



FRANCE

State of Play – Winter 2017



MACROECONOMIC SITUATION

- Moderate growth in 2016, driven by strong domestic demand

Excessive imbalances

- Public debt remains high
- Falling unemployment, but long-term unemployment continues to rise
- Labour market remains segmented and educational inequalities are high
- Competitiveness is gradually recovering



PROGRESS ON COUNTRY-SPECIFIC RECOMMENDATIONS

Substantial progress

- in sustaining labour cost reductions and reforming the labour law; some progress on minimum wage developments

Some progress

- in reducing the regulatory burden for firms
- in improving the links between the education sector and the labour market

Limited progress

- on increasing the savings from the spending reviews
- on tax reform

No progress

- in reforming the unemployment benefit system



FISCAL SITUATION

- Excessive deficit, but deficit projected to decline below 3% of GDP in 2017
- Public debt above the 60% of GDP reference value
- Draft Budgetary Plan 2017 assessed as broadly compliant with the rules of the Stability and Growth Pact



POLICY HIGHLIGHTS

- Roll-out of a flexicurity approach to the labour market, promoting hiring on permanent contracts and flexibility at company level, as well as securing professional transitions

More info at

<https://ec.europa.eu/info/strategy/european-semester/european-semester-timeline/analysis-phase>