



CCI FRANCE CHINE

Survey - Spring 2025

From February 26th to March 11th

Evaluation of the current Business Climate for French Companies in China





Navigating Uncertainty: Challenges and Opportunities for French Businesses in China

With almost 2,100 subsidiaries employing some 307,400 people, France is the leading European investor in China by the number of companies. With its 1,702 members, the French Chamber of Commerce and Industry in China (CCI FRANCE CHINE) has been defending the interests of French companies since 1992.

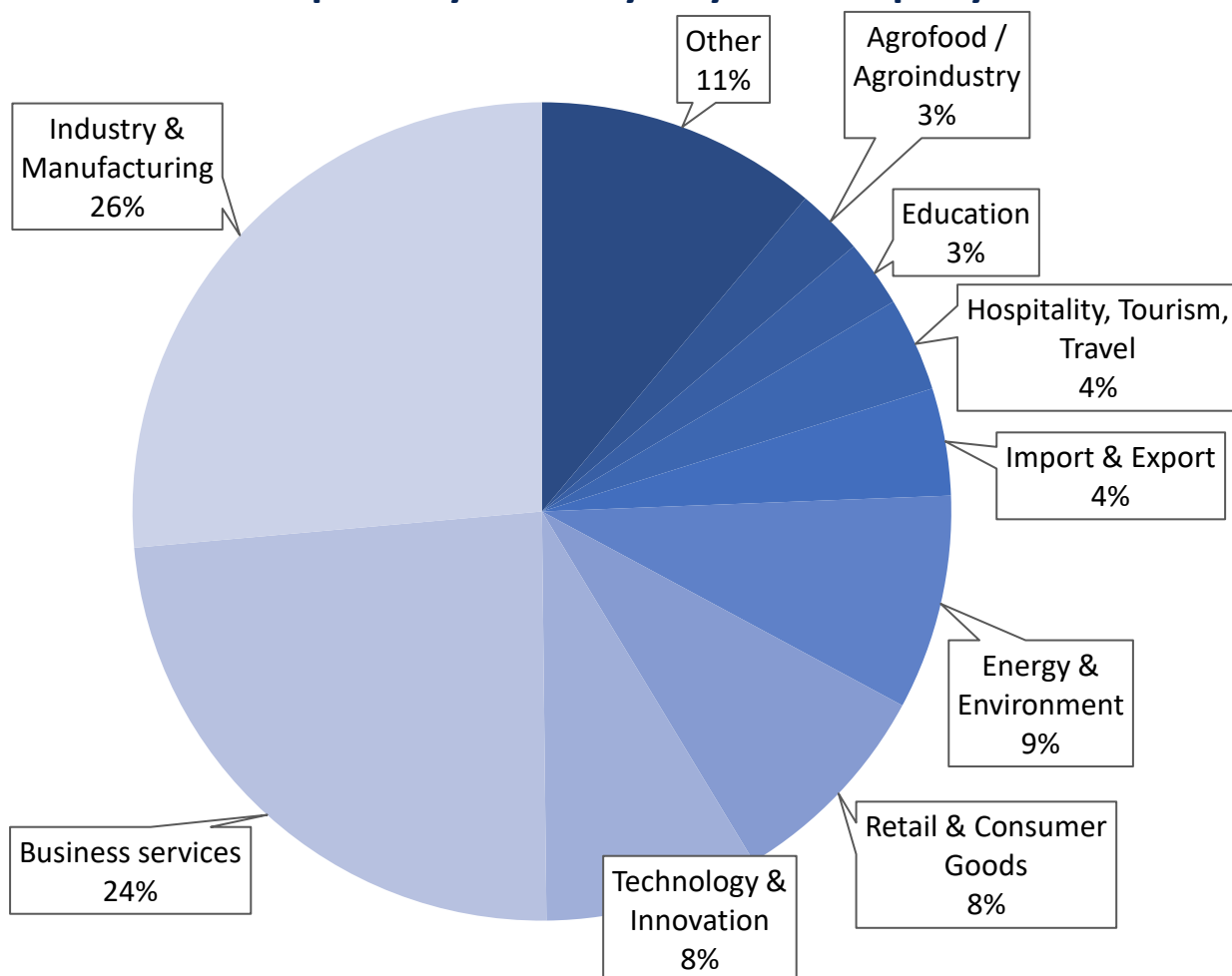
Following up on the series of surveys launched from April 2022, CCI FRANCE CHINE questioned its members between February 26 and March 11, 2025, on their activity in light of China's new stimulus policies. **322 companies responded to the survey.**

- **Economic Outlook:** The business climate for French companies in China in 2025 presents mixed views. **34.1%** of respondents assessed an improvement in the business environment compared with last year. In the short term (2025), **35.3%** expect stability, with **41.3%** anticipating growth (moderate or high). Over the next three years, **65.3%** expect growth, and even **72.2%** are optimistic for the next ten years.
- **Policy Impact:** French companies in China are facing challenges related to local policy but we can see some improvements as only **28.2%** of respondents feel that they are treated worse than local firms. Local private firms being considered as the primary competitors by **62%** of companies. **73.7%** see market competition as their top threat while **68.6%** of respondents still cite **pricing and cost efficiency** as their greatest weakness.
- **Profit Trends:** French companies in China are cautiously optimistic about their financial performance. In 2024: **32.9%** saw a slight increase in their turnover, but **36.6%** saw a decrease, with an overall of **55.1%** declaring a **net profit**. In 2025, **53.9%** of respondents expect an increase in their turnover while **25.1%** forecast stability.
- **Strategic Investments:** Strategic investment decisions reveal a shift in priorities. The Chinese market, once a top destination for investment, is now on pause for global investment plans. **More than 55%** of respondents will keep their investments **stable**. Only **25%** of companies still prioritize China highly for future investments and with **14%** considering decreasing investments. It is interesting to note that a **large majority (61%)** of companies with a **R&D activities** (37% of the respondents) consider expanding these activities.
- **ESG Priority and Implementation:** ESG remains an important focus for French companies in China. **32.3%** of companies highly prioritize environmental, social, and governance (ESG) issues in their Chinese operations, though **36%** treat it with lower priority or disregard it entirely. The top ESG initiatives being implemented include **carbon footprint reduction** (65.9%), followed by **diversity and inclusion** (46.7%) and **ethical supply chain practices** (37.1%). Despite growing attention to ESG, **38%** of companies still see it as less important in China compared to other markets.

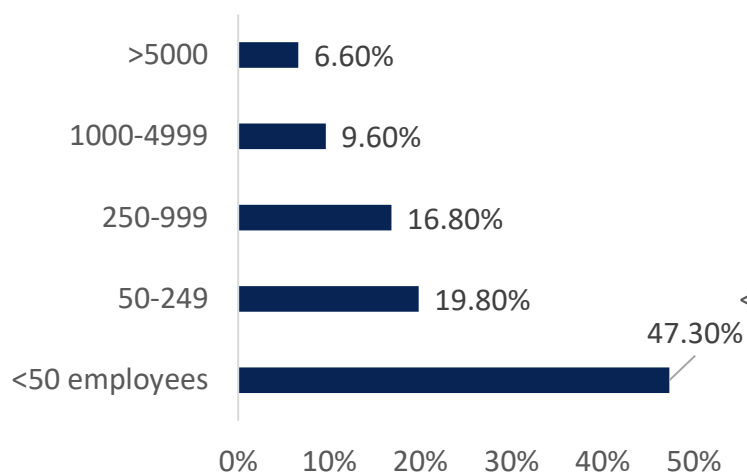
The business outlook for French companies in China in 2025 is mixed, with many anticipating both challenges and modest growth. Despite some policy improvements, companies continue to face issues related to competition, pricing, and cost efficiency. Strategic investments are shifting away from China, while ESG concerns remain important, though their priority varies across companies.

Profile of respondents

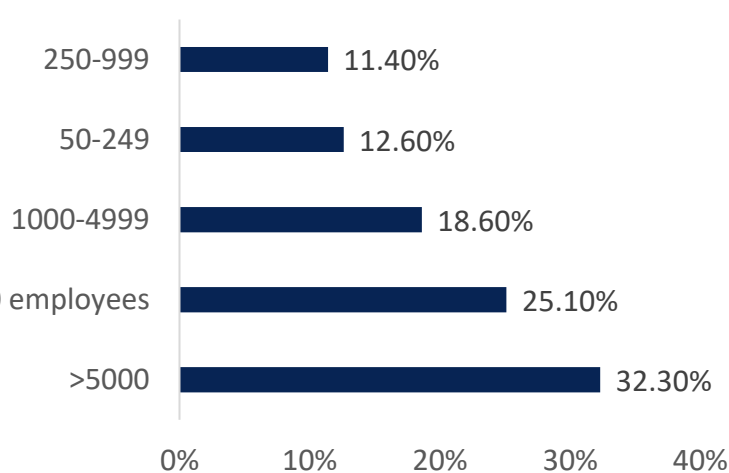
What is the primary industry of your company?



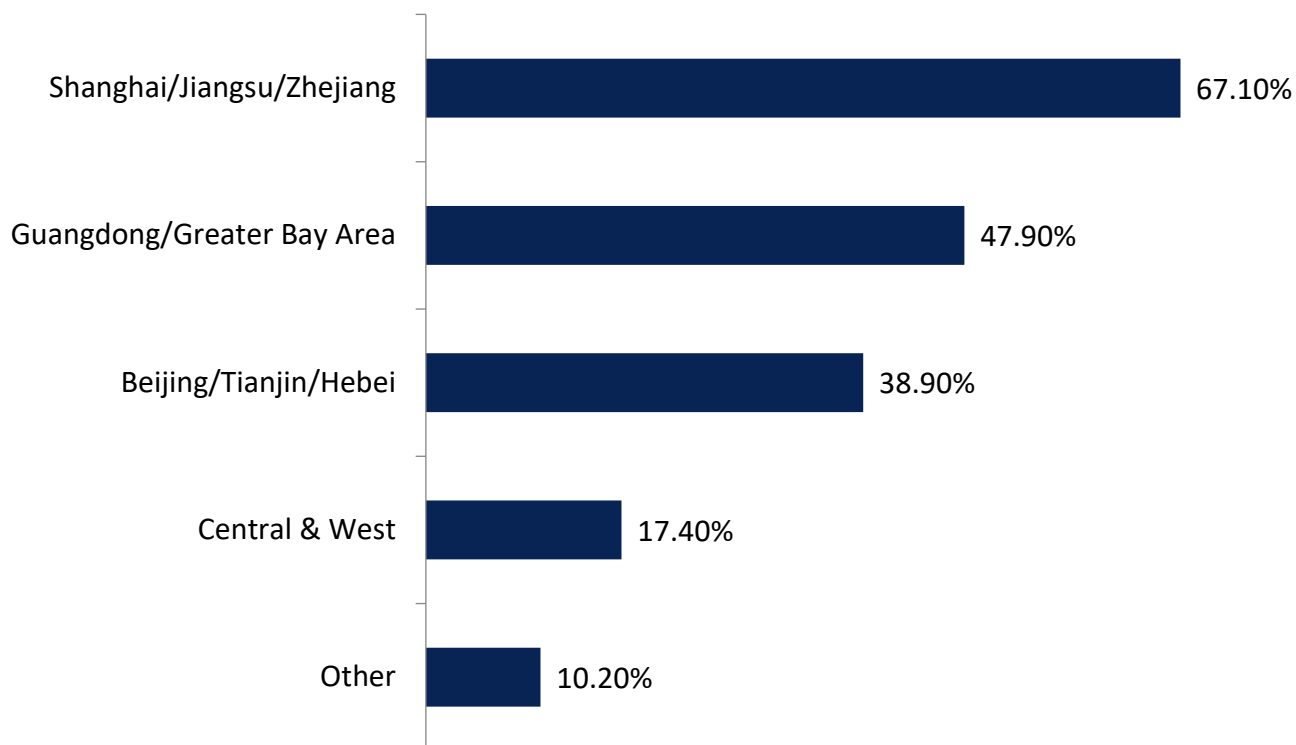
What is the size of your company in China (number of employees)?



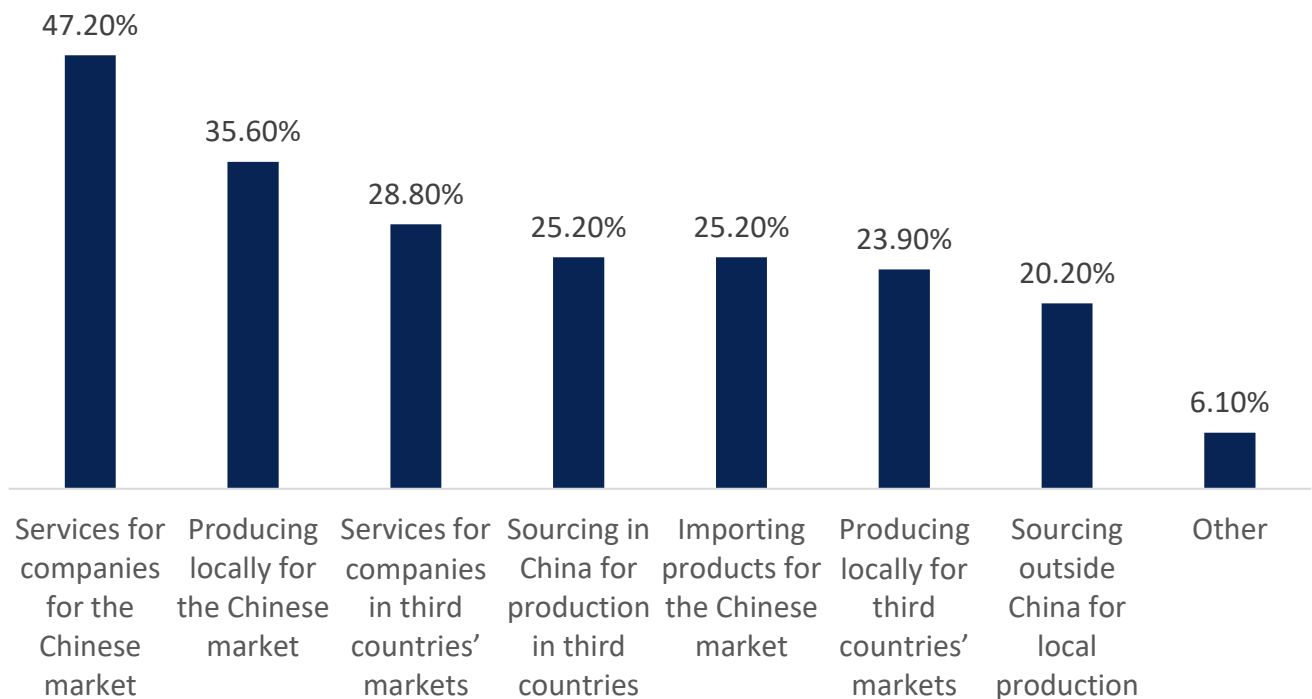
What is the size of your company worldwide (number of employees)?



Where are your main operations located in China? (multiple choices)



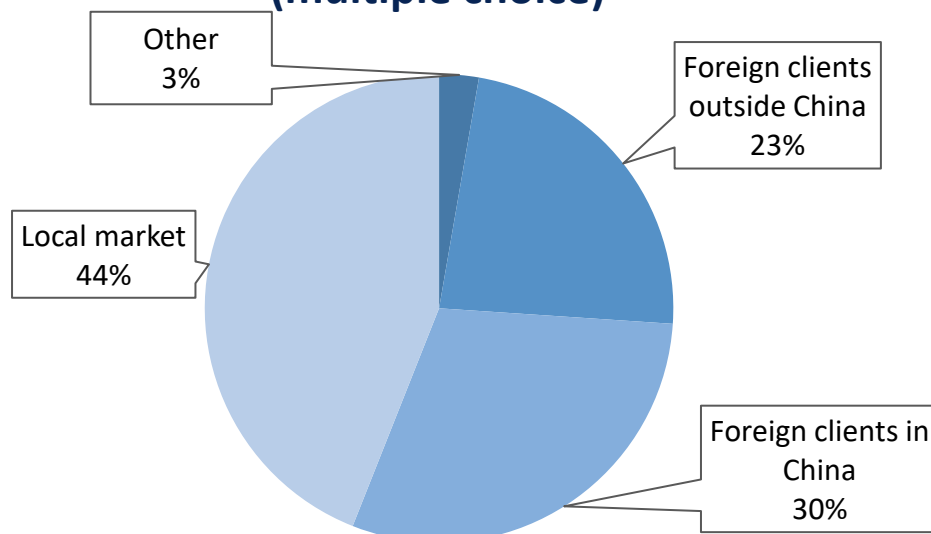
Is your company conducting the following activities in China ? (multiple choice)



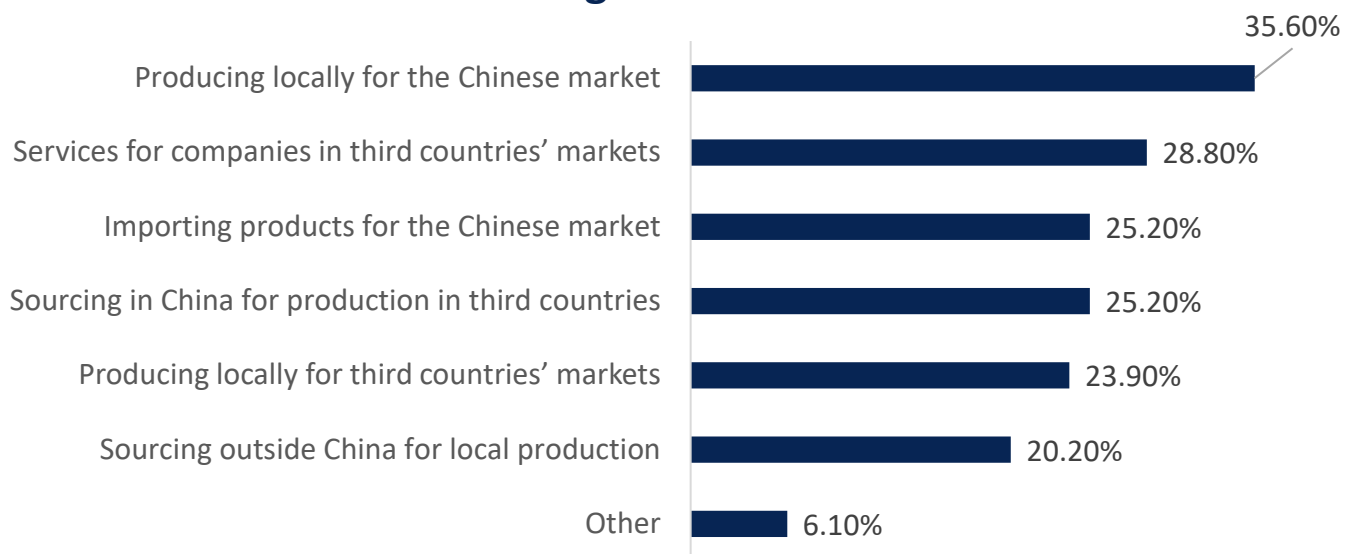
How long has your company been operating in China?



What is your company's main market focus in China? (multiple choice)



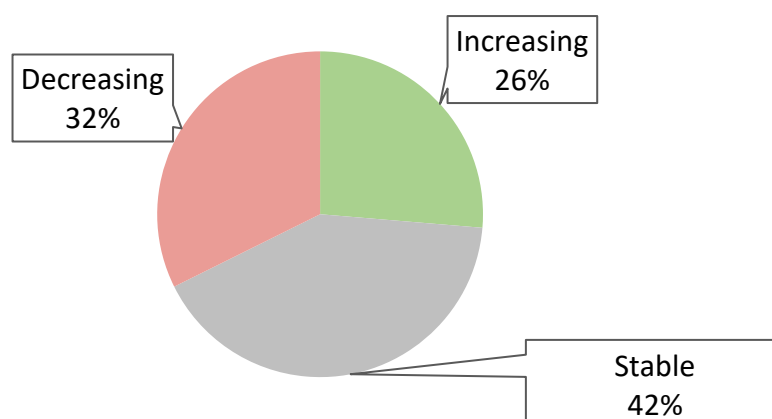
Is your company conducting the following activities in China ?



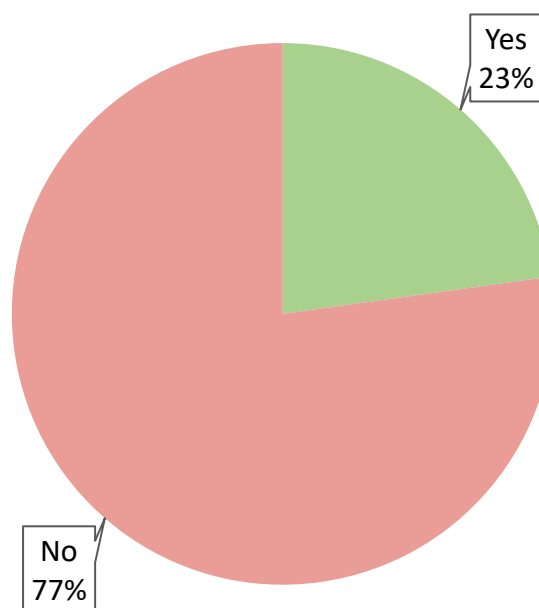
What percentage does the revenue generated by your operations in the Chinese Mainland contribute to your organization global revenue ?



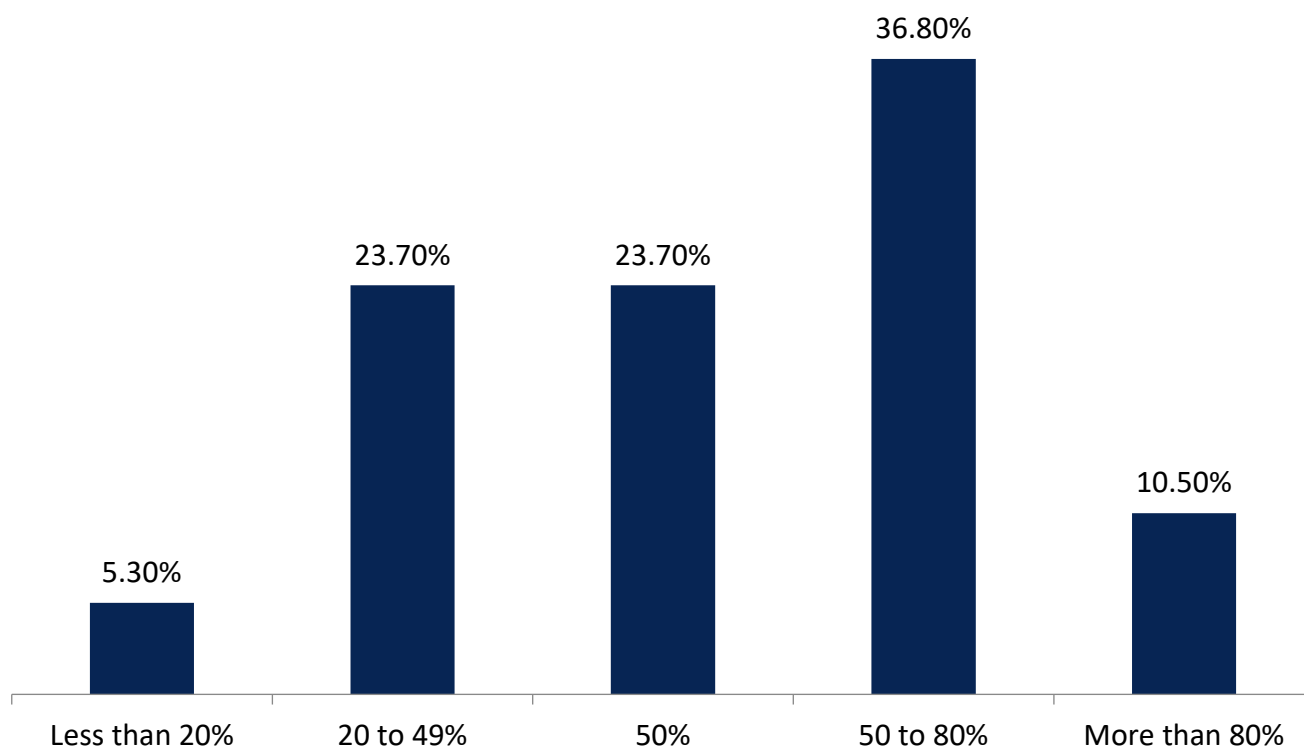
What is the evolution of the share of your revenues generated by your operations in the Chinese mainland?



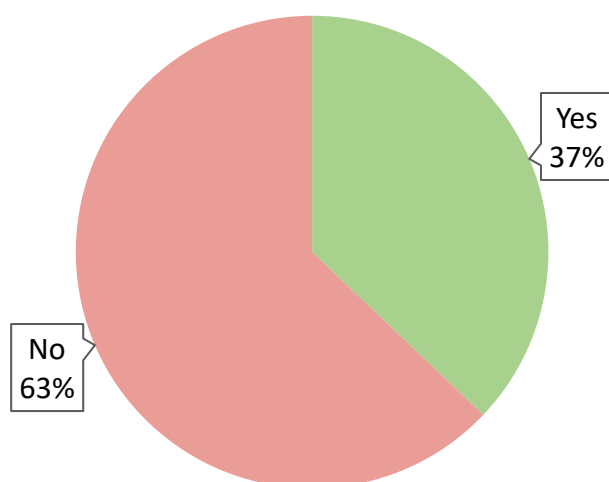
Do you have joint-ventures for your operations in China ?



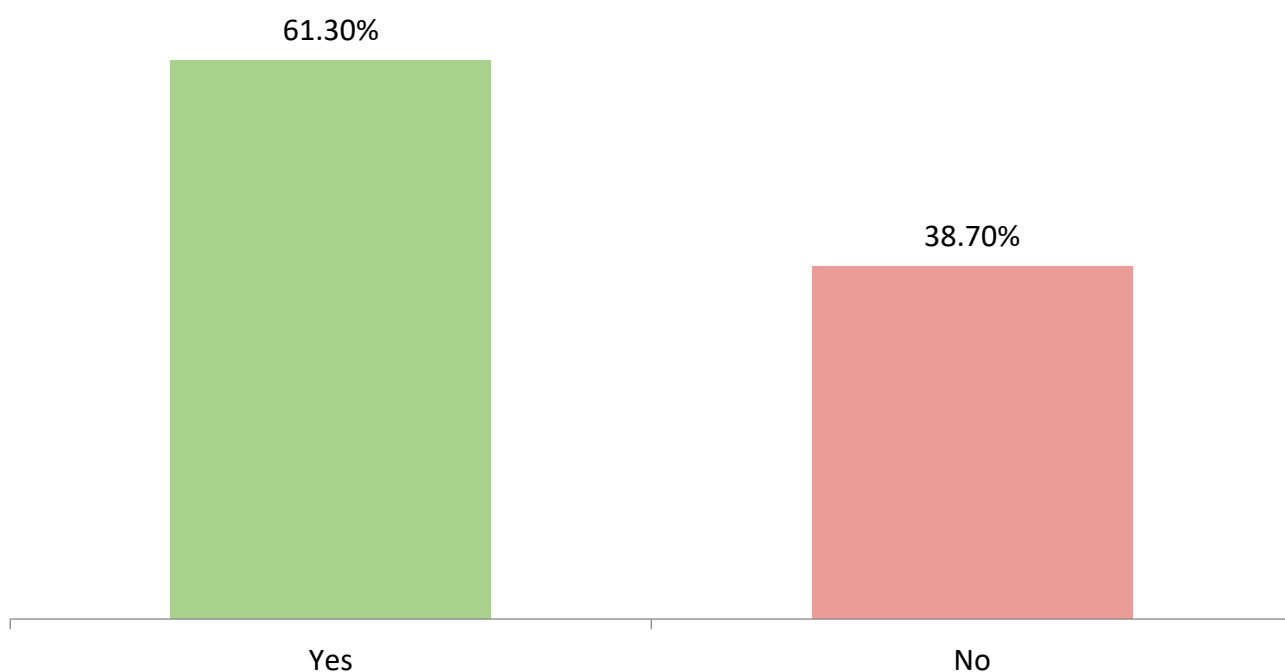
If yes, what is the approximate share of control of your operations in China?



Does your company have R&D activities in China ?

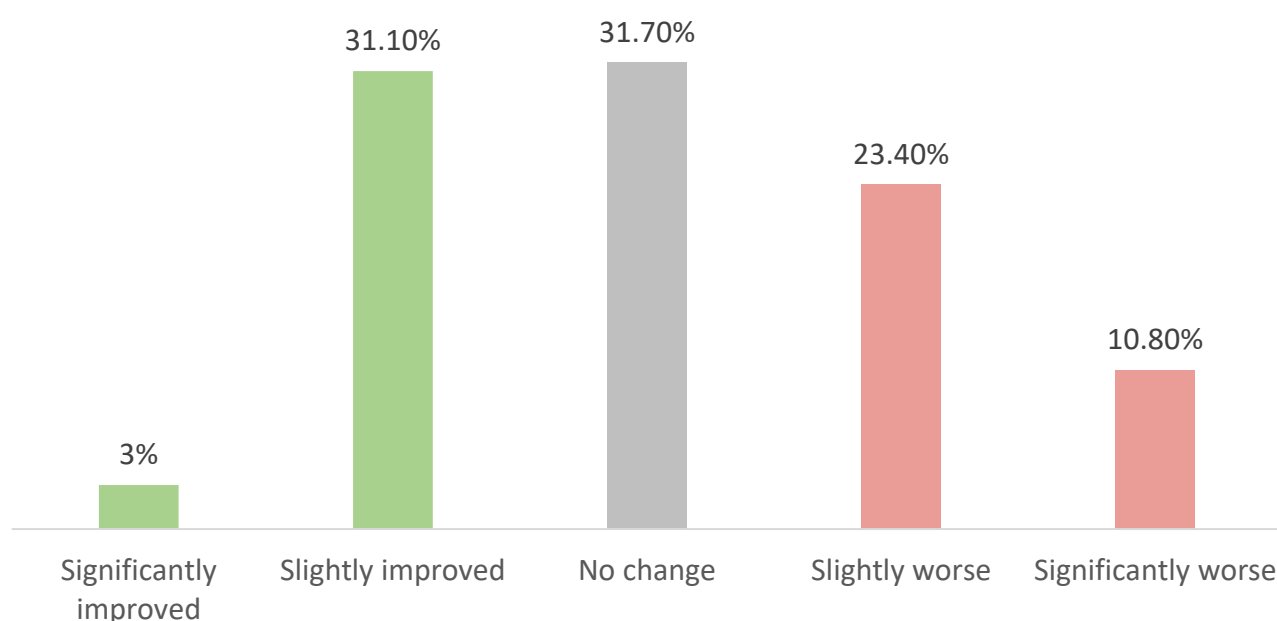


If yes, do you plan on extending those R&D activities ?

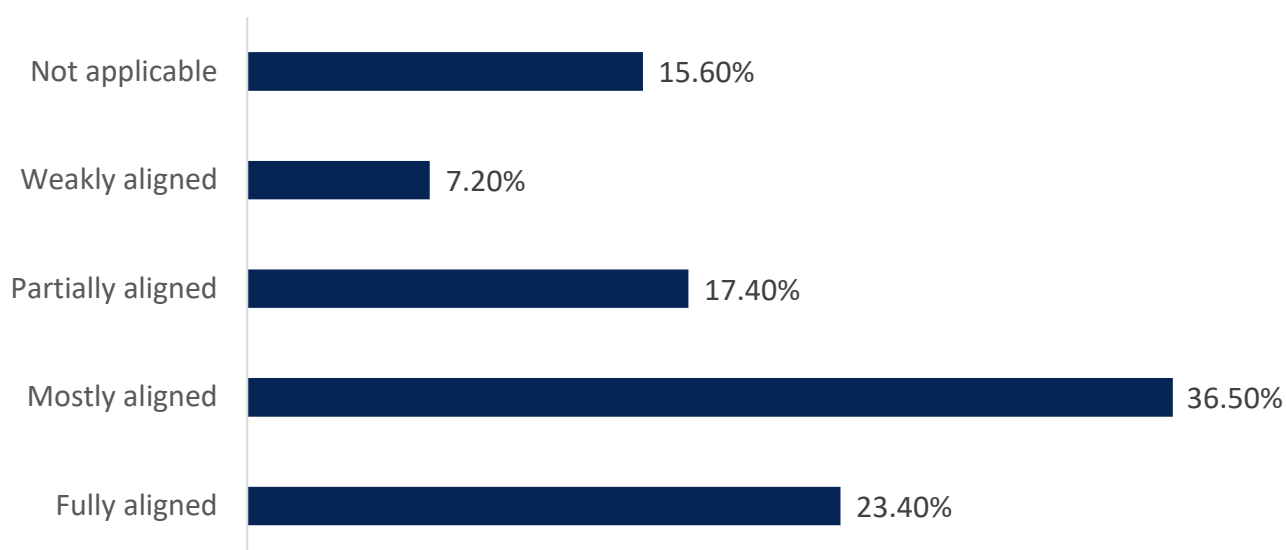


Business climate

How would you rate the overall business climate in China in 2025 compared to the previous year?

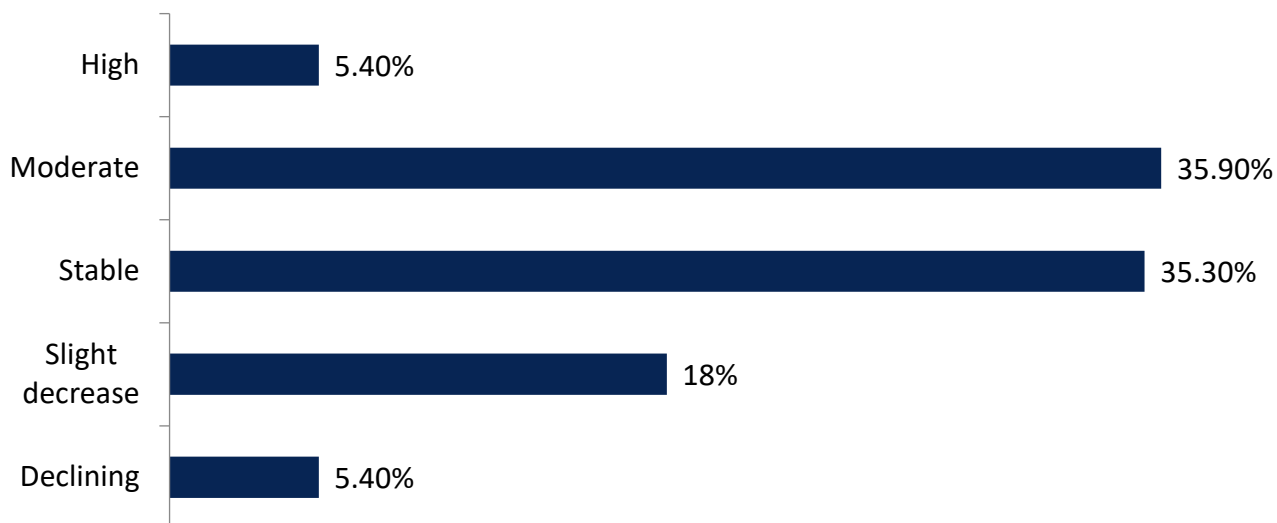


How would you describe the alignment between your headquarters' strategy and your subsidiary's vision in the Chinese market?

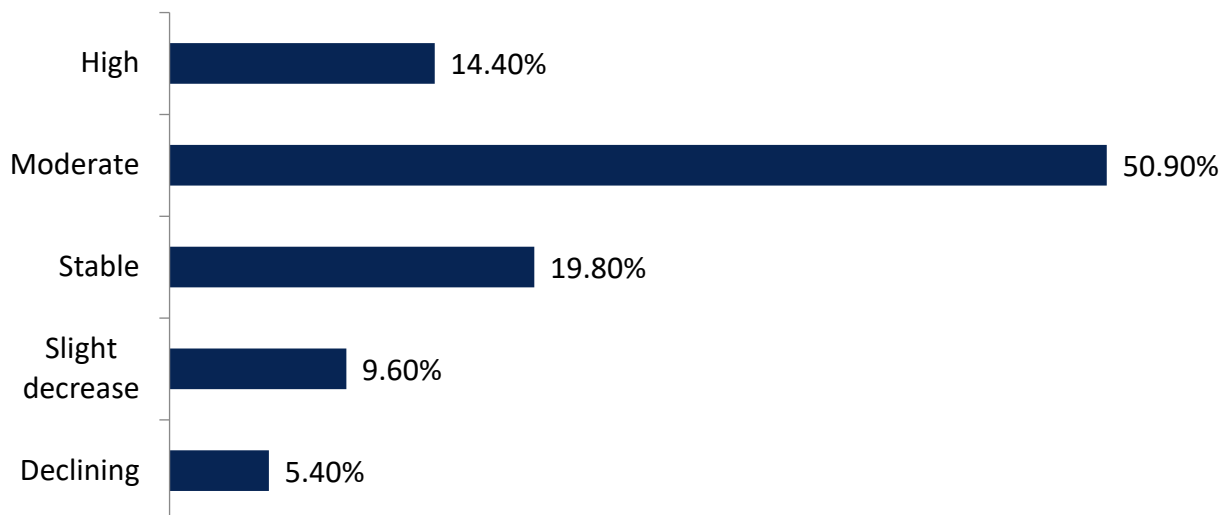


How do you assess the growth potential of your industry in China? (Short-, Mid- and Long-Term)

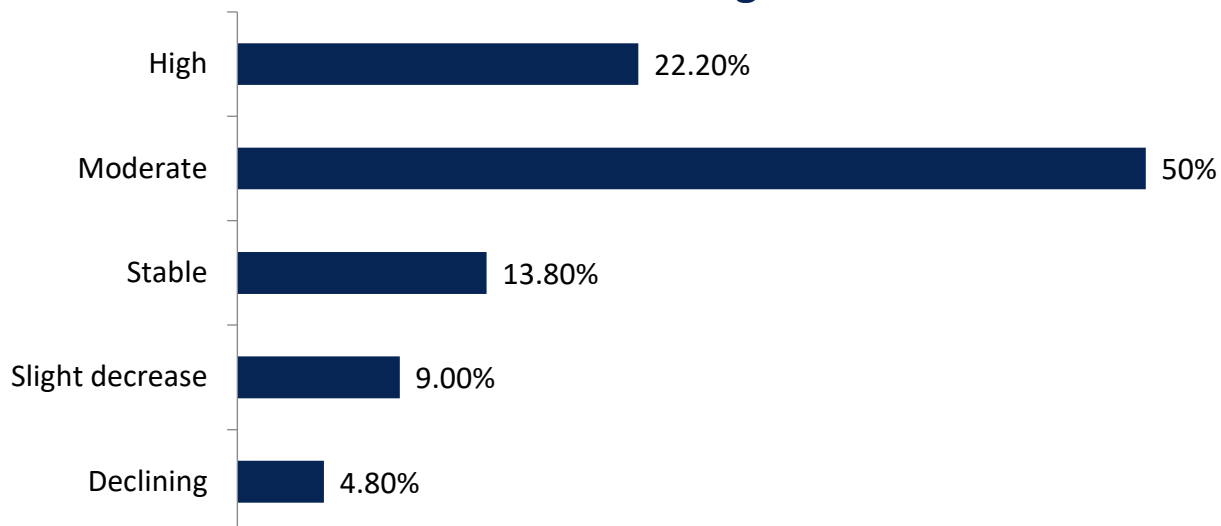
Growth Short-Term



Growth Mid-Term

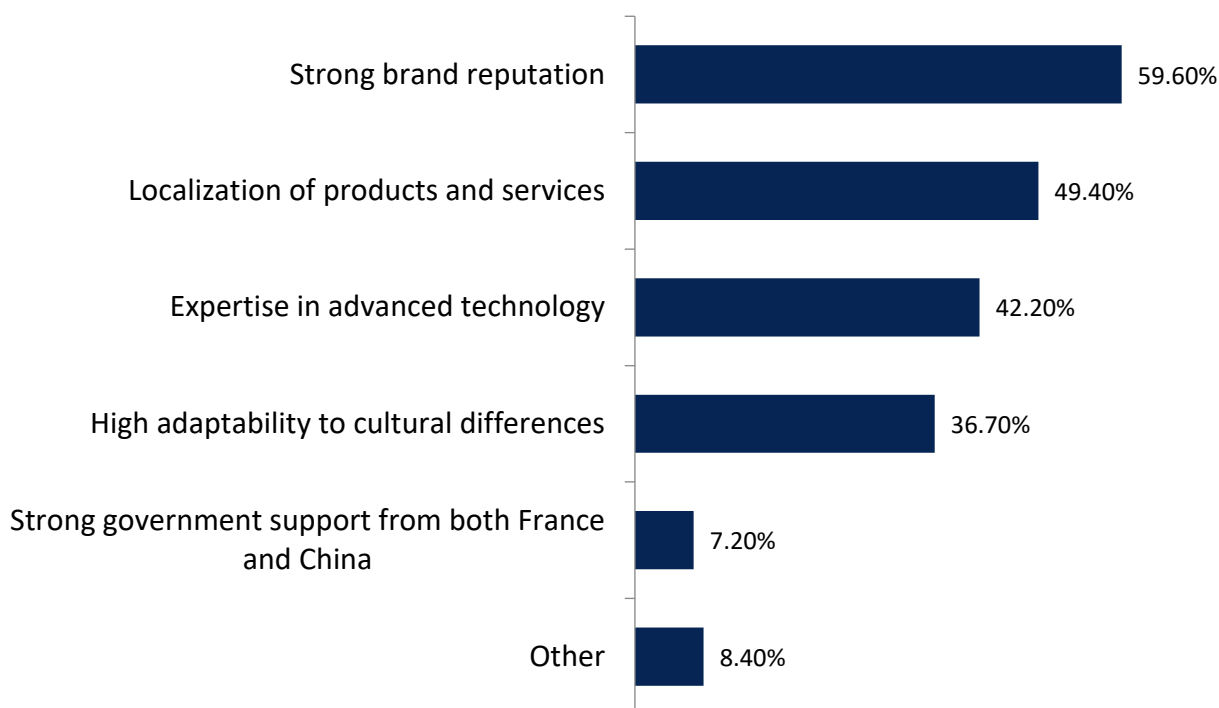


Growth Long-Term

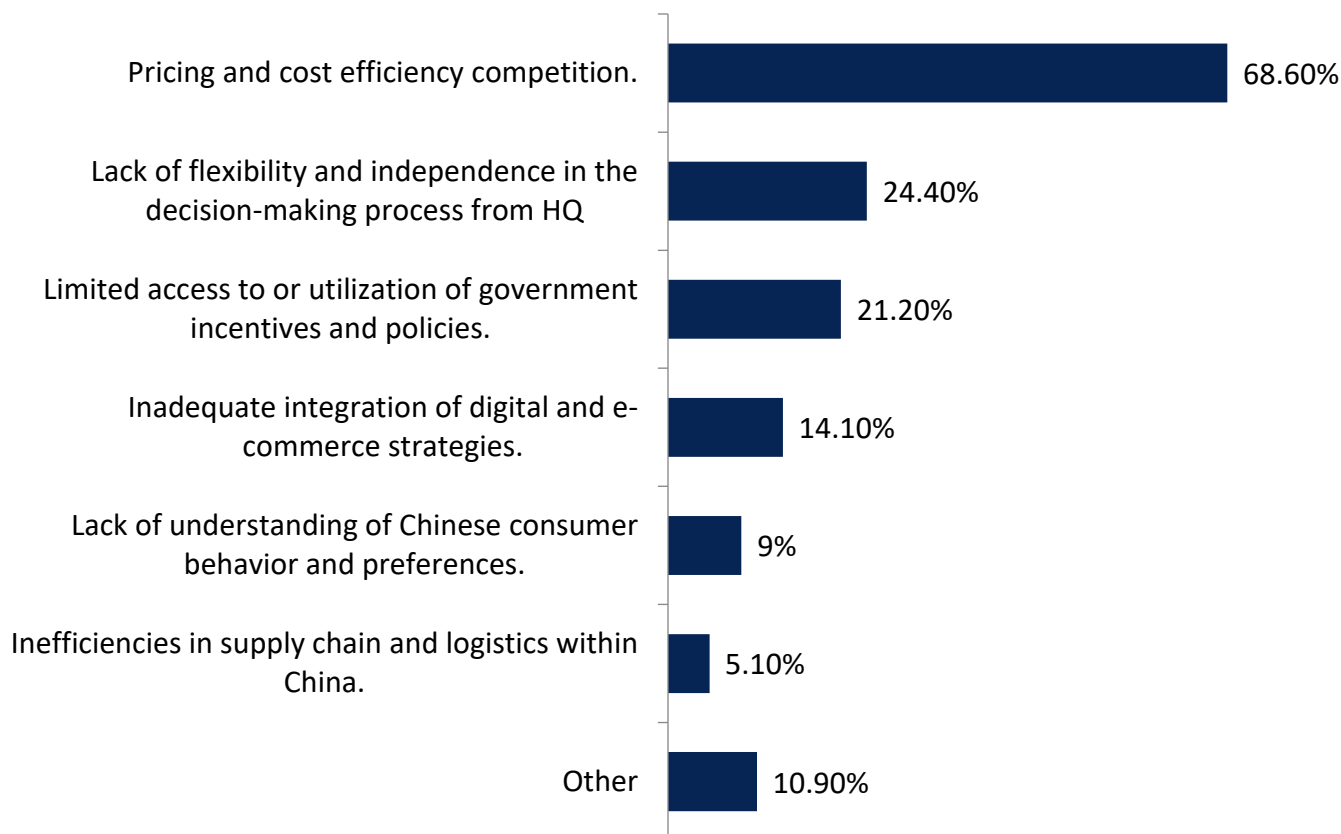


What are your primary strengths on the Chinese market? What are your most significant weaknesses?

Strengths

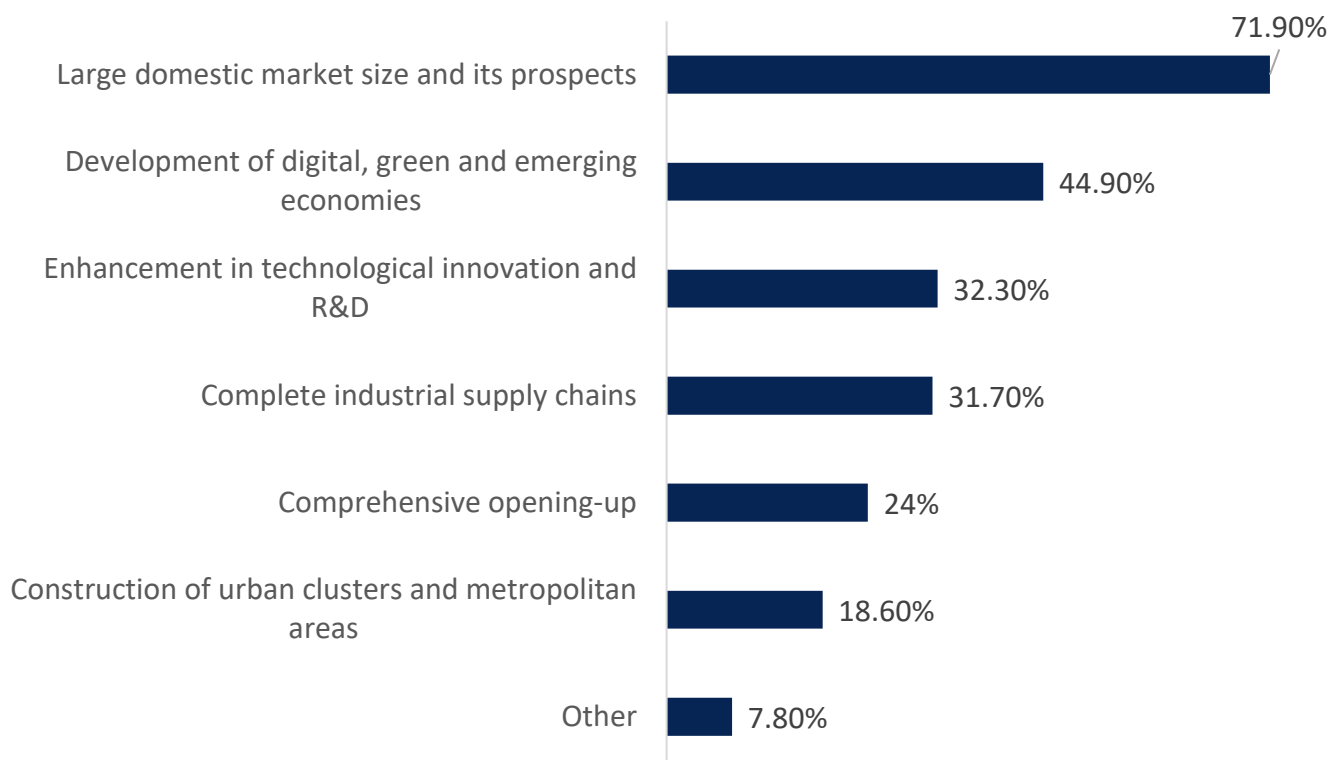


Weaknesses

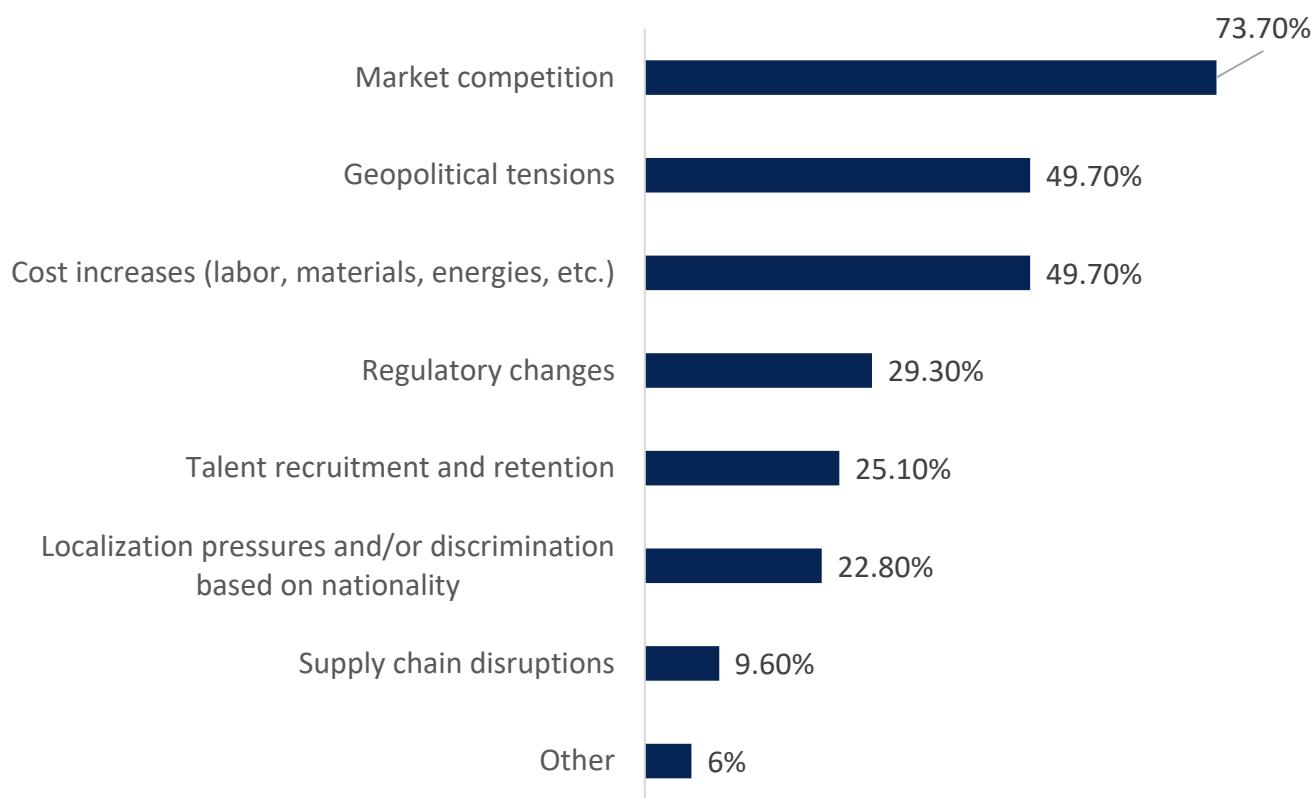


What are your 3 greatest opportunities on the Chinese market? What are your 3 biggest threats?

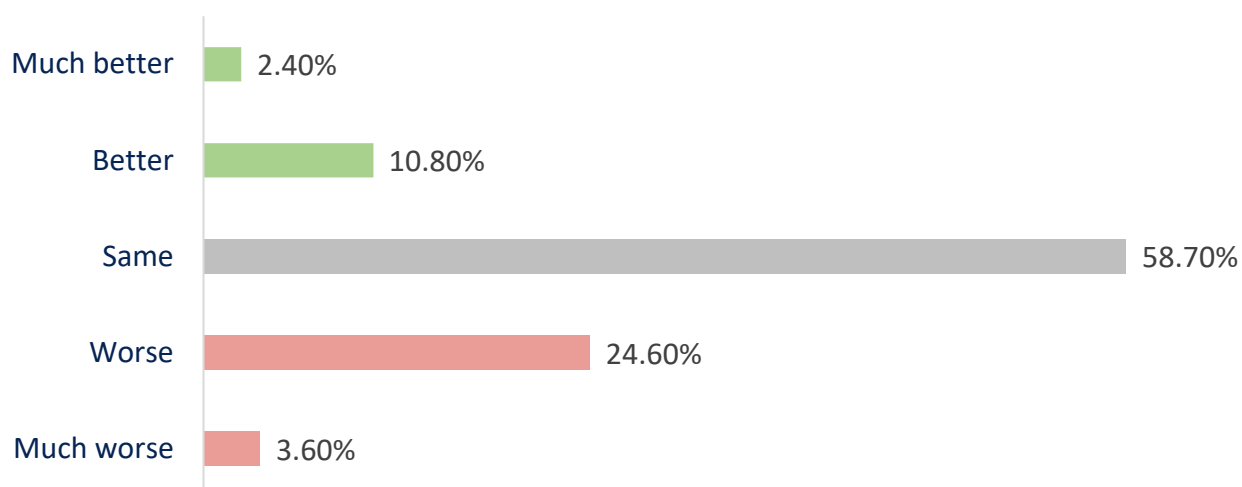
Opportunities



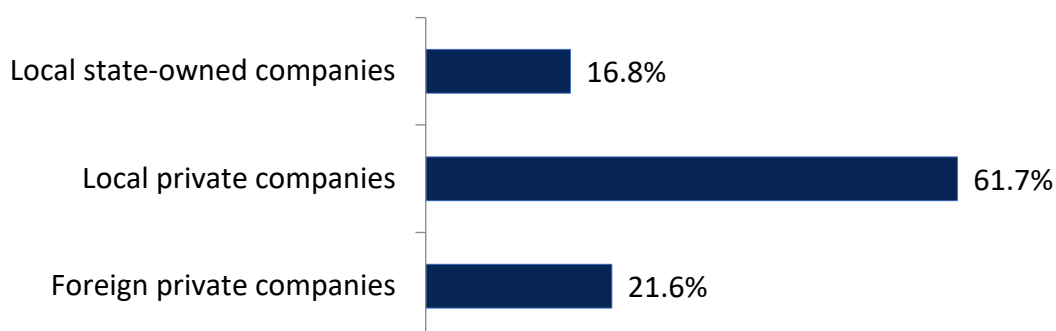
Threats



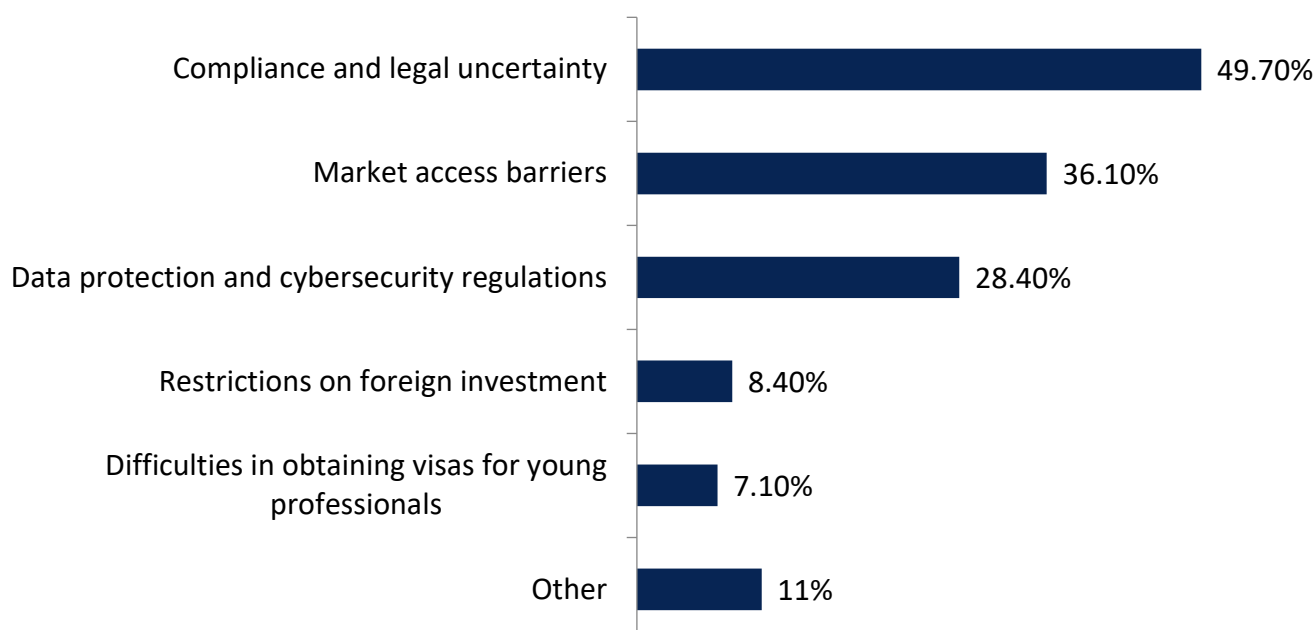
In your industry, how do you feel you are treated compared to local firms ?



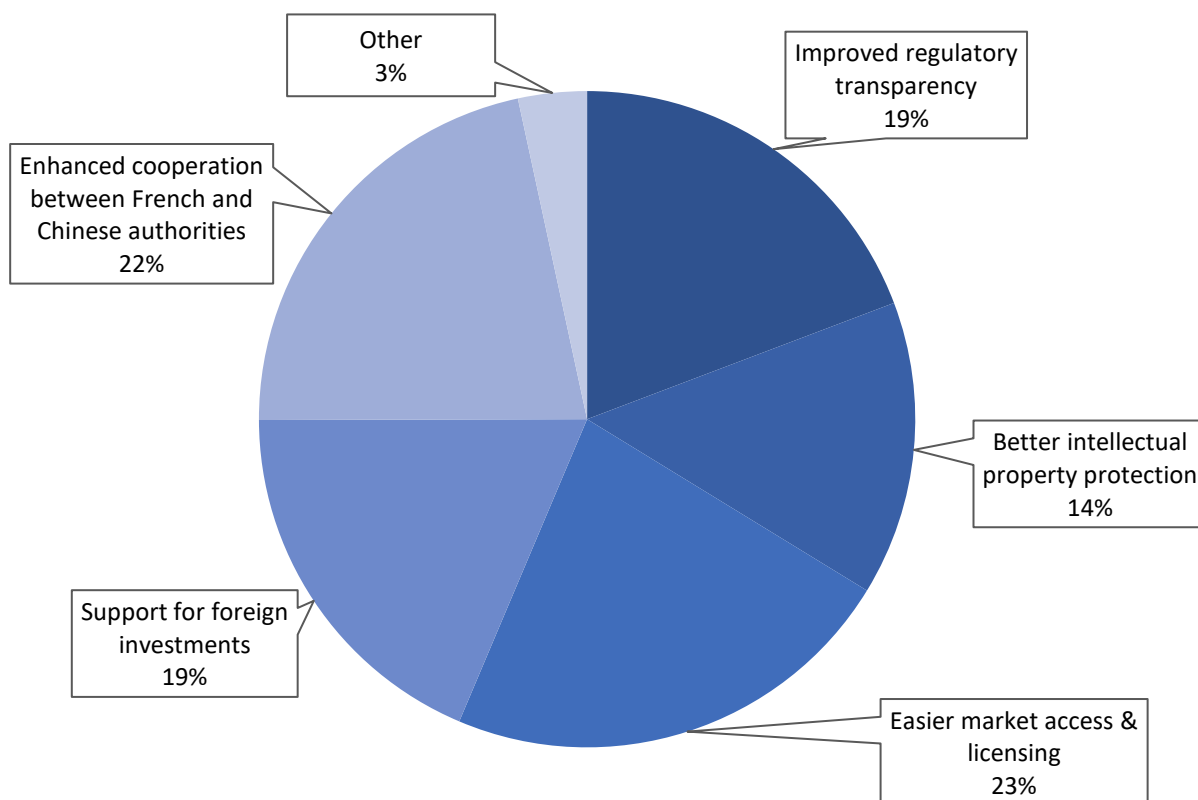
From which category of companies is the competition mainly coming from ?



What are the biggest regulatory challenges you face in China?

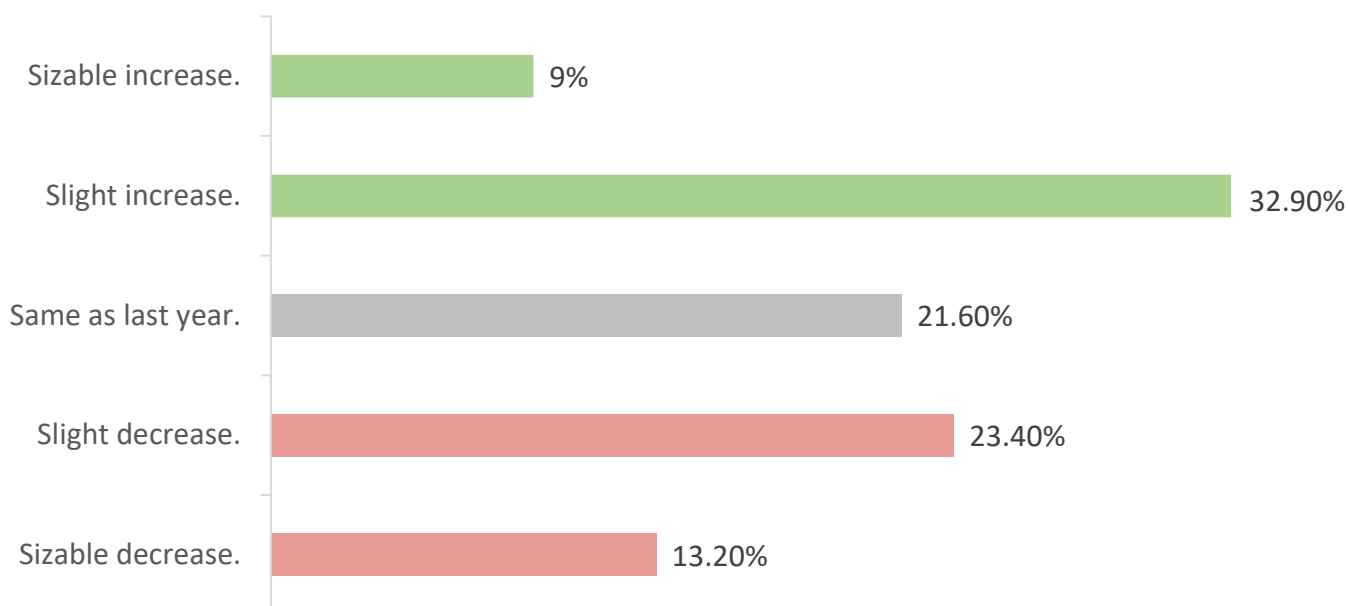


What areas should be prioritized to improve the business climate for French companies in China?

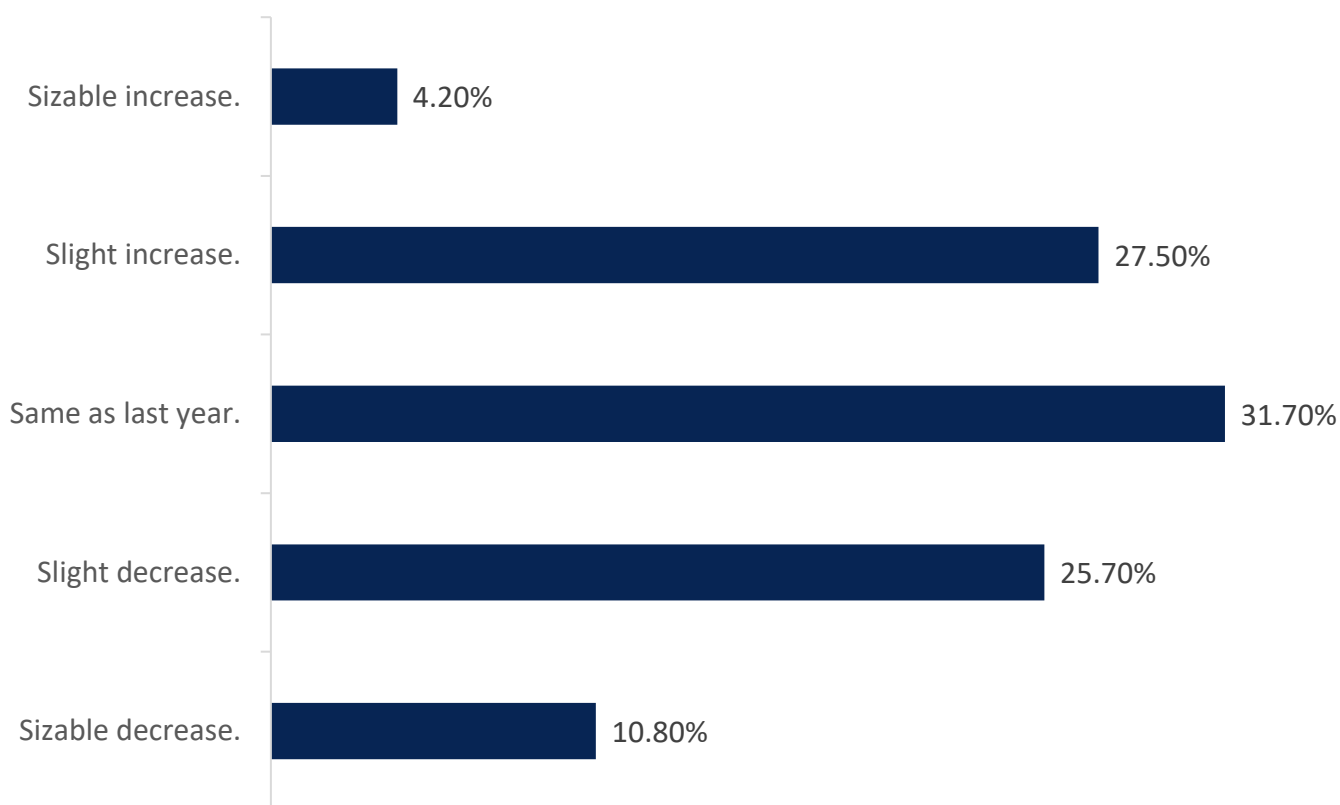


Financial performance and costs

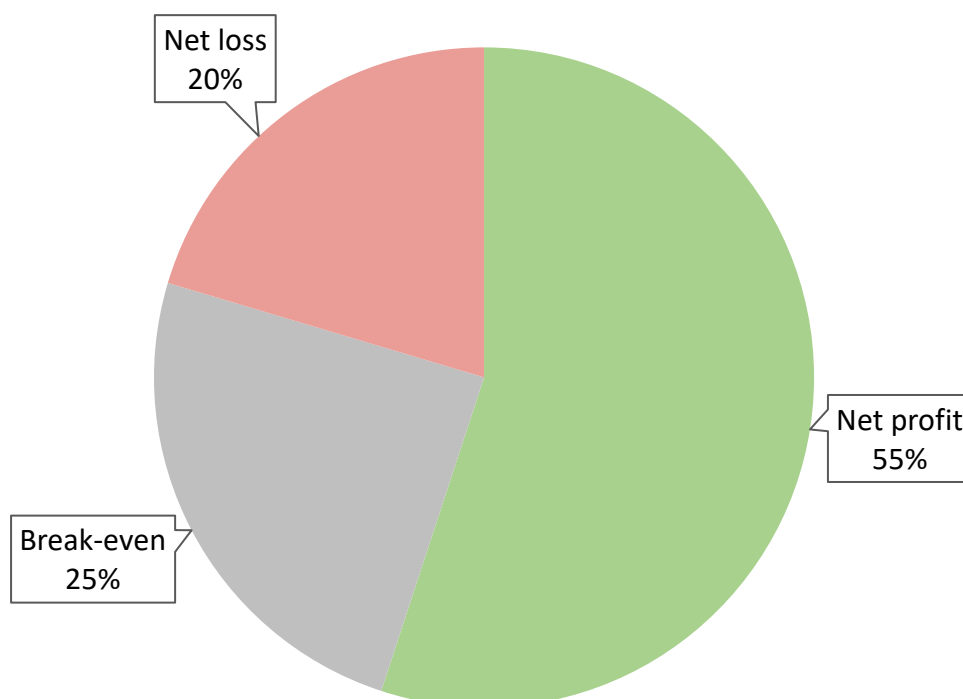
How has your company's turnover in China evolved in 2024 ?



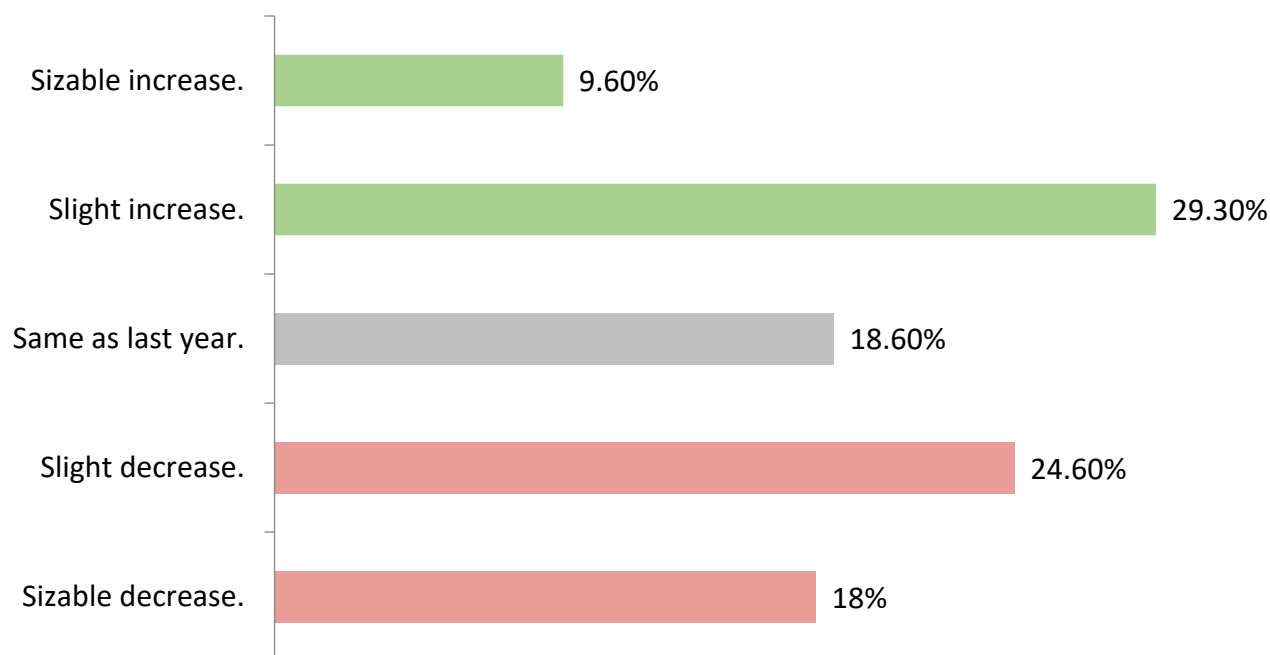
How have your margins in China evolved compared to last year?



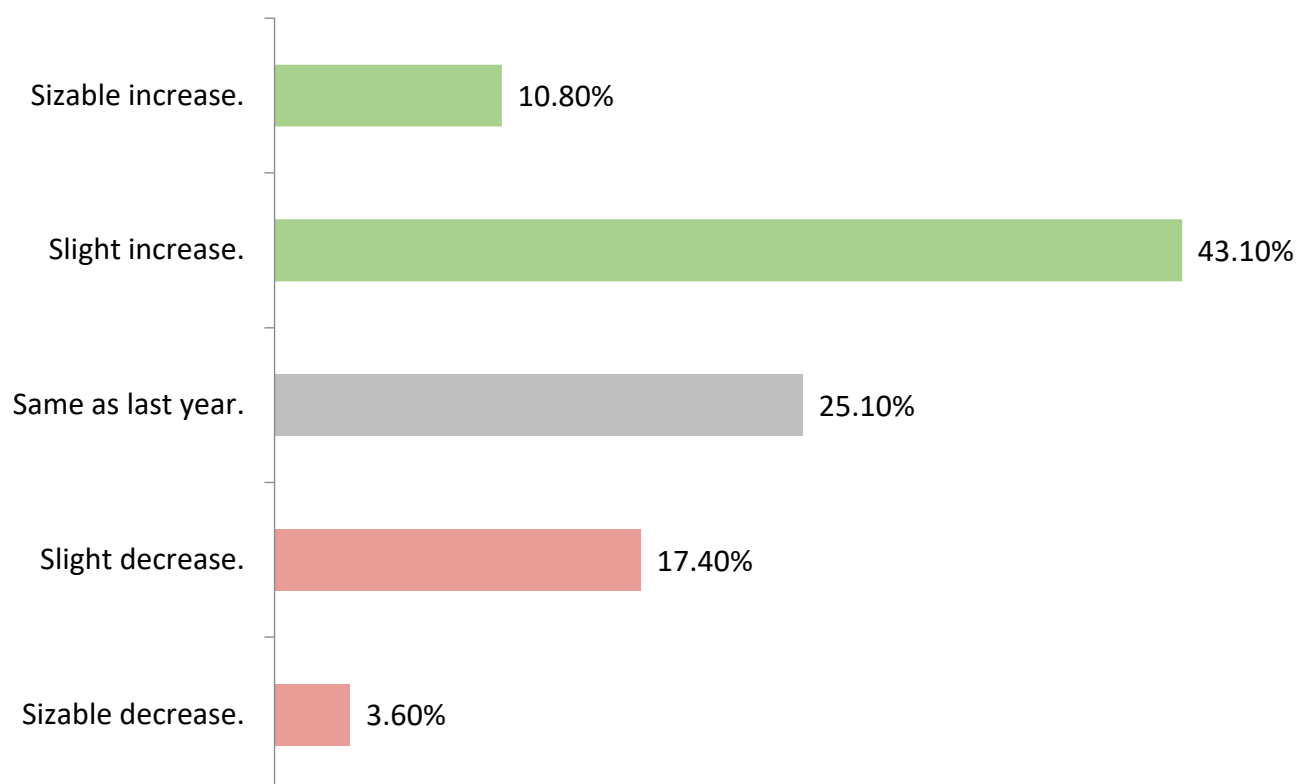
What result have you achieved in China in 2024?



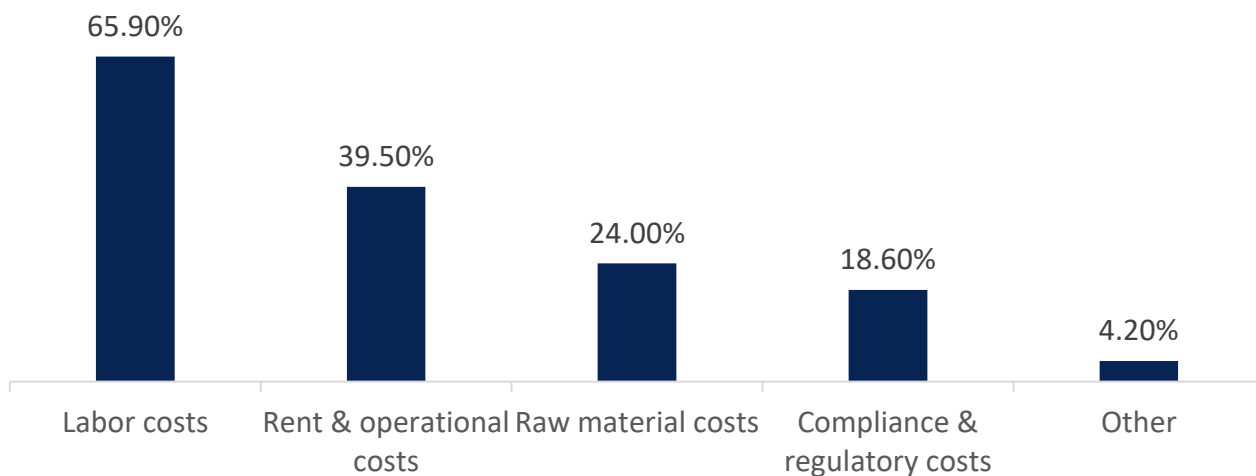
How does it compare to 2023?



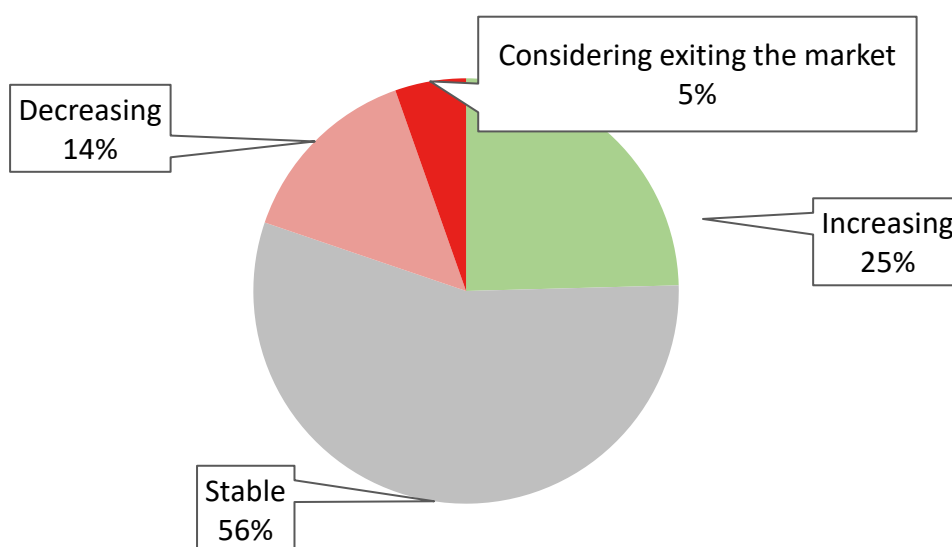
Looking back at 2024, what results do you expect in 2025?



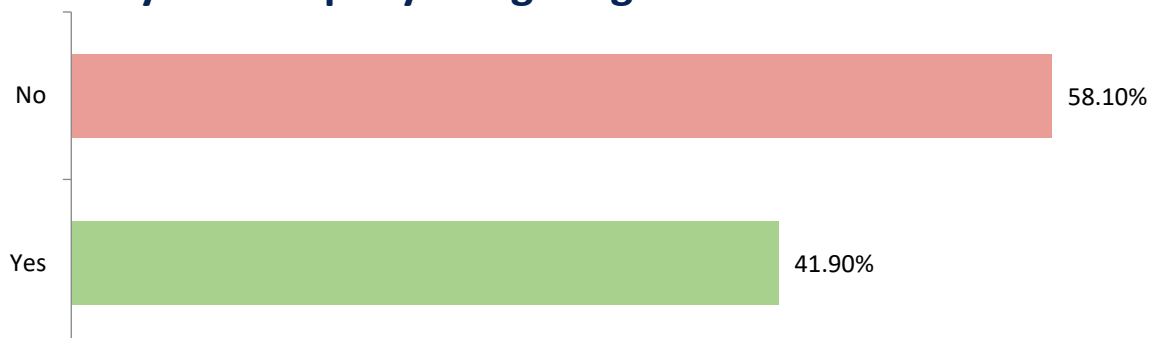
What are the biggest cost pressures your company faces? (Select up to 2)



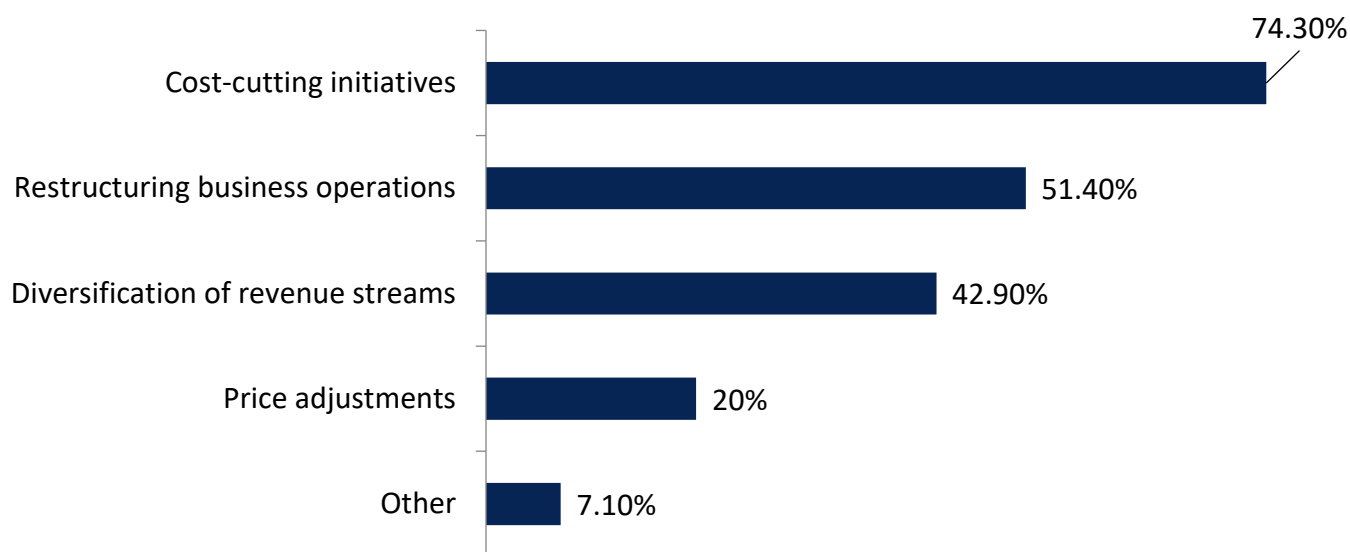
How do you anticipate your company's investment in China over the next 3 years?



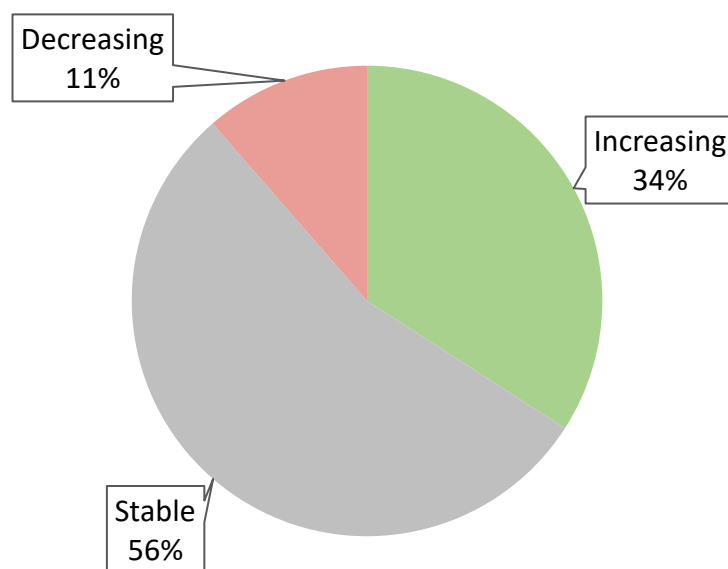
Is your company mitigating financial risk in China ?



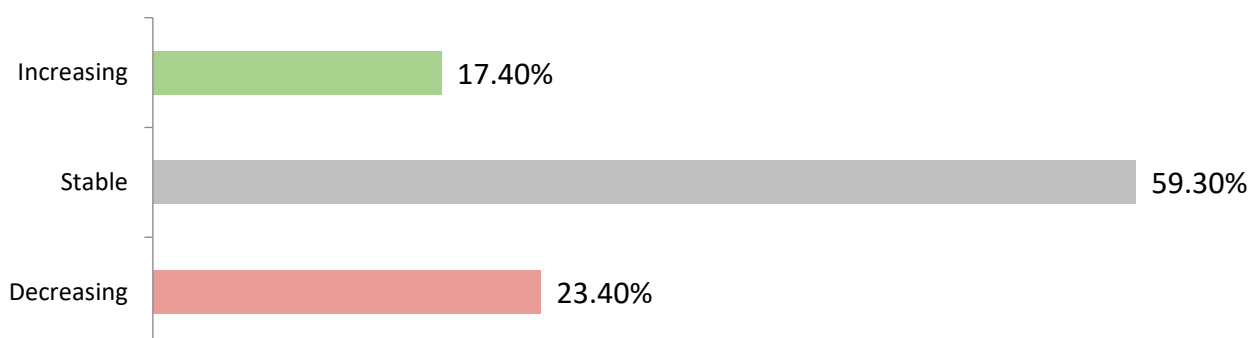
If yes, what Financial Risk Mitigation Measures is your company implementing?



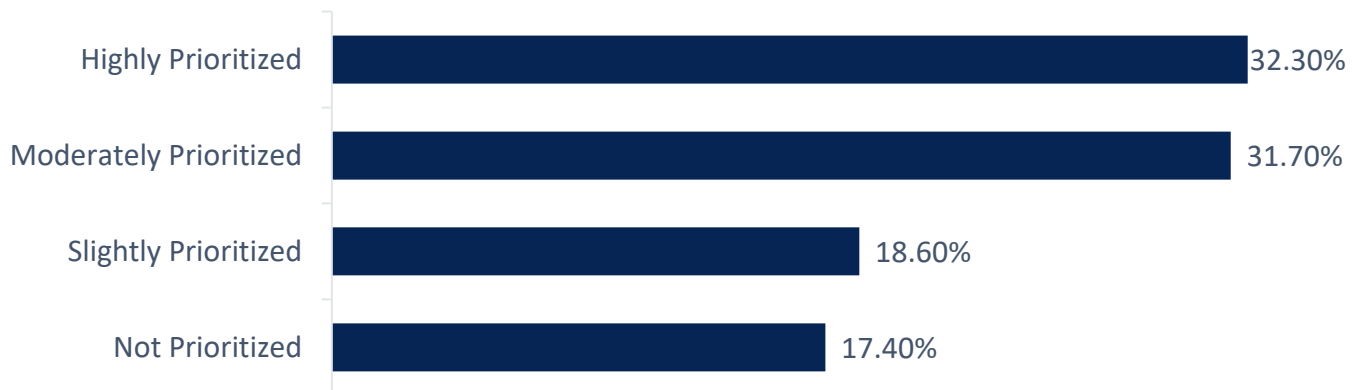
In your sector, how would you assess the levels of salaries?



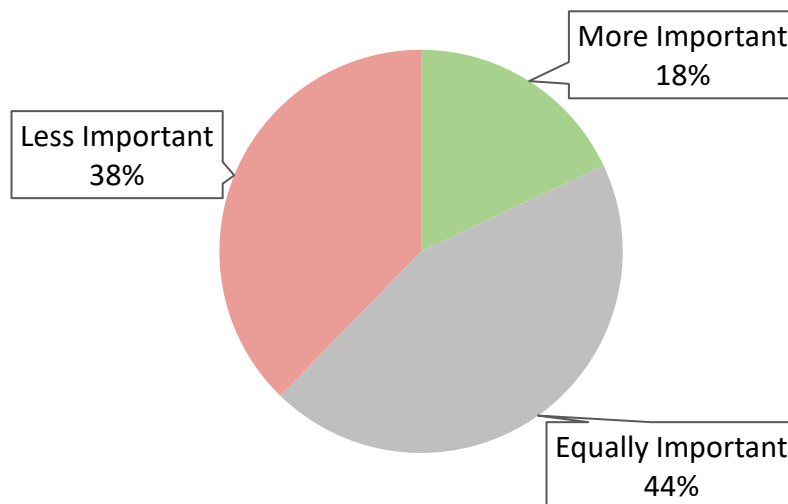
In your company, how are you planning to adjust your headcount in 2025 ?



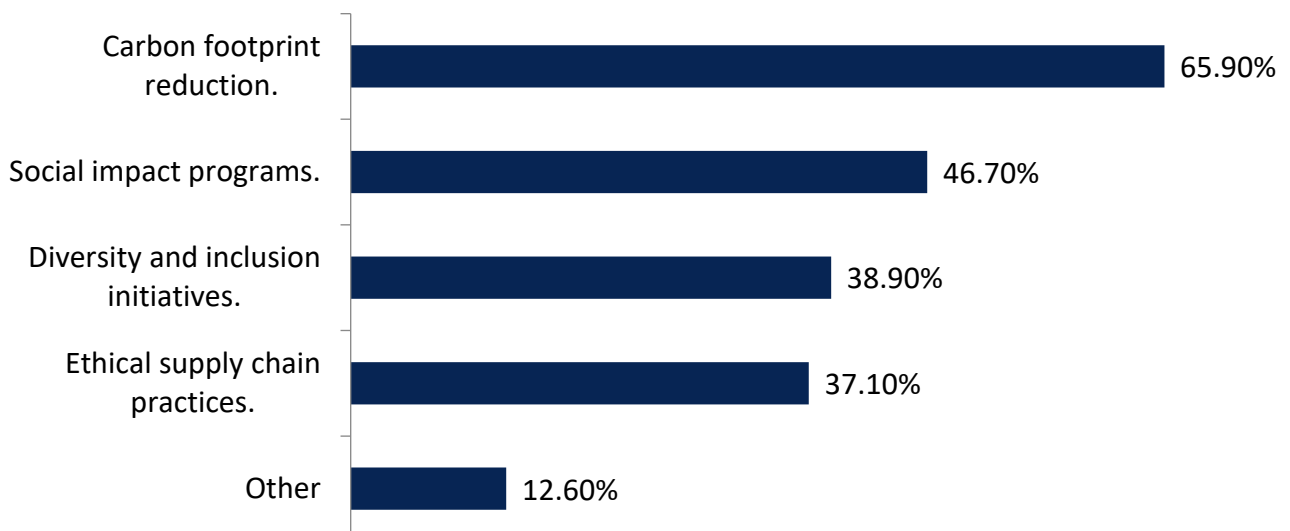
To what extent does your company prioritize Environmental, Social, and Governance (ESG) considerations within the Chinese market?



How do you perceive the importance of ESG considerations in the Chinese market compared to other global markets?



What ESG practices has your company implemented?



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Thank you

