



Consulate of the United States of America

For Aquitaine, Poitou-Charentes & Limousin,
Bordeaux



Economic / Commercial Overview for the Aquitaine Region.

The **Bordeaux APP/Consulate** covers the regions of Aquitaine, Poitou-Charentes and Limousin, i.e. an area that accounts for 11% of French GDP and 5% of the French population. Aquitaine created more employment (+1.4%) than the rest of the country since September 2004, making it one of the most dynamic regions in France. Its performance in aeronautics, construction and services helps to explain these results.

Bordeaux is the symbol of that dynamism: over the past few years, huge efforts have been made to transform it into a lively, modern city. With its 44 km (about 27.4 miles) of tracks, the new Bordeaux tramway network is the most extensive in Europe. The city center has been refurbished and the first phase of the redevelopment of the banks of the Garonne river is well under way. In addition, Bordeaux will be better connected to Eastern France thanks to the A89 motorway that is scheduled to be completed in 2010 and will link Bordeaux to Lyon, which will have important economic consequences for the entire region.

I. Economic profile:

Aquitaine's **share of French GDP** accounted for 4.5% in 2003 whereas its workforce is stable around at 5% of total French employment. Aquitaine ranks 5th among the 22 French regions in terms of new businesses. A number of new companies were created in 2004 in construction and trading (+ 8.7%).

Aquitaine is the leading French export area for agricultural products. The region has a modern and dynamic industry focusing mainly on high value-added activities. It is one of the most attractive areas of France for foreign investors - who already own companies providing a third of the industrial jobs in the region:

- **Aeronautics and Space**

With 600 companies employing over 37,000 people, Aquitaine is **the world leader** in top-of-the line business aircraft (Dassault's Falcon), helicopter turbines (Turbomeca), landing gears (Messier Dowty), and **the European leader** in atmospheric piloted technologies (Thales). Associated with the neighbouring Toulouse region, Aquitaine has recently been selected by the government to be **The Aerospace Valley**, one of France's six world-scale competitiveness clusters", which will benefit from tax exemptions and special state funding.

- **The Megajoule Laser Project.**

The construction of the Megajoule Laser started in 2001 and will be completed in 2010 at a cost of more than 2 billion euros.

Aquitaine is a leading world region for powerful lasers. Thanks to the Megajoule Laser, Aquitaine has the greatest scientific potential in this field in Europe. This facility will allow the study of **the processes of nuclear explosion** and will also have civilian applications.

The main objectives of the program include the development of research through the creation of CELIA (Center for Intense Lasers and their Applications) and the encouragement of partnerships and industrial development with the creation of the Aquitaine Laser Applications Platform Center (PALA).

- **Chemical-Pharmaceutical Industries**


Chemical-Pharmaceutical industries constitute an innovative sector with strong import and export activities, particularly with the U.S. They give rise to a broad range of diverse heavy chemical and speciality activities – materials chemistry and chemical related services – distributed over 4 major locations – Pau-Lacq Basin, the Bordeaux conurbation, Agen, and the Landes.

This sector has also been associated with the food-processing sector in order to create a competitiveness cluster related to food safety.


- **Food processing sector:**

Aquitaine is **the premier French export region for agricultural products**, mainly from the wine industry, corn, cattle, and forestry products.

Food processing is a leading regional industrial sector with 19% of industrial employment and 31,000 employees. With \$2.15 billion in activity, Aquitaine represents 5% of the French value-added in the sector. The region has developed important training and research structures, which, for example, work on techniques of food preservation and on food supplements. Aquitaine is also one of Europe's leading bio-manufacturing clusters.

- **Wine from the Bordeaux area** accounts for more than 25% of French national exports of wine. Aquitaine is the world's largest producer of AOC wines (Appellation d'Origine Contrôlée) with  000 acres and a yearly production of 6 to 7 million hl of wine. The wine industry employs some 50,000 people with approximately 12,000 producers and some 400 wine brokers.

Châteaux Haut-Bailly, Haut-Brion and Lascombes are well-known American-owned vineyards near Bordeaux.

At VINEXPO, every 2 years, the world's largest exhibition of wine and spirits hosts 2,500 wine and spirits professionals from over 40 countries, including 45 American exhibitors in 2005. Close to 50,000 visitors attended the 2005 edition.  y percent of attendees came from outside of France, from 148 different countries

VINITECH is the world's largest trade show for vine and wine equipment and related technologies. In 2004, more than 45,000 international visitors met 800 exhibitors from the winemaking, viticulture, bottling and packaging, and services sectors.

- **Forestry-wood-paper-furniture**



The largest European pine forest: Aquitaine has the largest European pine forest (2.5 million acres) and 17% of French sawmills, with 12% of French employees in this sector producing 21% of French turnover. The wood industry is the second largest local agricultural sub-sector.

FOREXPO is the second largest European forestry equipment exhibition with 400 exhibitors and 500 international brands showcases in Bordeaux every 2 years,. In 2004, 30 000 visitors attended.

Wood and derivative activities are organized into a strong sector, including cutting, packaging, decoration. Some 1,700 companies and 25,000 employees are associated with the sector. The region has one of the world's strongest scientific and technical research capabilities in the field, employing more than 200 scientists.

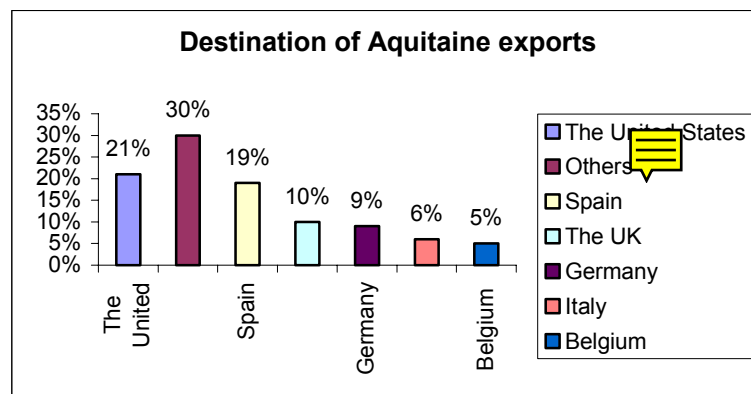
II. Strong U.S. trade links with Aquitaine.

A) The United States – a privileged business partner for Aquitaine

- **The U.S. is the top client for Aquitaine Exports**

Aquitaine ranks 4th among the 22 French regions exporting to the United States (6% of French exports).

Twenty-one percent of Aquitaine's exports (mainly aeronautical products, automobile equipment, pharmaceuticals and wine) go to the United States, representing a turnover of \$3.1 billion in 2004, i.e. an increase of 2%.




- **Aquitaine imports from the U.S.**

After Spain, the United States is the second largest foreign source of goods and services, with an overall value of \$ 1.2 billion in 2004, i.e. an increase of 37.2%. The top three U.S. exports to Aquitaine are pharmaceutical base products, automobile equipment, and aeronautical parts.

B) Important American firms in the region:

Aquitaine hosts more than 100 industrial companies whose capital is majority American. They operate successfully in various sectors, for example:

- **Ford Aquitaine Industries, Bordeaux-Blanquefort:** Manufactures automatic and standard gearboxes. This is the largest foreign employer as well as the largest private employer in the region. They are also the largest exporter of automotive parts in France exporting more than \$ 868 million to the U.S. and other European countries – 2,700 employees.
- **Quiksilver - Na Pali, Saint Jean de Luz:** Surf and sportswear manufacturer – Over 1,200 employees. Recently acquired Rossignol.
- **Solectron Corp., Bordeaux-Cestas:** printed circuit boards manufacturing plant – 600 employees.
- **IBM Corp., Bordeaux:** Purchasing office for France, and Regional Office for Southwest France. 500 employees.
- **McKesson, Bordeaux-Pessac:** Hospital software, 200 employees.
- **PCC, Precision Castparts Corp., Pau-Ogeu:** Precision cast parts, 400 employees.
- **Smurfit Aquitaine:**  one of Europe's leading producers of paper packaging, 1,200 employees.
- **BMS, Bristol Myers Squibb, Agen:** Pharmaceuticals, 700 employees.
- **Monsanto, Peyrehorade:** Seeds-biotechnologies, 160 employees.
- **Stryker Spine, Cestas:** Medical products, 170 employees.

In addition, a number of American-connected service and retail firms are present in Aquitaine: for example, Ernst and Young, Price Waterhouse Coopers, Aon, Weyerhaeuser, Coca-Cola, Foot Locker, The Disney Store, Mc Donald's, Toys'R'Us, DHL ...