



## France

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# France

Among European countries, except Russia, France is the largest and had the largest population until the nineteenth century. Despite the temptation of autarky, external trade played an important role in its history, reflecting both the specificities of its economic development and global trends.

## 1450s-1650s

France underwent a period of economic recovery and territorial consolidation in the second half of the fifteenth century. Its external trade grew till the 1560s. The establishment of the Lyon fairs revived the French isthmus linking the Mediterranean Sea with Northern Europe through the Rhône valley. Most major French ports were only definitively added to the territory at that time (Rouen in 1449, Bordeaux in 1453, Marseille in 1481 and Nantes along with Brittany in 1491).

France was traditionally exporting salt and wine. Other exports were mainly wheat, light cloths and dyestuff. A large part of French trade, especially Mediterranean, was by and large under the control of Italian merchants.

**Table 1 : Geography and composition of French import (1550s)**

All these numbers are only approximations  
Total imports: 35 million livres  
Total GDP: between 200 and 400 million livres (openness rate: between 8 and 15 percents)  
Source : Gascon in Braudel & Labrousse and Spooner

|                            |       |
|----------------------------|-------|
| Italy and Near East        | 39,4% |
| German and northern states | 19,2% |
| Spain                      | 16,4% |
| Low Countries              | 10,4% |

|                              |       |
|------------------------------|-------|
| England                      | 8,2%  |
| Portugal                     | 5,5%  |
|                              |       |
| Silk products                | 40,3% |
| Gold and silver              | 25,8% |
| Metals, weapons and hardware | 15,4% |
| Spices, alum and sugar       | 6%    |
| Leather products             | 4%    |
| Other                        | 8%    |

Competition from the Netherlands and England, along with civil and foreign wars impeded external trade between the 1570s and the 1650s. The decline in the role of Italian merchants contrasted with the rise of the role of Dutch merchant in the Atlantic trade.

## **1660s-1780s**

Headed, among other, by Jean-Baptiste Colbert, the French state conducted a mercantilist policy. It consisted in encouraging domestic industries, creating and promoting colonies, and challenging the Dutch supremacy. Many of these Paris-based initiatives, especially monopolist companies, failed. Yet, in the second half of the seventeenth century, the available evidence shows a robust growth of French trade, despite the wars of Louis XIV<sup>th</sup>. E. g. The number of French merchant ships of more than one hundred tons doubled from 350 to 700 between 1664 and 1704.

The relatively peaceful first half the of the eighteenth century was even more favorable to the growth of French external trade, which was not stopped by the wars of the second half of the century. French traders, protected by the system of the Exclusif which banned foreigners from trade with the French colonies, were

able to exploit the slavery-based prosperity of the West Indies (especially what will be Haiti) to supply Europe with sugar and other colonial goods. France traditional industries were widely exported to continental Europe. At the eve of the French Revolution, France had just overtaken Great-Britain as the main western trading country. However, the consequences of the trade treaty (Eden-Rayneval) signed with Great-Britain in 1786 revealed the weakness of France in the new sectors of the Industrial Revolution.

**Table 2: Geography and composition of French external trade (1787)**

Total imports : 645 million livres ; total exports : 530 million livres.  
 Total GDP : between 5 and 6 billion livres (openness rate: between 10 and 12 percents)  
 Source : Daudin, based on Arnould

|  | Imports | Exports |
|--|---------|---------|
| West Indies  | 29%     | 15%     |
| Great-Britain and United States                    | 23%     | 12%     |
| Italy, Spain and Portugal<br>(incl. their empires) | 20%     | 24%     |
| Other European countries                           | 20%     | 42%     |
| Asia and Africa                                    | 18%     | 9%      |

|                    | Imports | Exports |
|--------------------|---------|---------|
| Industrial goods   | 20%     | 34%     |
| Agricultural goods | 20%     | 30%     |
| Raw materials      | 28%     | 6%      |
| Colonial goods     | 32%     | 30%     |

## 1790s-1910s

Civil disorder and external war had a catastrophic effect on French trade during the Revolution and the Empire. The basis of the prosperity of the eighteenth-century colonial empire were destroyed. Trade policy became protectionist. France's 1787 openness rate was not recovered before the 1840s.

Starting then, a number of custom duties were repealed. That culminated in the free-trade treaty signed between France and Great-Britain in 1860 (Cobden-

Chevalier). This treaty set off a movement toward free trade in Europe. In 1880, total custom duties were equal to only eight percent of French imports. However, France came back to moderate protectionism during the Great Depression.

Imports were mainly raw materials or the new products of the Industrial revolution. Export specialization was either in traditional agricultural exports — especially wine; in luxurious and semi-luxurious goods; or — in the early twentieth century — in cutting-edge sectors like cars. The new colonial empire created in Africa and Indochina provided raw materials, and served as a shelter for the less competitive French sectors. The rise of new industrial countries and France’s lack of demographic and economic dynamism resulted in a relative regression of French trade, which was overtaken by the United States and Germany.

**Table 3: Geography and composition of French external trade (1913)**

Total imports: 7 100 million francs ; total exports: 6 000 million francs  
 Total GDP: 39 billion francs (openness rate: 17 percent)  
 Sources : Lévy-Leboyer & Bourguignon

|   | Imports | Exports |
|---|---------|---------|
| Germany, Belgium, Danemark, Holland and Switzerland | 22%     | 36%     |
| Great-Britain                                       | 13%     | 21%     |
| United States                                       | 11%     | 6%      |
| Algeria   | 4%      | 8%      |
| Mediterranean countries                             | 12%     | 13%     |
| Other (incl. Asia and Africa)                       | 38%     | 16%     |

  

| Imports                                |     | Exports  |     |
|--|-----|--|-----|
| Grain and wine                         | 8%  | Grain and wine                                 | 5%  |
| Other foodstuff (incl. colonial goods) | 12% | Other foodstuff and agricultural raw materials | 20% |
| Agricultural raw materials             | 26% | Sugar and colonial goods                       | 3%  |
| Non-agricultural raw materials         | 35% | Non-agricultural raw materials                 | 15% |
| Industrial goods                       | 19% | Industrial goods                               | 58% |

## 1920s to now

The strength of the French modern sectors was confirmed in the trade upturn of the 1920s. However, in the 1930s, the worldwide reduction in trade did not spare France. After World War Two, the modernization of the French economy lessened the need for the protected markets supplied by the colonial empire and protectionist policy. France was able to liberalize successfully, especially with its partners in the European Economic Community (created by the Treaty of Rome in 1957). Only its agricultural sector is still protected against non-European producers by the Common Agricultural Policy.

The increase of the share of industrial products in imports — and the concomitant decline of the share of raw materials — is the sign of French integration in within-industry trade patterns, in contrast with the cross-industry trade pattern of the nineteenth century. This is linked to the rise of the importance of Europe as a trade partner. Recently overtaken by China, France is still in 2003 the fifth largest merchandise exporter and importer.

**Table 4: Geography and composition of French external trade (2003)**

Total goods imports: 323 billion euros ; total goods exports: 321 billion euros  
 Total service imports: 41 billion euros ; total service exports: 44 billion euros  
 Total GDP : 1 557 billion euros (openness rate : 23 %)  
 Sources : Web sites of Douanes and Insee

|  | Imports | Exports |
|--|---------|---------|
| Agricultural goods                       | 3%      | 3%      |
| Processed foodstuff                      | 7%      | 9%      |
| Consumption goods                        | 17%     | 15%     |
| Cars                                     | 12%     | 15%     |
| Capital goods                            | 21%     | 24%     |
| Intermediary goods (incl. raw materials) | 31%     | 30%     |
| Energy                                   | 10%     | 3%      |
|  | Imports | Exports |
| Germany                                  | 17%     | 15%     |
| Other Euro zone                          | 34%     | 36%     |
| Other European Union (at 15)             | 12%     | 15%     |
| Other Europe                             | 8%      | 7%      |
| United States                            | 6%      | 7%      |

|                                |     |    |
|--------------------------------|-----|----|
| Other America                  | 2%  | 3% |
| Asia                           | 12% | 8% |
| Africa, Middle-East and others | 8%  | 9% |

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