade deficit** – the amount by which the value of a country's imports exceeds the value of its exports.
- Statistics are given on a balance of payments (change of ownership) basis.

***Headline** inflation concerns all commodities, services, and goods in the economy, whilst **Core** inflation excludes volatile fuel and food prices. The surge in headline inflation in 2022 and 2023 largely reflects the inflationary effects of high energy prices feeding through to higher food and commodity prices, and more generally, throughout the economy.

Evolution of Bilateral Trade

Bilateral trade

€123 =£104 Bn

*Billion in 2024**

of goods and services in 2024,
slightly below the record level achieved in 2023.

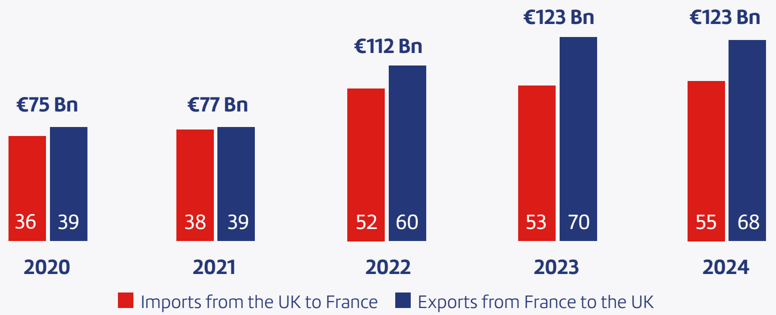
€55 Bn =£46 Bn

Imports from the UK
to France in 2024 (+3%)

£58= **€68 Bn**

Exports from France
to the UK in 2024 (-2%)

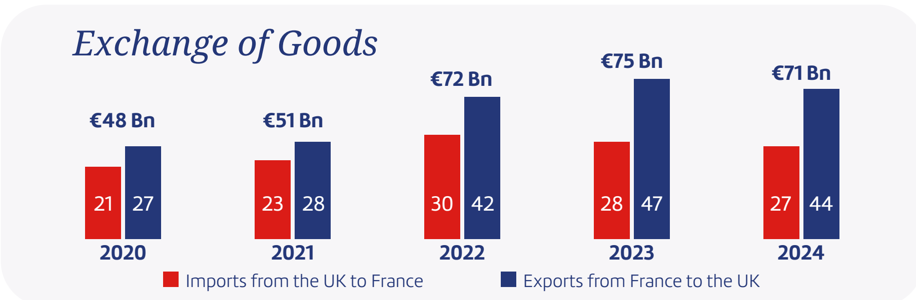
France – UK Trade Flows
€ billions



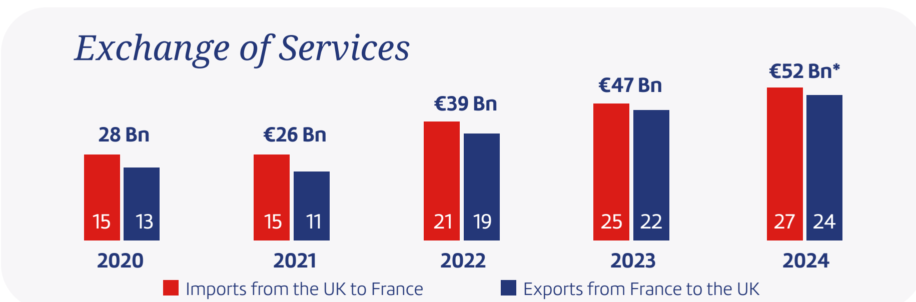
***Note**: Unless otherwise indicated, this report refers to percentage (%) increases on a "nominal" basis (i.e. without adjustment for the effects of inflation, exchange rates etc.).

2024: Exchange of Goods and Services

Whilst the overall level of trade remained at a similar level to 2023, reflecting the strength of the Franco-British trading relationship, 2024 recorded continued growth in services, up 11% to €52 billion (£43.7 bn) and lower trade in goods, down 6% to €71 billion (£60.5 bn).



Following the record level reached in 2023, bilateral trade of goods totalled €71 billion in 2024, a decrease of 6% on a nominal basis. French exports of goods to the UK decreased by 9% to €44 bn, while imports from the UK to France fell by 3% to €27 bn. In both cases, trade in goods remained above the 2022 level after adjusting for the energy crisis caused by the Russian invasion of Ukraine.



Exchange of services grew by 11% on a nominal basis to €52 billion, driven by very strong demand for Travel & Tourism (+19%) in addition to continued demand growth across all service sectors.

*__Note__: Total exchange of services amounted to €51.6 Bn in 2024 (€27.2 Bn imports from the UK and €24.4 Bn exports from France).

2024: Main sectors of **trade in goods**

€71 Bn =£60.5 Bn

Trade in goods in 2024

– 6% versus 2023

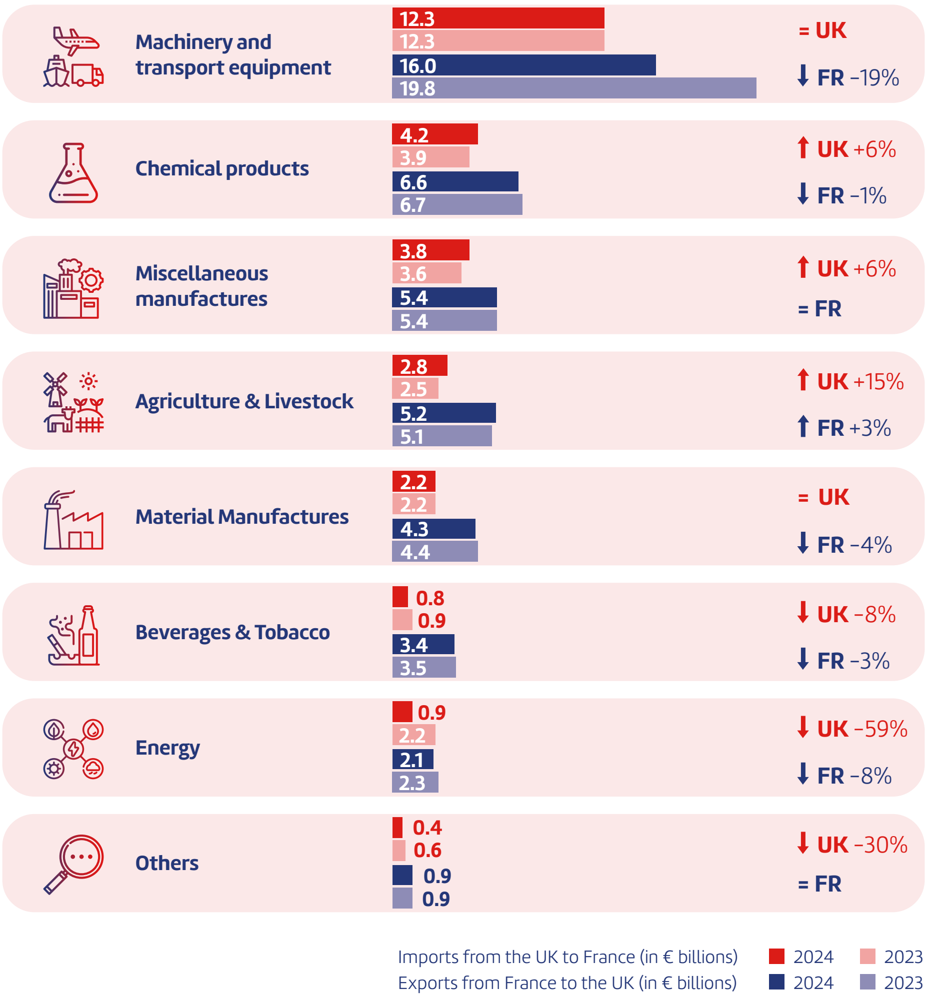
Sector	Imports from the UK to France (in € billions)	Exports from France to the UK (in € billions)	Total	Change from 2023
Machinery and transport equipment including aeronautics and automobiles.	12.3	16.0	€28.3 Bn	↓ -12%
Chemical products of which pharmaceutical products, cleaning products...	4.2	6.6	€10.8 Bn	↑ +2%
Miscellaneous manufactured articles of which jewellery, clothing and accessories, furniture...	3.8	5.4	€9.2 Bn	↑ +3%
Agriculture & Livestock including cereals, fisheries, dairy products...	2.8	5.2	€8.0 Bn	↑ +7%
Material Manufactures of which steel, iron, paper, leather...	2.2	4.3	€6.5 Bn	↓ -3%
Beverages & Tobacco	0.8	3.4	€4.2 Bn	↓ -4%
Energy of which oil, electricity, gas...	0.9	2.1	€3.0 Bn	↓ -33%
Others of which crude materials, animal and vegetable oils and fats, miscellaneous...	0.4	0.9	€1.3 Bn	↓ -14%

↑ Change from 2023

Imports from the UK to France (in € billions)
Exports from France to the UK (in € billions)

Evolution of ***trade in goods*** *in 2023 and 2024*

Exports from France to the UK decreased by 9% to €44 Bn due to lower exports of machinery and transport equipment, most notably, cars, aircraft and mechanical power generators (€-3.5 Bn). Imports from the UK decreased by 3% to €27 Bn; imports of machinery and transport equipment were stable at €12.3 Bn, while energy imports decreased (-59%), due to a sharp decrease in imports of crude oil (€-1 Bn) and lower demand for electricity (€-240 M) as French nuclear power production recovered to normalized levels. This was offset by higher imports of foods (+15%) and pharmaceutical products (+10%).



2024: Main sectors of **trade in services**

€52 Bn =£43.7 Bn

Trade in services in 2024

+ 11% versus 2023

Sector	Imports from the UK to France (in € billions)	Exports from France to the UK (in € billions)	Total	Change from 2023
Business services including management consulting, legal services, accounting, advertising, R&D, etc.	7.8	6.8	€14.6 Bn	+12%
Travel and tourism* Including business travel and tourism	3.1	9.7	€12.8 Bn	+19%
Financial services	6.3	1.4	€7.7 Bn	+5%
Technology including telecommunications and computer services	4.1	0.8	€4.9 Bn	+1%
Transport services Maritime, air or rail	2.1	1.8	€3.9 Bn	+3%
Intellectual property	2.1	0.9	€3.0 Bn	+ 15%
Pensions and insurance	1.0	1.3	€2.3 Bn	+ 17%
Miscellaneous including manufacturing, maintenance & repair, construction, personal & recreational, and government services.	0.7	1.8	€2.5 Bn	+ 26%

↑ Change from 2023

■ Imports from the UK to France (in € billions)

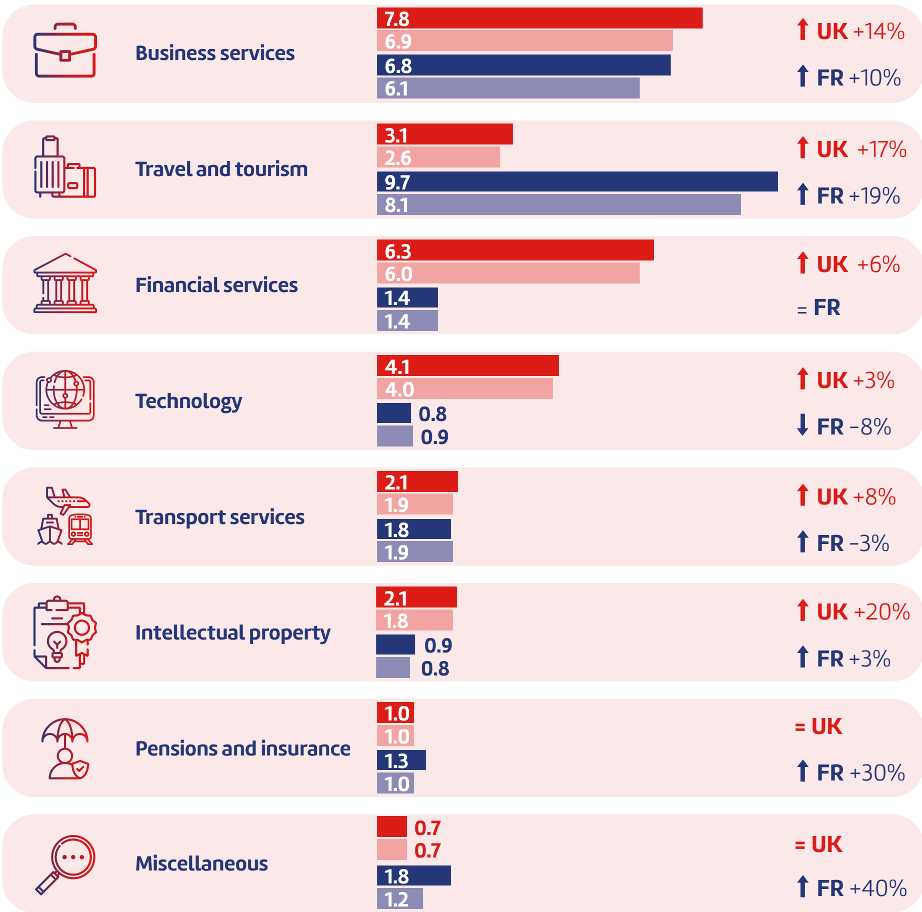
■ Exports from France to the UK (in € billions)

* Travel "receipts" or exports cover the goods and services (excluding international transport) that non-resident visitors acquire in France, including during day trips (border crossers, transit passengers, etc.) and for any reason (business, pleasure, secondments and posted work, international studies, medical care, second homes, etc.). Likewise, travel "payments" or imports cover purchases by French residents while abroad.

*Evolution of **trade in services** in 2023 and 2024*

Trade in services totalled € 51.6 bn in 2024, up 11% versus 2023 with growth across all sectors. Service exports from France to the UK grew by 14%, with Business Services up 10% and Travel & Tourism receipts up 19% boosted by the Olympic games.

Imports of services from the UK continued to grow, up 10% to € 27.2 bn, and making up 50% of total UK imports. Strong growth reflects the UK's strength in Business and Financial Services, as well as strong year on year growth in Travel & Tourism.



Data was suppressed for certain service export classifications (FR to UK) and included under Misc.

Imports from the UK to France (in € billions) 2024 2023
Exports from France to the UK (in € billions) 2024 2023

Sectors in surplus for France

Machinery and transport equipment — € 28.3 Bn – 12%

Imports: € 12.3 Bn	= 0%
Exports: € 16.0 Bn	– 19%
Surplus: € 3.7 Bn	–50%

Totalling €28.4 bn in 2024 and making up 40% of Franco-British trade in goods, Machinery & Transport Equipment is the largest trading sector. Following two years of exceptional growth, most notably for aircraft, road vehicles and mechanical machinery, exports from France fell back 19% to €16 bn. Imports from the UK remained stable at €12.3 Bn, with imports of ships and aircraft offsetting lower imports of road vehicles.

*Travel and Tourism** — € 12.8 Bn + 19%

Imports: € 3.0 Bn	+ 17%
Exports: € 9.7 Bn	+ 19%
Surplus: € 6.7 Bn	+ 21%

2024 saw continued growth in Travel & Tourism, up 19% to €12.8 bn, with receipts from UK visitors to France, attracted by the Olympic games and continued post-covid demand for travel, up 19% to reach a record €9.7 bn. Receipts (imports) from French visitors to the UK, also grew by 17% to €3 bn. In both directions, the growth was largely driven by record levels of personal travel.

Chemicals and Pharmaceuticals — € 10.8 Bn + 2%

Imports: € 4.2 Bn	+ 6%
Exports: € 6.6 Bn	– 1%
Surplus: € 2.4 Bn	– 12%

Overall trade in Chemicals & Pharmaceuticals grew by just 2% to €10.8 bn, with imports of Medicinal & Pharmaceutical products from the UK up 7% offsetting slightly lower exports from France. France remains a major exporter of chemicals to the UK with a trade surplus of €2.4 bn.

Agriculture and Livestock — € 8.0 Bn + 7%

Imports: € 2.8 Bn	+ 15%
Exports: € 5.2 Bn	+ 3%
Surplus: € 2.4 Bn	–9%

In 2024, overall trade in Agriculture & Livestock reached €8.1 bn, up 7% versus 2023. Imports from the UK rose 15% to €2.8 bn driven by fish & shellfish (up 27%) and meat products (up 9%). Exports from France rose by 3%, in line with inflation to €5.2 bn.

Beverages & Tobacco — € 4.2 Bn -4%

Imports: € 0.8 Bn	– 8%
Exports: € 3.4 Bn	– 3%
Surplus: € 2.7 Bn	– 1%

Following years of consistent growth, the Beverages & Tobacco sector saw a decline in trade of 4% in 2024, reflecting lower consumer spending. France is the largest exporter of wine to the UK, exports fell by 3% to €3.4 bn while imports fell back 8%.

Source : https://www.statista.com/statistics/303297/uk-wine-imports-leading-5-countries-by-value/

↑ Change from 2023

- Imports from the UK to France (in € billions)
- Exports from France to the UK (in € billions)

* Travel "receipts" or exports cover the goods and services (excluding international transport) that non-resident visitors acquire in France, including during day trips (border crossers, transit passengers, etc.) and for any reason (business, pleasure, secondments and posted work, international studies, medical care, second homes, etc.). Likewise, travel "payments" or imports cover purchases by French residents while abroad.

Sectors in surplus for the UK

Business Services — € 14.5 Bn + 12%

Imports: € 7.8 Bn ↑ + 14%
Exports: € 6.8 Bn ↑ + 10%
Surplus: € 1.0 Bn ↑ **+ 42%**

Generating €14.5 bn of bilateral trade in 2024, Business Services, which includes management consulting, technical and trade related services, is the largest service segment, making up 28% of trade in services. Imports of UK business services grew by 14% to €7.8 bn and exports from France grew by 10% to €6.8 bn, generating a UK surplus of €1 bn.

Financial Services — € 7.7 Bn + 5%

Imports: € 6.3 Bn ↑ + 6%
Exports: € 1.4 Bn ↓ – 1%
Surplus: € 4.9 Bn ↑ **+ 8%**

With €6.3 bn of imports to France, Financial Services are a traditional and major surplus sector for the UK, making up 23% of all UK services to France. In 2024, exports from France were broadly stable at €1.4 bn, increasing the UK surplus to €4.9 bn, up 8%.

Technology & Telecommunications — € 4.8 Bn + 1%

Imports: € 4.0 Bn ↑ + 3%
Exports: € 0.8 Bn ↓ – 8%
Surplus: € 3.2 Bn ↑ **+ 6%**

Overall trade in Technology & Telecommunications was flat in 2024 compared to 2023. However, the UK continued to benefit from a rise in activity, up 3% to €4 bn (14% of UK service imports), whilst exports from France fell by 8% to €0.8 bn.

Intellectual Property — € 3.0 Bn + 15%

Imports: € 2.1 Bn ↑ + 20%
Exports: € 0.9 Bn ↑ + 3%
Surplus: € 1.3 Bn ↑ **+ 36%**

The UK is a leading provider of Intellectual Property services and imports rose by 20% in 2024 to €2.1 Bn, generating a surplus of more than €1 Bn. The rapid advances in generative AI technology have driven growing demand for IP protection.

↑ Change from 2023

Imports from the UK to France (in € billions)
Exports from France to the UK (in € billions)

Global analysis

Chantana SAM
Economist, HSBC Continental Europe

2024: A year of consolidation for Franco-British Trade

In 2024, global trade (defined as the sum of global imports and exports) expanded by 4% in value terms, following a 1% decline in 2023. This improvement was largely led by trade in goods (rise of 2% after a 5% decline in 2023) while trade is services slightly decelerated (rise of 8% after 9% in 2023). This evolution reflected a waning momentum in the consumer spending rotation from goods to services, seen in the post-pandemic period.

The dynamics in Europe has been more muted. European trade (i.e. the sum of imports and exports) expanded by 1% in 2024, after being flat in 2023. Trade in goods posted a second consecutive year of decline (-1% after -3% in 2023) while trade in services slightly decelerated (8% after 9% in 2023), in line with the trend seen at the global level.

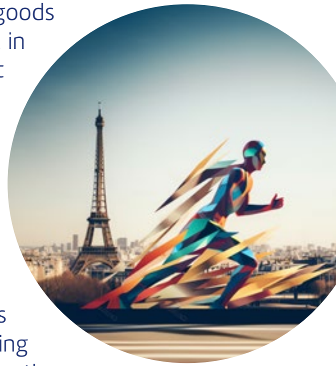
The evolution of French trade of goods and services worldwide has also been relatively subdued. It almost stagnated in 2024 (€1983bn after €1982bn in 2023), with lower imports (-2%) being offset by higher exports (+2%). Trade in goods dropped by 3%, hampered both by exports (-1%) and imports (-4%). This resulted more from lower prices than lower volumes. Energy imports fell in particular by 17%, helped by further normalisation in nuclear-powered electricity production.

Trade in services was more dynamic than for goods, rising by 6% on the back of higher exports (+8%) and imports (+3%). Both were supported in particular by robust flows in travel services.

In the end, the French trade deficit fell to €2bn in 2024, from €41bn the previous year. This reflected both a lower deficit in goods (€57bn from €76bn in 2023, led in large part by a reduction in the energy deficit) and a higher surplus in services (€56bn from €35bn in 2023).

Franco-British bilateral trade has not especially outperformed the general trends seen at the European level

Indeed, in 2024, Franco-British trade of goods and services stood at €123bn, roughly the same level than the record level reached the previous year. Imports to France from the UK rose by 3% and reached €55bn. In contrast, exports from France to the UK declined by 2% and reached €68bn. As a result, the French bilateral trade surplus fell by 17% to €14bn. It reflected a lower surplus for trade in goods (€17bn, down by 17%), offset in part by a lower deficit in services (€3bn, down by 16%).



The decline in exports from France to the UK was entirely driven by goods (down by 9%), as services exports were actually up by 14%. The fall in goods exports was due in large part to machinery and transport equipment, reflecting a sluggish business investment cycle (with high interest rates and political uncertainties being the main culprits). The rise in services exports was led by travel and tourism receipts (up by 19% on the back of the Olympic games in Paris) but business services (up by 10%) were also supportive.

Goods imports to France from the UK fell slightly (down by 3%), reflecting lower energy imports (-59%) due to the normalisation in nuclear-powered electricity production in France. This decline was offset by a robust increase in services imports (up by 10%), reflecting the strength in business and financial services (due to the comparative advantage of UK in both categories) but also solid growth in travel and tourism. This could also reflect the support from the Olympic games, as some international tourists coming to Paris to attend the event may have also used that opportunity to visit the UK.

Indications and expectations for 2025

2024 was a year of consolidation for Franco-British trade but 2025 is expected to be far more challenging, given the uncertainties created by the trade policy of the US administration.

Announcements on US tariffs have been a roller-coaster since the start of 2025. The initial measures have been targeted at some specific economies (Canada, Mexico and mainland China) or some specific sectors (steel, aluminium, cars). Then, on the so-called "Liberation Day" on 2 April, President Donald Trump announced sweeping reciprocal tariffs of 11-50% on about 60 economies. However, on 9 April, he announced a delay of these higher individual reciprocal duties until 9 July, even if the 10% baseline tariffs remain in place.

The sole exception was mainland China: the US administration ramped up the pressure even more on Beijing in increasing additional duties to 145%. Chinese authorities have taken retaliation measures, in imposing their own 125% tariffs on goods imported from the US. A month later, both sides agreed to a 90 day pause with a significant rollback in tariffs (with China facing 30% tariffs and the US facing 10% tariffs).

Prospects for the next few months remain very uncertain. There are still risks that the US administration imposes higher reciprocal tariffs against its trade partners on 9 July, if no bilateral trade agreement can be found by then. In particular, President Trump has threatened to impose a 50% tariff on goods imports from the EU on 9 July. A resurgence in trade tensions between the US and China is also a risk to monitor, as there is still no guarantee that a comprehensive trade agreement may be found before 12 August (the end of the 90-day period opened by the truce announced on 12 May). Finally, the US administration is also expected to announce sectorial tariffs on some important items like pharmaceutical products or semi-conductors.

In any case, US tariffs are set to deliver a significant blow to global trade. Even the baseline 10% tariffs imposed at this stage already represents a meaningful increase in the US effective tariff rate relative to the start of the year. On top of the direct impact from US tariffs, heightened uncertainty itself would also have a negative impact on global trade flows, given the hit to business investment. Based on some assumptions on the evolution of US tariffs over the medium-term (50% against China, 20% against Asia ex-China and 10% against Europe), HSBC economists expect global trade to grow by just 0.5% year on year in 2025.

Against that backdrop, Franco-British trade is unlikely to remain unscathed. A global trade slowdown would weigh on bilateral trade flows between both economies, especially in the more cyclical sectors like machinery or equipment goods. In the first quarter of 2025, Franco-British trade in goods already slipped by 8% year on year, impacted in particular by machinery and transport equipment.

Granted, trade data in the first quarter of 2025 may be distorted by some front-loading effects on exports directed towards the US ahead of potential tariffs. Nevertheless, even in taking account these potential distortions, Franco-British trade in goods has clearly started 2025 on a weak note.

Looking ahead, the recent progress of talks between the UK and the EU on trade represent a bright spot, which could mitigate the negative effects of the challenging global trade backdrop. Indeed, the UK and EU have taken the first steps towards greater economic cooperation on issues such as defence, energy and trade. While this is a positive start, there is plenty of scope to go further without breaking the UK government's election manifesto pledges.

Conversely, the recent trade deal agreed between the UK and the US could have more negative implications for EU-UK trade, given the potential loss of competitiveness of EU exports, both for exports to the US and to the UK. That said, concessions granted by each bloc have been relatively modest, which should limit the negative consequences for the EU. In detail, the UK accepted to purchase USD10bn of Boeing planes and to open up its market to products such as ethanol, beef and machinery. That included a reduction in the tariff applied to US car exports and agricultural products. In return, the UK will benefit from lower tariffs for cars while its steel and aluminium industry will face no tariffs. Moreover, the UK pharmaceutical sector could possibly benefit from a preferential treatment on US tariffs, if the US goes ahead and implements a sector specific tariff globally.

Finally, the evolution of investments (domestic and foreign) will also remain a key driver of the bilateral trade flows between France and the UK. According to the latest Attractiveness barometer published by EY, France remained the first FDI destination in Europe in 2024 (for the sixth consecutive year), just ahead of the UK. However, both countries faced a decline in the number of projects, after two years of solid growth. Political uncertainties have clearly played a role, with the dissolution of the National Assembly in France in June (followed by legislative elections in July) and the UK general elections in July.

Political uncertainty remains relatively high in France, given the fragmentation of the National Assembly and the need to continue to reduce the elevated public deficit (5.8% of GDP in 2024) in order to comply with European fiscal rules. Another dissolution of the National Assembly cannot be ruled out from July, but it would be a risky bet for President Emmanuel Macron. Public investment is also likely to be negatively impacted by the need to pursue fiscal consolidation.

On a more positive note, it seems that France continues to benefit from a decent reindustrialisation trend, as its first place in the EY Attractiveness barometer was mainly driven by industrial sectors. On top of that, France has managed to attract many research projects in artificial intelligence and quantum computing, taking the first place in both categories.

As for the UK, it kept the top position in financial services and in decision centres. It highlights the comparative strength of the British economy in business and financial services. Regarding prospects in industry, the push of the labour government in terms of public investment on energy and infrastructures (with an objective of GBP100bn of new investment over five years) could be a significant source of support. However, the low fiscal headroom of the government remains a source of concern as it raises the risk that the government may have to raise further taxes or to revise down its plans in terms of public spending, in case of fiscal slippage.

Foreign direct investment in 2024

Foreign Direct Investment (FDI) reflects a country's attractiveness for foreign investment.

Global foreign direct investment (FDI) fell by 2% to $1.3 trillion in 2023 amid an economic slowdown and rising geopolitical tensions, according to the World Investment Report 2024[1]. Uncertainty is driving lower growth expectations and the prospects for 2024 remain challenging. According to the EY attractiveness survey[2] published in May 2025, European FDI dropped by 5% in 2024 as manufacturing investment fell by 9%. Persistently high energy prices and a febrile geopolitical environment are the key reasons for this downturn.

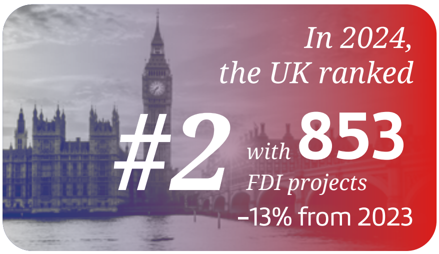
Despite the challenging context, France and the UK continue to rank #1 and #2 for foreign and bilateral investment, reflecting the attractiveness and resilience of both markets. In 2023, the stock of FDI from France in the UK reached €102.2 billion (£117.5 billion), up 2.4% from 2022, while the stock of FDI from the UK in France increased by 10.5% to €88.0 billion (£101.2 billion)[3]. In 2023, France accounted for 5.6% of inward investment to the UK and 5.5% of outward investment from the UK.

In 2024 however, following two record years in 2022 and 2023, both countries experienced a decline in the number of projects. France recorded 1,025 FDI projects (-14%), and the UK recorded 853 projects (-13%). Although the UK generated the largest number of jobs, 38,200 versus 29,000 in France, overall job creation fell by 27% in both countries.

The UK outperformed Europe in securing investment into future-facing industries such as technology and life sciences. Automotive and aerospace business was the UK's second largest sector for FDI. Greater London recorded 265 FDI projects in 2024, making it Europe's leading region for investment for the second year in a row.

In France, manufacturing was ranked first for investment decisions, and the number of jobs being created or maintained in research and development and engineering increased by 9%[4]. In France and the UK, the focus on R&D projects and technology are essential for driving innovation and creating synergies between both countries.

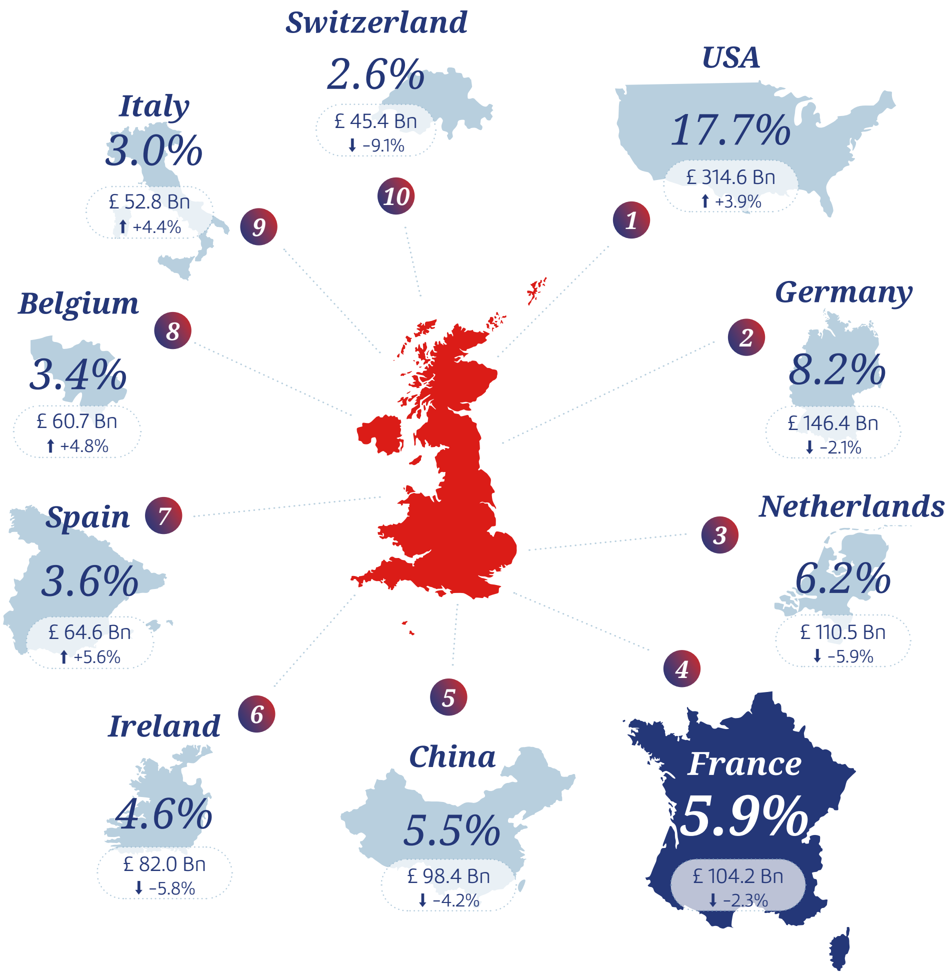
Despite the slowdown in 2024, the research finds that over 60% of surveyed businesses expect investment attractiveness to improve over the next three years. FDI data shows that investment in defense is already gathering momentum. In addition, Europe benefits from the fact that 60% of FDI originates in Europe, with businesses of all sizes investing in neighbouring countries. Business leaders and policymakers must capitalize on this advantage.



[1]UNCTAD World Investment Report, published June 2024 World Investment Report 2024 | UN Trade and Development (UNCTAD)
[2]EY 2025 Attractiveness Survey 2025 foreign direct investment trends in Europe | EY - Global
[3]UK Department for Business & Trade - Trade and Investment Factsheets, 2 May 2025.
[4]Business France press release, 5 March 2025.

France, a key global trading partner

Ranking of United Kingdom's trading partners in 2024



#4 France is the UK's 4th largest trading partner and accounts for 5.9% of UK's total trade.

↑ Change from 2023

A closer look at
Northern Ireland

France and Northern Ireland have a long and productive history of trade. In 2024 there were 55 French owned businesses across Northern Ireland employing more than 5,000 people in established brand names such as Thales, Axa, Expleo and Vinci. France is Northern Ireland's 5th largest export market, valued at £325 million.

With significant success in the aerospace and defence sector amongst others such as technology life sciences, fintech, cyber security and food & drink, Northern Ireland offers an exceptional investment location for companies looking to expand their operations and export world-class products and services. Combined with Northern Ireland's unique position of having tariff-free market access to both Great Britain (GB) and the European Union (EU). Companies based in Northern Ireland, produce world leading products and services which are exported to over 100 countries.

Northern Ireland's Aerospace Sector – World-class innovation.

Northern Ireland has an historic legacy of great innovation in aerospace and defence, with the Shorts Brothers, the world's first aircraft manufacturing company, establishing in Belfast over 100 years ago. Northern Ireland was also home to the first woman in the world to design, build and fly her own aeroplane cementing her place in aviation history. Lilian Bland, born in Kent in 1878 to an Anglo-Irish family and moved to Carnmoney, Northern Ireland when she was 28. Her first interest in aviation came from a postcard sent from Paris by her uncle.

Today, the Aerospace Sector in Northern Ireland is represented by over 100 companies that employ approximately 9,000 workers and contribute an estimated £2.2bn to the local economy.

Aerospace is a major success story. Offering supply chain resilience and over a century of aerospace innovation, Northern Ireland is helping the world create the next generation of flight. From those early days of aviation to the light-wing drone technology of today, Northern Ireland has been seen as a centre of excellence; with the region continuing to play a pivotal role in the history of aerospace manufacturing.

Every major commercial aircraft programme is dependent upon the structures, components or expert services that originate in Northern Ireland. The region also produces one-third of the world's aircraft seats and is responsible for approximately half of the UK's cabin furnishings output.

Northern Ireland's Aerospace sector offers a high density, true turnkey supply solution for global manufacturers and that is why companies such as Airbus, Boeing, Collins Aerospace, Embraer, and BAE Systems are leveraging Northern Ireland's expertise in a variety of capacities. From design and manufacturing with world leading capabilities in precision machining, advanced metal forming, composites, and polymers to coatings, assembly, certification and stress testing, the region's supply chain is as robust as it is diverse.

Leading sustainable flight and meeting Net Zero targets

Northern Ireland is at the forefront of the transition to cleaner aviation. Northern Ireland's aerospace supply chain reduces logistic risks and companies are developing and manufacturing components that reduce CO_2 and NOx emissions, contributing to the UK's goal of achieving net zero by 2050.

Invest Northern Ireland (Invest NI) is the economic development agency for N.Ireland.

Invest NI's role is to grow the local economy. We do this by helping new and existing businesses to compete internationally, and by attracting new investment to Northern Ireland. We are part of the Department for the Economy and provide government support for business by effectively delivering the Government's economic development strategies.

The sector provides revenues of GBP £2.2 million and employs an estimated 9,000 workers directly.

Northern Ireland has around 50 per cent of the business and first class seating market share.

Every Airbus wing includes components manufactured in Northern Ireland.

SC21 – NI Aerospace has 6 Gold , 8 Silver and 2 Bronze awards, with more Golds than any other UK region.

Contact us

For further information on Invest N.Ireland, please feel free to contact the Regional Director : Kelly-Marie Nolan, **kelly-marie.nolan@investni.com**

And also check out our website : **www.investnireland.com**

A closer look at **Scotland**

Greener Together : Franco-Scottish Collaboration Driving Clean Growth

Scotland continues to lead in renewable energy, capitalising on its abundant natural resources to develop world-class offshore wind and hydrogen sectors. These developments are central to Scotland's role in the global energy transition.

Scotland's energy journey began with its oil and gas heritage. The discovery of North Sea oil in the late 1960s transformed the economy and established Aberdeen as a global energy hub. The expertise, infrastructure, and investment from this sector have laid the groundwork for Scotland's transition to renewables. Offshore engineering skills developed over decades are now being applied to wind energy, supported by initiatives such as the North Sea Transition Deal, which aims to decarbonise the oil and gas sector and integrate low-carbon technologies.

Scotland's offshore wind sector is among the most advanced in Europe. With an Exclusive Economic Zone of over 462,000 km², Scotland offers ideal conditions for offshore wind development. The ScotWind leasing round, launched by Crown Estate Scotland, is a landmark initiative targeting 30GW of new capacity, including 19.2GW from floating wind. Floating technology, pioneered in Scotland, enables deployment in deeper waters, unlocking vast energy potential.

Hydrogen is another key pillar of Scotland's energy strategy. The Scottish Government aims to produce up to 3.3 million tonnes of green hydrogen annually by 2045. The Hydrogen Action Plan outlines investment in regional hydrogen hubs, infrastructure, and export readiness, with a focus on aligning with European markets. Carbon Capture, Utilisation and Storage (CCUS) plays a vital role in this strategy. Scotland's North Sea basin offers extensive CO_2 storage capacity, and projects like Acorn are advancing plans to capture and store emissions from industrial sources. When combined with hydrogen production, CCUS can significantly reduce lifecycle emissions, supporting the development of low-carbon hydrogen and derivatives at scale.

Scotland's renewable energy strengths have fostered strong ties with the French market. Strategic partnerships have been formalised through Memoranda of Understanding (MoUs), including one between Scotland's Floating offshore wind cluster and Wind'Occ in Occitanie. Further cooperation is also underway with the Brittany region, focusing on floating offshore wind development and best practice sharing. These partnerships create opportunities for Scottish companies to expand into the French market and contribute to France's energy transition. In 2024-2025, Scottish Development International supported over 40 Scottish companies from across the energy transition sector with their development in the French market.

French companies are also playing a prominent role in Scotland's Energy sector. EDF Renewables is developing the Neart na Gaoithe wind farm off the Fife coast. TotalEnergies, alongside partners, is progressing the 2GW West of Orkney Windfarm. Qair is involved in the Ayre and Bowdun projects, each with 1GW capacity. These investments underscore the strong commercial and strategic links between France and Scotland.

By partnering on cutting-edge technologies like floating offshore wind and hydrogen, Scotland and France are driving forward their shared climate ambitions—fostering innovation, attracting investment, and strengthening cross-border collaboration.

Contactez-nous

For further information on Scottish Development International, please feel free to contact David Decrock, Country Head France, Scottish Development International: **david.decrock@scotent.co.uk**

Check out our website : **www.sdi.co.uk**

A closer look at **Wales**

Wales and France : A long-standing economic relationship

FRENCH COMPANIES

Wales and France share a long-standing and mutually beneficial economic relationship. French investors are thriving in Wales: 85 French companies are currently operating in Wales, spanning a diverse range of sectors, from Advanced Manufacturing (Airbus, Thales, Safran, eXcent, Boccard) and Clean Energy (EDF Renewables, VINCI Energies, Engie) to Life Sciences (IPSEN).

France is also positioned as Wales' 4th largest export market for goods. In 2024, the value of goods exports from Wales to France totaled £1.7 billion. Key Welsh exports to France include industrial machinery, electronics, automotive components, and food & drink products.

4TH LARGEST EXPORT MARKET

Technological Innovation

Wales has a rich history of innovation, contributing to inventions like the hydrogen fuel cell and aircraft radar. Today, approximately 45,000 people work in its £8.5 billion digital economy, with dynamic growth in areas such as fintech, health-tech, sport-tech and creative industries. Wales is advancing Industry 4.0 through collaborative initiatives : AMRC Cymru in North Wales drives research and innovation to improve manufacturing processes with Airbus, and their Wing of Tomorrow programme, as a key partner. South Wales is home to CSconnected, the world's first dedicated compound semiconductor cluster, a collaboration between universities, research facilities, and businesses developing technologies for a net-zero future including more efficient electric vehicles and renewable energy solutions.

Cybersecurity Ecosystem

Wales hosts a thriving cybersecurity sector with over 150 companies, including major French players Airbus and Thales. The Cyber Innovation Hub, supported by the Welsh Government and Cardiff Capital Region, aims to make South Wales a leading cybersecurity cluster by 2030, fostering new products, businesses, and a pipeline of skilled talent. From Ebbw Vale in the Welsh valleys, Thales and the Welsh Government drive regional growth through two joint programs: the National Digital Exploitation Centre (NDEC), Thales' global hub for cybersecurity innovation and collaboration, and the ResilientWorks living lab, where tech companies and researchers develop and test autonomous vehicle and power systems.

Commitment to innovation and sustainability

Wales is located on the west of the UK with our capital city, Cardiff, offering competitive office rent and situated less than two hours from London, enabling businesses to enjoy the benefits of being close to London without being burdened by the costs of being based there. As the first country to appoint a Future Generations Commissioner, Wales integrates its commitment to sustainability and future generations through the Well-being of Future Generations Act, ensuring that economic development strategies promote long-term environmental responsibility, social equity, and inclusive growth for a resilient and prosperous future.

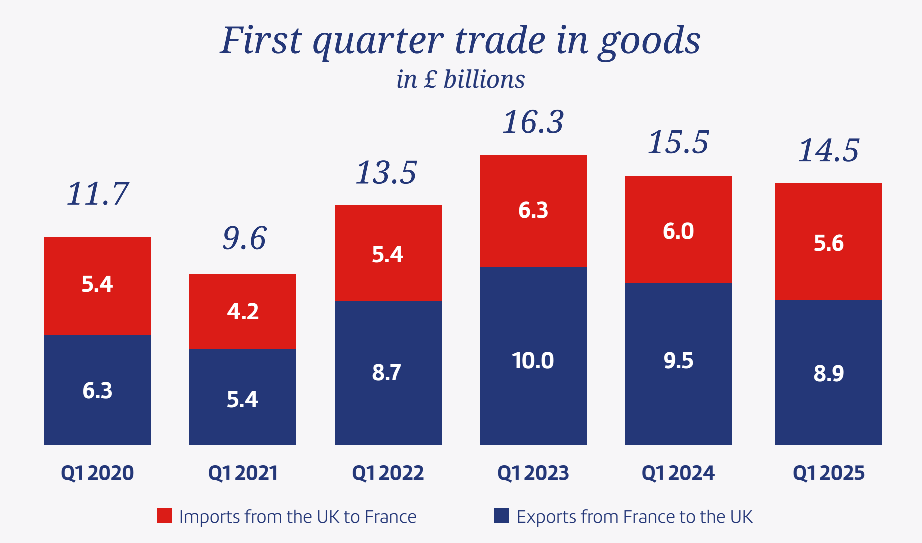
Economic growth is a top priority for Wales. The Welsh Government will host the Wales Investment Summit in December 2025 highlighting the many opportunities to global industry leaders and potential investors. With its strategic location, supportive infrastructure, and commitment to innovation and sustainability, Wales presents a compelling opportunity for businesses looking to thrive in the UK and European markets.

Contact us

For further information on doing business in Wales please feel free to contact Scarlett Butler and Elizabeth Nixey based in the Welsh Government office in France:
france@wales.com

Discover more about doing Business in Wales : **www.tradeandinvest.wales**

Q1 2025: Slowdown in trade reflects context of global economic uncertainty



Trade in goods during the first quarter of 2025 slipped by 8% year on year, reflecting the context of global economic uncertainty. Exports from France to the UK fell back by 8% while imports from the UK to France fell by 6%, with bilateral exchange impacted by lower trade in machinery and transport equipment (-26% from France, -8% from the UK), offset to some extent by higher energy trade.

Note: The data above only provides an indication of the outlook for 2025. The ONS recommends focusing on year-on-year comparisons.

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