

## ABSTRACTS

УДК 339.9(44)

*Iu. Khvatov*

### **FRENCH ECONOMY: THE STAGES OF DEVELOPMENT AND ANALYSIS OF THE CURRENT DEVELOPMENT TRENDS**

France, together with Germany is a key European Union economy. Its economic and political importance increased after the positive results of Brexit. Economy of France (the official name of the country - French Republic) took 5th place in the world by nominal GDP and 9th place for GDP calculated at purchasing power parity (PPP). Average annual GDP growth in France during the 1998-2007 fully compatible with the GDP growth in the euro zone - 2.4%. In the period 2008-2015 the French economy grew faster than the economies of the Eurozone.

Currently, services are a major sector of the economy, accounting for over 78% of GDP. In the manufacturing industry, France is one of the world leaders in the automotive, aerospace, food processing and in the manufacture of cosmetics, luxury goods and rail transport. In addition, France has a highly skilled workforce and the maximum number of graduates per thousand workers in Europe.

France is the largest agricultural economy in the European Union. Due to its climate, soil and overseas territories, France is the only European country able to produce nearly all agricultural products. France specializes in the production of wheat, sugar beet, potatoes, beef, dairy products. In 2013 France came out on top in the world for growing grapes and producing wine, beating its eternal rival Italy.

According to IMF experts "French banks have shown considerable resilience during the global financial crisis, but face problems". French banking system is often characterized as a system of "universal banks". This term refers to banks providing financial services to various clients - from households to small and large companies. While financial markets provide a larger share of funding for large companies, banks play an important role in financing households and small and medium enterprises. In terms of business, the French tax system is complex, with high marginal rates and administrative costs.

In recent years, France significantly revised its innovative system, created new institutions and funding mechanisms; developed in the 2004 policy of competitiveness clusters (pôles de compétitivité) and in 2010 the program "Investing in the Future" (Investissements d'Avenir); provided greater autonomy for universities, increased use of tax credits for research (CIR) and in innovation tax credit.