



French Guiana at a Glance

STRUCTURAL CHARACTERISTICS

Capital		Cayenne
Surface area	83,846 km ² (16% of national territory, equivalent to the surface area of Portugal)	
Geographical location	Northeast of the South American continent, bordering Brazil and Suriname, Paris at 7,000 km	
Languages spoken	French, Creole, Amerindian and Bushinenge languages	
Currency		Euro
Status	Overseas Department and Region (DROM) and European Outermost Region (OMR)	
Global HDI ranking (2010, AFD estimation)		74
National representation	2 MPs, 2 senators, 1 representative at the Economic, Social and Environmental Council	
State representation		Prefect

Historical background

Unlike the other overseas departments which are islands, French Guiana is located in the northeast of the South American subcontinent. It is the largest French overseas department (16% of the territory of mainland France), equivalent to the surface area of Portugal.

The first traces of settlement in the Amazon date back to around 6,000 B.C. The Europeans discovered French Guiana in 1500 and the French settled there in 1643; it was populated by Amerindians at the time. Slavery, which was introduced in the second half of the 17th century, was abolished in 1848. The first penal colony opened at the end of the 18th century for enemies of the Revolution. Prisoner deportation really began under Napoleon III from 1852 onwards, to make up for manpower needs following the emancipation of over two-thirds of the population in 1848. Several penal colonies were built, the main ones were in Cayenne, on the Salvation Islands and in Saint-Laurent-du-Maroni.

The first gold site was discovered in 1855, giving rise to a gold rush which went on until the end of the Second World War and attracted a number of immigrants, mainly from the West Indies. 1965 marked the beginning of the construction of the French Guiana Space Centre in Kourou. The space industry rapidly became important for the economy and life in French Guiana. The first rocket probe, called Véronique, was launched on 9th April 1968 and the first Ariane rocket on 24th December 1979. Since then, the space centre has expanded, with the arrival of two new launchers operated simultaneously with Ariane: Soyouz, with the first launch at the end of 2011, and Vega since 2012.

French Guiana has more recently become a magnet for migrants from much of South America and the Caribbean, mainly from Suriname, Brazil, Guyana and Haiti. Immigration is made easier by the fact that French Guiana is part of the South American subcontinent and that its river borders (the Maroni in the west with Suriname and the Oyapock in the east with Brazil) are more trading areas and passageways than real borders.

Institutional organisation

The institutional framework of French overseas territories is defined by the Constitutional Law of 28th March 2003. French Guiana has been a department and region since the Departmentalisation Laws of 19th March 1946 and 31st December 1982. Unlike its counterparts in mainland France, it is a single department territory with extended powers, particularly for local public finances. It is, like other overseas departments, a European Union outermost region (OMR), which means that Community Law is applicable and allows it to benefit from structural funds.

Following the referendum of 10th January 2010, the new single territory replacing the department and region will be established in December 2015 with the first election of the regional councillors of the Single Assembly of French Guiana.

YOUNG AND GROWING POPULATION

French Guiana's population is characterised by its high growth rate, its youth and its sizeable immigrant population.

The youth of the population can mainly be put down to the high fertility rates, with 3.5 children per woman. Between 2007 and 2012, French Guiana's population rose by an annual average of 2.4%, *i.e.* a higher rate than at national level. According to INSEE projections, the population will more than double in 30 years and exceed half a million by 2040.

The presence of a large immigrant population (30% of the population), due to the successive waves of immigration from various countries, gives French Guiana a wide cultural diversity.

Demographic indicators	French Guiana	France ⁽¹⁾
Population (thousands, millions for France, at 01/01/2014)	250.4	66.3
Percentage of under 20s (2014)	42.5	25
Percentage of 20-59 year-olds (2014)	49.9	51
Percentage of aged 60 and over (2014)	7.6	25
Population density (inhab./km ² , at 01/01/2014)	3.0	120 ⁽²⁾
Annual average population growth rate (% , 2007-2012)	2.4	0.5 ⁽³⁾
Birth rate (for 1,000 inhabitants, 2014)	26.1	12.4
Mortality rate (for 1,000 inhabitants, 2014)	3.1	8.4
Infant mortality rate (for 1,000 births, 2014)	8.8	3.5
Total fertility rate (2014)	3.5	2.01
Life expectancy at birth for women (years, 2014)	82.9	85.4
Life expectancy at birth for men (years, 2014)	76.7	79.2

(1) INSEE 2014 population survey; (2) Mainland France 2015; (3) Between 2010 and 2015.
Source: INSEE.

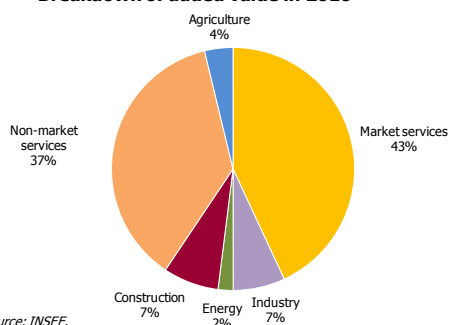
ECONOMY AT A GLANCE

French Guiana's economy has been experiencing significant growth for several years now. Between 1999 and 2007, GDP in French Guiana rose by an annual average of 4.3% in real terms, against 2.1% a year at national level. This vitality is mainly linked to dynamic demographics: population growth poses a challenge, which is accompanied by significant investments in infrastructure for the territory and the expansion of a productive fabric able to pave the way for more self-sustained development.

The space industry is also a key vehicle of economic dynamism, driving exports upwards and influencing the other components of demand, particularly investment.

This growth, which reached 2.9% in volume in 2013, has not yet closed the gap with the national average: GDP per capita, which rose by 2.6% in 2013, is still only half the level of France's GDP per capita.

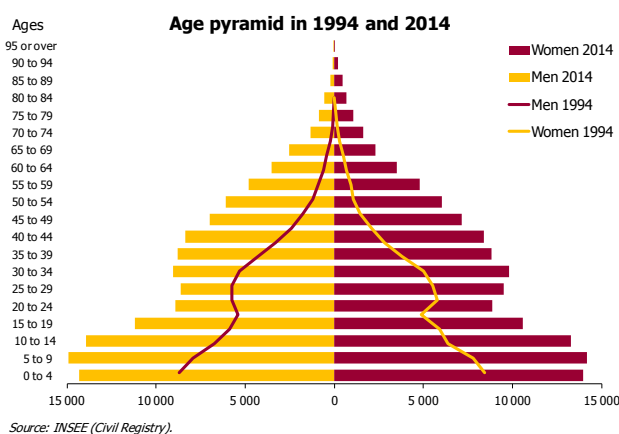
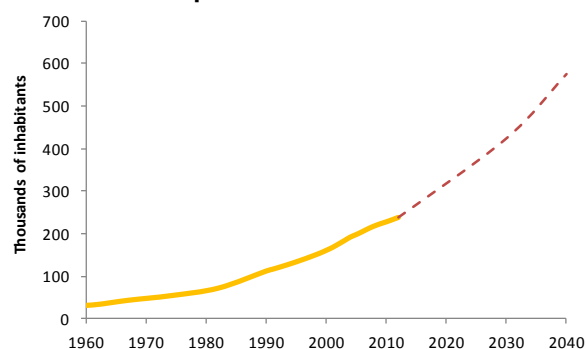
Breakdown of added value in 2010



Moderate inflation

French Guiana has been experiencing a rise in inflation since 2004, with a peak in 2007 and 2008, mainly due to the effect of the increase in prices for services, fresh products and energy. There was a marked slowdown in 2009 and 2010, followed by stabilisation. Inflation resumed in French Guiana from the end of 2010, with the same fluctuations as at national level. At the end of December 2014, inflation stood at +0.3% in the department, against +0.1% nationwide.

Population in 2040

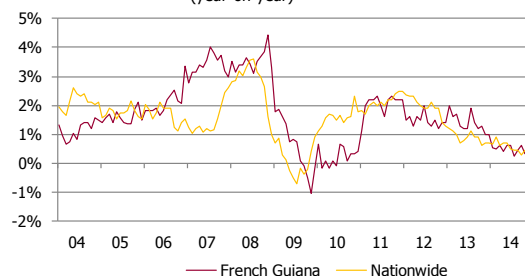


Key economic indicators

	French Guiana	France ⁽²⁾
GDP (billions of constant euros, 2013)	3.9 ⁽¹⁾	2,113.7
GDP growth rate (% , constant euros, 2013)	2.9 ⁽¹⁾	0.3
GDP per capita (constant euros 2013)	15,820 ⁽¹⁾	32,190
Unemployment rate (% , ILO definition, 2014)	22.3	9.8 ⁽³⁾

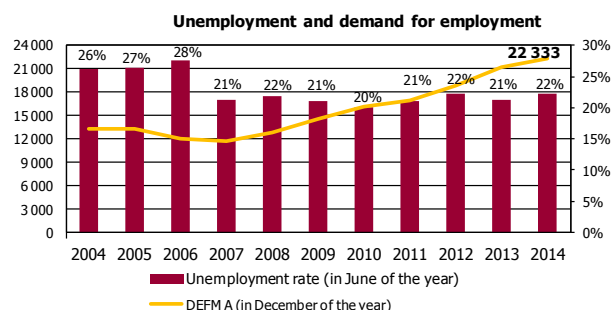
(1) Cerom estimation; (2) 2013 figures unless specified otherwise; (3) On average in 2014
Sources: INSEE, Cerom, Customs.

Consumer price index (year-on-year)



Labour market remains weak

The labour market is marked by a low level of activity (55.5% in 2014). However, there was a 6.9 point increase in the employment rate for men between 2009 and 2014 and the rate for women rose by 4.5 points, which reflects their increasing presence on the labour market. Inactivity for women in French Guiana does, however, remain much higher than in the other territories. Furthermore, the unemployment rate remains high (22.3% in 2014), in particular due to the lack of qualifications. Finally, French Guiana's labour market is marked by the dominance of the informal sector and a high proportion of inactive people wanting employment, but without taking the necessary steps to be registered as unemployed. Employment in non-market sectors continues to be predominant, with 50.1% of total paid employment, against 32.6% in mainland France. The service and industry sectors have been the most dynamic in terms of job creation since 2000.



DEFM A: Jobseekers who have not worked during the month and are actively required to seek employment.
Sources: Direccte, INSEE.

Employment	2003	2013 (p)	13/03 ⁽¹⁾
Total employment	43 169	53 047	2,10%
Self-employment	2 765	3 058	1,00%
Paid employment	40 404	49 989	2,20%
Agriculture	491	337	-3,70%
Industry	2 476	4 398	5,90%
Construction	2 167	3 268	4,20%
Market services	12 813	16 947	2,80%
Non-market services	22 457	25 039	1,10%

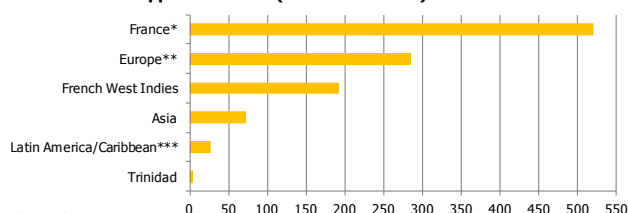
(p) provisional; (1) A average yearly trend.

Source: INSEE.

Economy remains largely dependent on the outside world

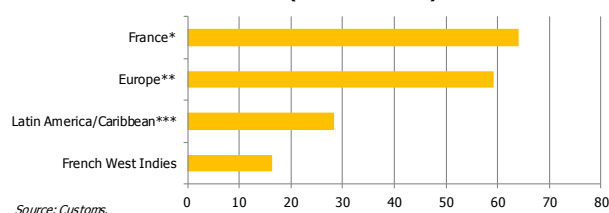
The share of imports (excluding services) in GDP, close to 100% during the 1990s, has fallen, but remains structurally high due to the space industry, which requires the import of capital goods with high added value, and to the low level of productive industries. The trade balance, which shows a high deficit, stood at EUR 1.3bn in 2014 (*i.e.* 32.3% of GDP in 2013). Exports fell sharply in 2014 (-39.8%) and continue to be narrowly based: re-exports of space-related goods ("capital goods" category) and gold production account for the bulk of exports in value. Europe (excluding France) is playing an increasingly important role in trade with French Guiana, but mainland France is still by far its largest partner. French Guiana still trades very little with its South American neighbours.

Main suppliers in 2014 (millions of euros)



Source: Customs.
*Nationwide, excl. FDA**, excl. France and FDA, incl. non-EU countries***, excl. FDA and Trinidad.

Main clients in 2014 (millions of euros)



Source: Customs.
*Nationwide, excl. FDA**, excl. France and FDA, incl. non-EU countries***, excl. FDA.

Import values (millions of euros)	2014
Capital goods industries	428.3
Oil products and hydrocarbons	219.2
Agrifood industries	217.0
Consumer goods industries	173.9
Total	1,445.2

Source: Customs.

Export values (millions of euros)	2014
Capital goods industries ⁽¹⁾	88.4
Metal and metallurgical products (incl. gold)	49.3
Agrifood industries	11.8
Other (chemical products, wood)	25.2
Total	176.2

(1) Includes the value of empty containers and space-related goods.

Source: Customs.

MAIN SECTORS OF ACTIVITY

French Guiana's economy is dominated by the service sector, but industry is continuing to develop. The weight of the space industry in the economy has fallen by around ten points in ten years, reflecting some diversification in local activity. The construction industry remained fragile in 2014, but is one of the drivers for French Guiana's growth due to its development potential (demand for housing and infrastructure), whereas most of the traditional industries have been in difficulty for several years: gold production has stagnated, rice growing is in decline, and access to shrimp resources is limited, firstly due to the weakening of the shrimp stock as a result of environmental and trophic factors and, secondly, a reduction in the number of shrimp trawlers, which has further limited catches. However, the timber industry, which benefits from strong demand, is developing, as well as tourism, which has favourable prospects.

Key sector indicators	2014	14/ 13 ⁽¹⁾	2014	14/13 ⁽¹⁾
Number of rocket launches	11	57.1%	Shrimp catches (tonnes)	764 -12.1%
Gold exports (tonnes)	1.3	0.0%	Fish catches (tonnes)	1,299 -13.2%
Cement sales (excl. binders and fillers)	86,193	-6.4%	Pigs and bovine slaughtered (tonnes)	827 7.3%
Rum production (hectolitres of pure alcohol)	5,408	279.8%	Port traffic (tonnes)	629,185 -3.8%
Harvested wood (m ³)	72,746	1.5%	Air traffic (number of passengers)	446,039 2.1%

(1) Year-on-year

Sources: Customs, CCIRG, Ciments Guyanais, ONF.

(1) Year-on-year

Sources: Ifremer, Daaf, CCIRG.

Space industry: a key driver

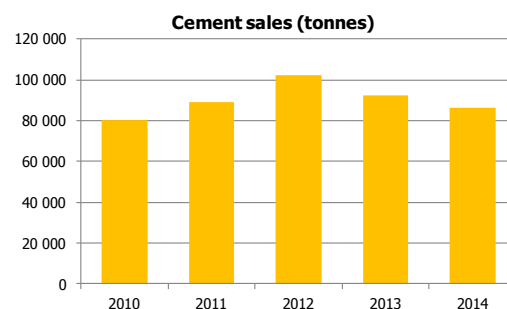
With 11 successful launches in 2014, the space industry reinforced its role as a driving force for French Guiana's economy. Furthermore, at the end of 2014, the European space industry approved the launch of the Ariane 6 programme. This future launcher, for which commissioning is planned by 2020, will be more polyvalent and more suited to the commercial satellite market. The next stage for the objective of efficiency and cost reduction will be the development of a first stage of Ariane 6 that can be recovered and reused.

Construction: a fragile industry

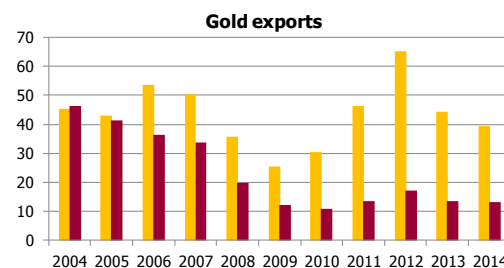
2014 was a difficult year for the construction industry with, firstly, the decline in the construction of social housing and, secondly, the low level of new projects. However, while the sector has lacked visibility since 2013, there is real potential for activity from ever-increasing needs for infrastructure and housing. In 2014, cement sales fell by 6.4% over the year, *i.e.* a less significant decrease than in 2013 (-9.9%).

Gold sector in decline

While gold was for a long time the main export industry (54.9% in 2004, against 28% of exports in 2014), exports have been stagnating for several years. This result is due to the sharp drop in gold prices in recent years. The volumes of legally produced and exported gold have fallen sharply since 2002, as the industry is affected by problems related to illegal gold panning, regulatory constraints, and the higher production costs in French Guiana.



Source: Ciments guyanais, excl. fillers and binders.



Source: Customs. ■ Millions of EUR ■ Quintals

FINANCING OF THE ECONOMY

Loans to companies, households and public authorities in French Guiana are mainly distributed by locally established credit institutions (88.2% of total outstanding loans). For several years, the department's development has been a growth driver for credit institutions domiciled in the West Indies. These institutions finance the subsidiaries of West Indies groups, but also the local client base, particularly local authorities (a third of their outstanding amounts). Home loans allocated to households, as well as property loans to companies and social landlords, continue to be the main driver for the increase in loan allocations in French Guiana, with 58.3% of total performing outstanding amounts at the end of 2014. Companies account for 51.9% of the department's total debt, against 31.7% for households and 12.9% for local authorities. Investment loans¹ reached EUR 800m at the end of 2014, with an average annual growth rate of 13.2% over the past 10 years. In the context of a more selective allocation strategy aiming to reduce their exposure and risks, the doubtful loan ratio for the local banking system has fallen sharply since the early 2000s. It fell from 11.5% in 2004 to 3.4% at the end of 2014. French Guiana had 46 permanent bank branches at the end of December 2014.

Businesses		2014	Households		2014
Outstanding bank loans (all establishments)		EUR 1,443.9m	Number of inhabitants per bank branch		5,443
operating loans		EUR 77.3m	Number of inhabitants per ATM		1,739
investment loans		EUR 446.0m	Number of bank accounts per inhabitant		1.5
real estate loans		EUR 911.7m	Number of cards in circulation		293,723
Financial assets (all establishments)		EUR 426.6m	Number of cases of overindebtedness filed		194
overnight deposits		EUR 348.7m	Outstanding bank loans (all establishments)		EUR 882.3m
liquid or short-term savings		EUR 72.1m	consumer loans *		EUR 171.8m
long-term savings		EUR 5.8m	home loans		EUR 709.8m
Number of payment incidents		268	Financial assets (all establishments)		EUR 1,055.1m
Number of legal entities subject to banking prohibition		838	overnight deposits		EUR 345.0m
			liquid or short-term savings		EUR 345.5m
			long-term savings		EUR 364.5m
			Natural persons subject to banking prohibition		9,719
			Average debt per household** (in EUR)		12,937
			Household savings rate (as % of gross available income, 2007)		28.8%
Gross rate of doubtful loans (all establishments, all agents) 3.4%					

* excl. a new operator on the cash credit market in 2010. **68,200 households estimated by INSEE at 1st January 2012.
Source: IEDOM, INSEE.

N.B.: The data used in this note are as of 31st December 2014 unless specified otherwise.

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¹ Companies + local authorities