French businesses are optimistic about the next 12 months, anticipating supply chain disruptions but otherwise citing few impediments to growth. French business leaders are confident about the coming year. 63% claim optimism about growth in the next 12 months and 83% expect annual organic growth to increase by 10% or more. As a result, they expect to achieve pre-COVID levels of profitability by December 2022.

Businesses in the region were less likely to consider any of the presented threats as impediments to growth – citing a resurgence of COVID-19 the most (30%) but still ten points below the global average. A shortage of skilled labour (20%) and workforce morale (19%) were second and third on their list of concerns, but again mentioned less than the global average.

This confidence persisted as they were the least likely market to consider macro challenges, such as inflation, a potential threat to recovery (10% vs. 23% globally). They were also, outside of Germany, the least likely to claim higher levels of debt because of the pandemic, with only 16% of organisations in the region considering this an impact COVID-19 had on their business.

Businesses in France were, however, more likely to expect disruptions to their supply chain, with 79% anticipating a disruption in the coming year. In line with this, 62% of French businesses expect international trade to become more difficult in the next 12 months. Despite these concerns, they were less likely to anticipate that these disruptions would increase costs (28% vs. 36% globally) or cause significant delays (22% vs. 26% globally).

Because French businesses were less likely to consider most of the presented threats as impediments to growth, they are optimistic about recovery in the coming year. Anticipated disruptions to the supply chain were common, but they were less likely to expect an increase in costs and delays in movement of goods.
Key findings:

- Businesses in France are optimistic about growth in the coming year and expect to reach pre-COVID profitability levels before the end of 2022.

- They were unlikely to consider most of the presented threats as impediments to growth but do anticipate disruptions to their supply chain.

- Because they don’t anticipate increasing costs or delays in movement of goods, their supply chain concerns did not deter their positive outlook.


Supply chain disruption
83%

Trade challenges
28%

expect annual organic growth to increase by 10% or more.

less likely to anticipate supply chain disruptions to increase costs.

“Despite headwinds, internationalisation will be the engine of growth over the next 12 months.”

Barry O’Byrne
CEO of HSBC Global Commercial Banking