



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 (2011, UNDP, Iedom estimation)		42
National representation	2 MPs, 2 senators, 1 representative at the Economic, Social and Environmental Council	
State representation		Prefect

Successive waves of immigration

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 after 1852 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. Space activities rapidly became important for the economy and life in French Guiana. The first rocket probe, called Véronique, was launched on 9th April 1968 and on 24th December 1979, the first Ariane rocket. Since then, over 500 launches have been made from Kourou.

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.

From single department to single territory

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, which means that Community Law is applicable, and allows it to benefit from structural funds.

Following the referendum of January 2010, the new single territory replacing the department and region is expected to be introduced in 2014. A draft law defining the organisational and operational arrangements (governance, voting method, number of councillors, financial resources) for the territory was put before the Council of Ministers in January 2011 and voted in July 2011.

YOUNG AND GROWING POPULATION

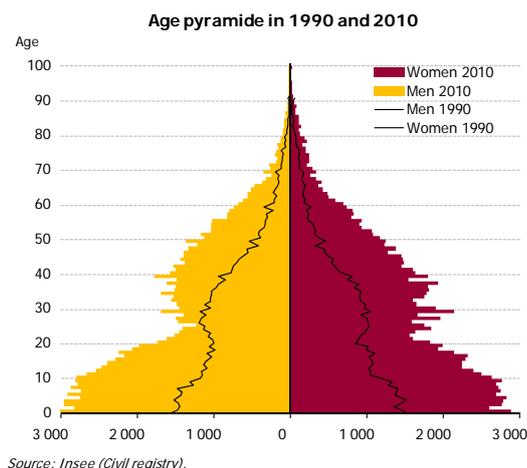
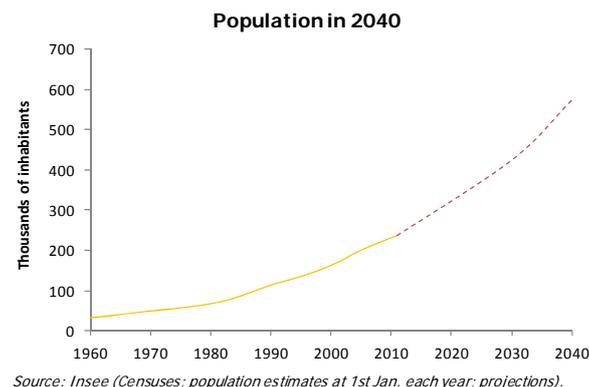
French Guiana's population is marked by its high growth rate, its youth and a sizeable immigrant population.

The youth of the population can mainly be put down to the high fertility rates, with 3.5 children per woman. Between 1999 and 2011, the population of French Guiana rose by an annual average of 3.5%, *i.e.* a rate five times faster 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) from the successive waves of immigration from different countries gives French Guiana a wide cultural diversity.

Demographic indicators	French Guiana	France ⁽¹⁾
Population (thousands, millions for France, at 01/01/2011)	236.3	65.4
Percentage of under 20s (2010)	44.4	25
Percentage of 20-59 year-olds (2010)	49.0	52
Percentage of aged 60 and over (2010)	6.6	23
Population density (inhab./km ² , at 01/01/2011)	2.8	102.7 ⁽²⁾
Annual average population growth rate (% , 1999-2011)	3.5	0.6 ⁽³⁾
Birth rate (for 1,000 inhabitants, 2010)	26.1	12.7
Mortality rate (for 1,000 inhabitants, 2010)	3.3	8.5
Infant mortality rate (for 1,000 births, 2008-10)	11.6	3.5
Total fertility rate (2009)	3.49	2.00 ⁽⁴⁾
Life expectancy at birth for women (years, 2009)	82.8	84.8
Life expectancy at birth for men (years, 2009)	75.7	78.2

(1) INSEE 2011 population survey; (2) Population density in mainland France at 2009 census; (3) Between 2002 and 2012; (4) TFR in 2008.
Source: INSEE.



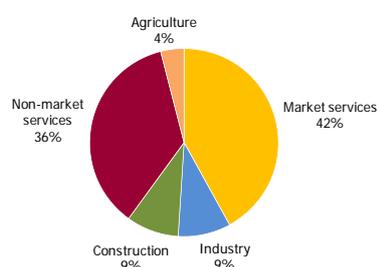
ECONOMY AT A GLANCE

French Guiana's economy has been experiencing significant growth for several years now. Between 1999 and 2007, French Guiana's GDP rose by 4.3% a year in real terms, against a national average of 2.1% a year. This vitality is partly linked to the demographic dynamism: the population growth poses a challenge, which comes with significant investments in infrastructure for the territory and a boom in the productive fabric able to pave the way for more self-sustained development.

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

This growth, which reached 4.0% in volume in 2011, has not yet made it possible to catch up with the national average: GDP per capita, which rose by 1.4% in 2011, still only represents half of GDP per capita nationwide.

Breakdown of added value in 2007

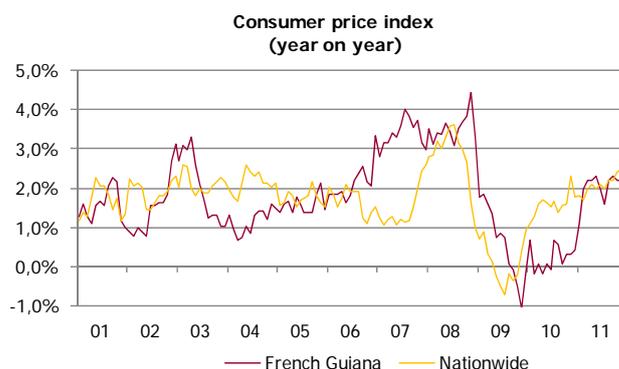


Key economic indicators	French Guiana	France
GDP (billions of constant euros, 2011)	3.6 ⁽¹⁾	1 996.6
GDP growth rate (% , constant euros, 2011)	4.0 ⁽¹⁾	1.7
GDP per capita (constant euros, 2011)	15 400 ⁽¹⁾	30 639
Import dependency rate ⁽²⁾ (% , 2011)	53.1	30
State expenditure in the Territory (millions of euros, 2009)	1 075	-
Debt of territories (% of GDP, 2009)	10	8.2 ⁽³⁾

Sources: Insee, Customs, Cerom, AFD, Directorate of Public Finance, Region, Department
(1) CEROM estimation; (2) (imports)/(GDP); (3) Public debt notified or in the sense of Maastricht.

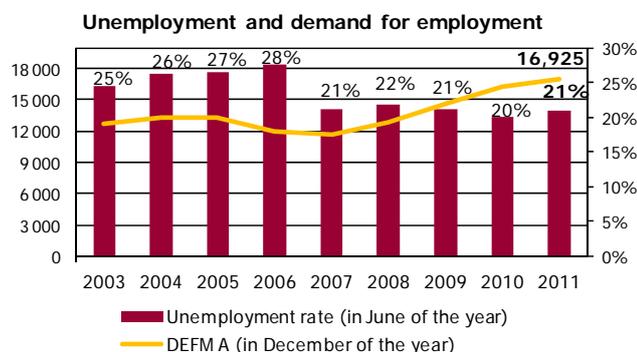
Price inflation

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 the prices of services, fresh products and energy. There was a sharp slowdown in 2009 and 2010, then stabilisation. Inflation resumed in French Guiana from the end of 2010, with the same fluctuations as at national level. At the end of December 2011, the increase in consumer prices stood at 2.2% in the department, against 2.5% nationwide.



Labour market remains weak

The labour market is marked by a low level of activity (55.5% of the 15-64 year-old segment), mainly due to a mismatch between employment supply and demand, the continued predominance of the informal sector and a high and stable unemployment rate (21% in June 2011). There is a significant gap between the employment rate for women (36.4%) and men (52.0%) and the youth unemployment rate (under 25s) remains particularly high (47.8%). Public employment is predominant: in 2004, the three public sectors (State, territorial and hospital) accounted for over half the payroll (against just over 20% in mainland France). The service and construction and public works sectors have been the most dynamic in terms of job creation since 2000.



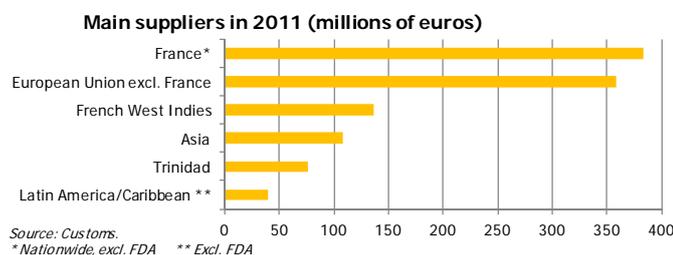
Sources : DIECCTE, INSEE.
DEFMA A: Jobseekers who have not worked during the month and are required to actively seek employment

Employment	2000	2010 (p)	10/00 ⁽¹⁾
Total employment	41,714	49,341	1.7 %
Self-employment	2,971	2,807	-0.6 %
Paid employment	38,743	46,534	1.8 %
Agriculture	522	414	-2.3 %
Industry	2,396	3,703	4.4 %
Construction	2,093	3,169	4.2 %
Trade	3,129	4,332	3.3 %
Market services	12,213	15,775	2.6 %
Non-market services	21,519	23,473	0.9 %

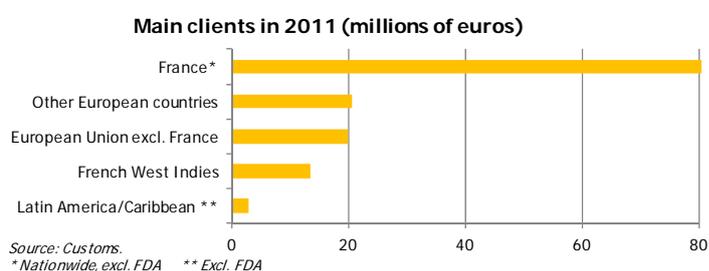
Source: INSEE.
(p) provisional; (1) Average yearly trend

Economy remains largely dependent

The share of imports in GDP, close to 100% during the 1990s, has fallen, but remains structurally high (between 50 and 60%). This is due to the space activity, which requires the importation of capital goods with high added value, and to the low level of productive industries. In 2011, the trade balance, which shows a high deficit, topped the EUR 1bn mark for the first time. Exports are not very diversified: re-exports of space-related goods ("capital goods" category) and gold production account for the bulk of exports in value. They are far from offsetting the sharp rise in imports. Europe (excluding France) is playing an increasingly important role in trade with French Guiana. However, mainland France is still by far its main partner. French Guiana still trades very little with its South American neighbours.



Source: Customs.
* Nationwide, excl. FDA ** Excl. FDA



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* Nationwide, excl. FDA ** Excl. FDA

Import values (millions of euros)	2011
Capital goods industries	484.6
Oil products and hydrocarbons	219.7
Agrifood industries	200.4
Consumer goods industries	149.8
Total	1,333.1

Source: Customs.

Export values (millions of euros)	2011
Capital goods industries ⁽¹⁾	80.3
Metal and metallurgical products (incl. gold)	48.1
Agrifood industries	12.9
Other (chemical products, wood)	11.3
Total	154.4

Source: Customs.

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

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 sector in the economy has fallen by around ten points in ten years, reflecting some diversification in local activity. Most of the traditional industries are in difficulty: gold production has slumped, rice growing is in decline and access to shrimp resources is problematic. However, the wood sector, which benefits from strong demand, is developing, as well as tourism, which has strong potential in French Guiana.

Main sector indicators	2011	11/01 ⁽¹⁾	2011	11/01 ⁽¹⁾
Number of Ariane launches	7	-1.3%	Shrimp catches (tonnes)	1,037 -9.1%
Gold exports (tonnes)	1.35	-17.4%	Fish catches (tonnes)	1,407 4.4%
Rum production (hectolitres of pure alcohol)	1,803	-0.6%	Pig and bovine slaughtered (tonnes)	644 -0.1%
Cane handled (tonnes)	5,011	2.4%	Port traffic (tonnes)	642,950 0.0%
Harvested wood (m ³)	73,739	2.4%	Air traffic (number of passengers)	435,440 2.5%

Sources: Customs, CCIRG, ONF.
(1) Average annual growth rate

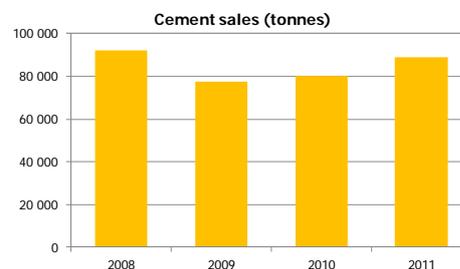
Sources: Ifremer, Daaf, CCIRG.
(1) Average annual growth rate

Space sector a key driver

The space sector has a knock-on effect on industry, business service and transport sectors. According to an impact assessment conducted by INSEE in 2007, the weight of this activity in 2002 accounted for 16.2% of GDP. The French Guiana Space Centre (CSG) has a workforce of some 1,600 people and the number of related jobs is estimated at 4,200. With the installation of Soyouz launchers (first launch at the end of 2011) and Vega launchers (first launch made in early 2012), the CSG now offers a wide range of services (heavy-lift: Ariane 5, medium: Soyouz, light: Vega), which allows it to meet all the demand from global operators, as well as specific demands (Galileo satellites and the ATV – Automated Transport Vehicle – space shuttle).

Construction driven by housing needs

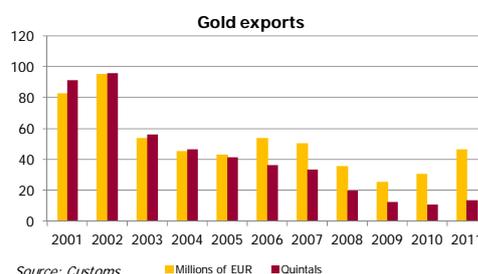
The construction and public works sector experienced strong growth between 2006 and 2008, in particular due to public procurement and large-scale projects (Soyouz). Activity in the sector would appear to be picking up after a slowdown in 2009-early 2010, bolstered by the continuation of projects for new housing construction and land use planning and motivated by the announced end of certain tax relief measures. Demand in numbers of housing units remains strong, in the region of 3,700 a year (including half for social housing), while production stands at around 1,500 units (including almost 800 social housing units). In addition, given the deficit in previous years, the need for some 15,400 housing units still needs to be met.



Source: Ciments guyanais, excl. fillers and binders.

Gold sector in difficulty

While gold is still the main "local" export, with 30% of the total value, this positive result can be explained by soaring gold prices. The volumes of gold produced and exported have fallen significantly since 2002 as the industry has been badly affected by problems related to illegal gold panning, regulatory constraints and the high production costs in French Guiana. However, there was a slight upturn in the production volume in 2011, supported by the increase in gold prices.



Source: Customs.

FINANCING OF THE ECONOMY

French Guiana's economy is mainly financed by locally established credit institutions (which hold 84% of total outstanding loans). Growth in French Guiana's market has also attracted regional banks based in the West Indies, either to finance a local client base or to support the development of companies owned by West Indies groups. The annual growth in bank loans, supported by high demand for housing finance, is mainly driven by housing loans (granted to households and social housing institutions), which represent over 53% of total outstanding loans. Companies account for 51% of the department's total debt, against 31% for households and 16% for local authorities. With allocation policies being more selective, the local bad debt rate has fallen by 30% in 5 years and stood at 4% at the end of 2011.

At the end of December 2011, French Guiana had 40 permanent bank branches. With a ratio of one branch for 5,906 inhabitants, the banking density in French Guiana is half that of the other FDA.

Businesses	2011	Households	2011
Cost of credit for businesses (July /August 2011) medium and long term	4.7%	Number of inhabitants per bank branch	5,906
Bank loans (all establishments)	EUR 1,214.6m	Number of inhabitants per ATM	2,167
operating loans	EUR 80.8m	Number of bank accounts per inhabitant	1.28
investment loans	EUR 430.2m	Number of cards in circulation	211,061
real estate loans	EUR 697.6m	Number of cases of overindebtedness	203
Financial assets (all establishments)	EUR 358.4m	Bank loans (all establishments)	EUR 733.2m
overnight deposits	EUR 258.1m	consumer loans*	EUR 168.1m
liquid or short-term savings	EUR 92.3m	home loans	EUR 564.9m
long-term savings	EUR 8m	Financial assets (all establishments)	EUR 952m
Number of payment incidents	430	overnight deposits	EUR 324.3m
Number of legal entities subject to banking prohibition	684	liquid or short-term savings	EUR 309.7m
		long-term savings	EUR 318m
		Number of natural persons subject to banking prohibition	8,459
		Average debt per household** (in EUR)	12,274
		Household savings rate (in % of gross available income, 2007)	26.8%
		Gross rate of doubtful loans (all establishments, all agents)	4%

Source: Iedom - outstanding amount at 31st December 2011 and year on year trend, Insee.

*excl. new operator on treasury credit market in 2010

**59,735 ho useholds estimated by INSEE in 2007

For businesses, outstanding real estate, investment and operating loans represent respectively 57%, 35% and 7% of their outstanding bank loans in December 2011

For households, outstanding home and consumer loans represent respectively 77% and 23% of their outstanding bank loans in December 2011

N.B.: The data used in this note are as of 31st December 2011.

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