

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)		73
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 January 2010, the new single territory replacing the department and region is expected to be introduced in 2015. 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 characterised by its high growth rate, its youth and its sizeable immigrant population.

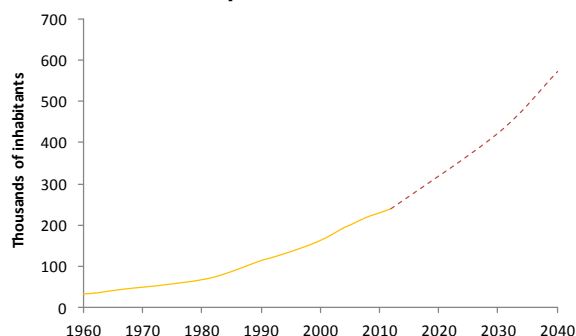
The youth of the population can mainly be put down to the high fertility rates, with 3.5 children per woman. Between 2003 and 2013, French Guiana's population rose by an annual average of 3.1%, *i.e.* a rate five times higher than at national level. According to INSEE projections, the population will 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 1/01/2013)	250.1	65.8
Percentage of under 20s (2013)	43.3	25
Percentage of 20-59 year-olds (2013)	49.3	51
Percentage of aged 60 and over (2013)	7.4	24
Population density (inhab./km ² , at 01/01/2013)	3.0	117 ⁽²⁾
Annual average population growth rate (% , 2003-2013)	3.1	0.6 ⁽³⁾
Birth rate (for 1,000 inhabitants, 2012)	28.2	12.3
Mortality rate (for 1,000 inhabitants, 2012)	3.2	8.7
Infant mortality rate (for 1,000 births, 2009-2011)	9.9	3.6
Total fertility rate (2012)	3.5	1.99
Life expectancy at birth for women (years, 2012)	82.8	85.0
Life expectancy at birth for men (years, 2012)	75.6	78.7

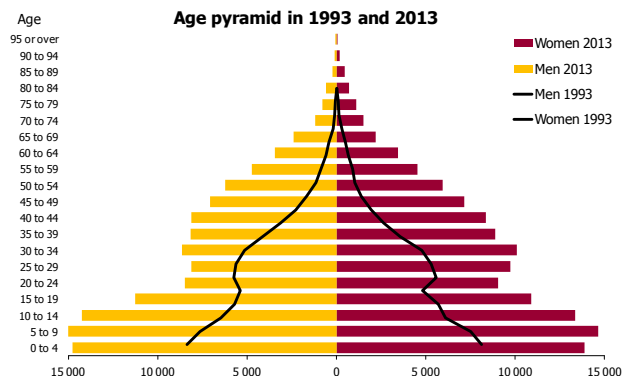
(1) INSEE 2013 population survey (population at 01/01/2014); (2) Population density in mainland France in 2013; (3) Between 2003 and 2013.
Source: INSEE.

Population in 2040



Source: INSEE (Censuses; population estimates at 1st January each year; projections).

Age pyramid in 1993 and 2013



Source: INSEE (Civil registry).

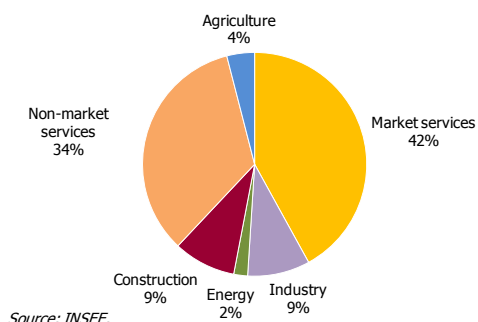
ECONOMY AT A GLANCE

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 3.3% in volume in 2012, has not yet closed the gap with the national average: GDP per capita, which rose by 0.8% in 2012, is still only half the level of France's GDP per capita.

Breakdown of added value in 2007



Source: INSEE.

Key economic indicators

Key economic indicators	French Guiana	France ⁽²⁾
GDP (billions of constant euros, 2012)	3.8 ⁽¹⁾	2,032.3
GDP growth rate (% , constant euros, 2012)	3.3 ⁽¹⁾	0.0
GDP per capita (constant euros, 2012)	15,416 ⁽¹⁾	31,076
Debt of local authorities (% of GDP, 2012)	10	8.5 ⁽³⁾

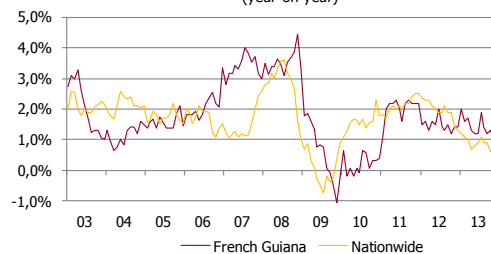
(1) Cerom estimation; (2) 2012 figures unless specified otherwise; (3) Public debt notified or in the sense of Maastricht.

Sources: INSEE, Customs, Cerom, AFD, Public Finance Directorate, Region, Department.

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 2013, the increase in consumer prices stood at 1.0% in the department, against 0.7% nationwide.

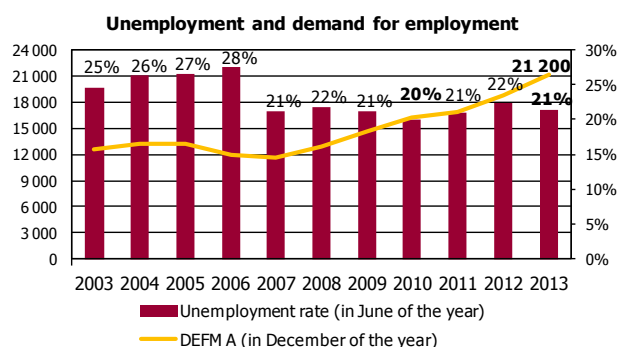
Consumer price index (year-on-year)



Source: INSEE.

Labour market remains weak

The labour market is marked by a low level of activity (53.4% in 2013) and a high unemployment rate (21.3% in June 2013). This is mainly due to the mismatch between labour supply and demand, and the continued predominance of the informal sector. However, the employment rate for men rose by 2 points between 2008 and 2013 and the rate for women by 5 points, which reflects their increasing presence on the labour market. Employment in non-market sectors continues to be predominant, with 49.5% of total paid employment, against 32.1% in mainland France. The service and construction 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: Dieccte, INSEE.

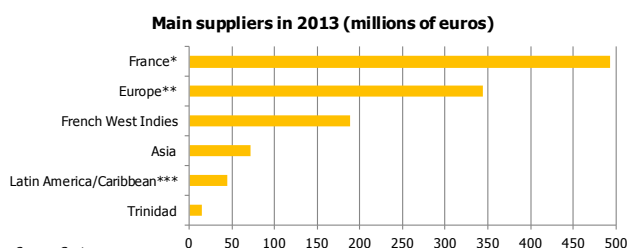
Employment	2002	2012 (p)	12/02 ⁽¹⁾
Total employment	44,070	52,206	1.7%
Self-employment	3,015	2,864	-0.5%
Paid employment	41,055	49,342	1.9%
Agriculture	520	298	-5.4%
Industry	2,411	4,084	5.4%
Construction	2,196	3,858	5.8%
Market services	12,846	16,663	2.6%
Non-market services	23,082	24,439	0.6%

(p) provisional; (1) Average yearly trend.

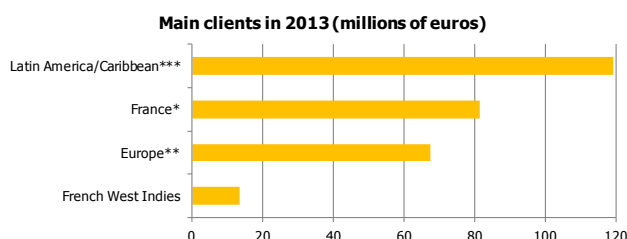
Source: INSEE.

Economy remains largely dependent

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 2013. 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, and exports remain insufficient to offset the sharp rise in imports. 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.



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



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Import values (millions of euros)	2013
Capital goods industries	515.8
Oil products and hydrocarbons	238.9
Agrifood industries	214.7
Consumer goods industries	167.2
Total	1,588.9

Source: Customs.

Export values (millions of euros)	2013
Capital goods industries ⁽¹⁾	185.0
Metal and metallurgical products (incl. gold)	67.5
Agrifood industries	11.2
Other (chemical products, wood)	27.4
Total	292.6

(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. Despite a downturn in 2013, the construction industry is one of the drivers of French Guiana's growth, whereas most of the traditional industries have been in difficulty for several years: 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.

Key sector indicators	2013	13/03 ⁽¹⁾	2013	13/03 ⁽¹⁾
Number of rocket launches	7	10.6%	Shrimp catches (tonnes)	682 -15.2%
Gold exports (tonnes)	1.3	-13.3%	Fish catches (tonnes)	1,496 5.7%
Cement sales (excl. binders and fillers)	92,130	3.1%	Pig and bovine slaughtered (tonnes)	771 2.3%
Rum production (hectolitres of pure alcohol)	2,626	0.4%	Port traffic (tonnes)	653,941 0.9%
Harvested wood (m ³)	71,664	0.6%	Air traffic (number of passengers)	436,991 1.3%

(1) Average annual growth rate.

Sources: Customs, CCIRG, Ciments guyanais, ONF.

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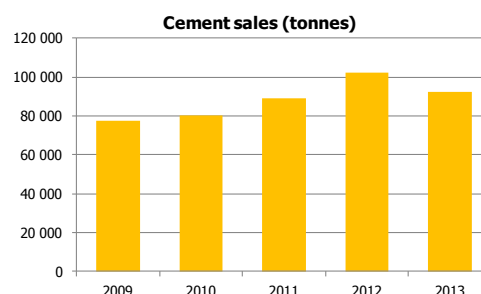
Sources: Ifremer, Daaf, CCIRG.

Space industry a key driver

The space sector has a knock-on effect on the industry, business services and transport sectors. According to an impact assessment conducted by INSEE in 2007, the weight of this activity accounted for 16.2% of GDP in 2002. The French Guiana Space Centre (CSG) has a workforce of some 1,685 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). This allows it to cover all the demand from global operators, as well as specific missions (Galileo satellites and the ATV – Automated Transport Vehicle – space carrier). With 7 successful launches in 2013, the space industry has reinforced its role as a driving force for French Guiana's economy.

Construction linked to housing needs

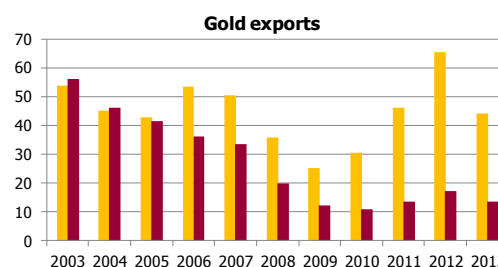
The construction industry experienced strong growth between 2006 and 2008, in particular due to public procurement and structural projects (Soyouz). Activity in the sector picked up after a slowdown in 2009-early 2010, bolstered by the continuation of projects for new housing construction and land use planning. 2013 was a critical year for the construction industry with, firstly, the delivery and completion of a number of projects launched in previous years and, secondly, the reduction in the number of launches of new sites and building permits granted, following the end of certain tax relief measures. In 2013, cement sales did, however, decline by 9.9% year-on-year, which is a sign of a slowdown in the sector after two years of robust activity. Consequently, the knock-on effect from private procurement was muted, with 1,057 private housing units authorised, *i.e.* a decrease of 43%.



Source: Ciments guyanais, excl. fillers and binders.

Gold sector in difficulty

While gold is still the main "local" export, with 31% of the total value, this satisfactory result can be put down to soaring gold prices. Legally produced and exported volumes of gold 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. The upturn in volume that began in 2011 did not continue in 2013.



Source: Customs. ■ Millions of EUR ■ Quintals

FINANCING OF THE ECONOMY

French Guiana's economy is mainly financed by locally established credit institutions (which hold 87% of total outstanding loans). Growth in French Guiana's market has also attracted regional banks based in the West Indies, either to finance the local client base or to support the development of companies owned by West Indies groups. The annual growth in outstanding bank loans, bolstered by strong demand for housing finance, is mainly driven by housing loans (allocated to households and social housing institutions), which account for 58% of total performing outstanding loans. Companies account for 51% of the department's total debt, against 32% for households and 14% for local authorities. With allocation policies being more selective, the local doubtful loan ratio has fallen sharply since the early 2000s and stood at 3.9% at the end of 2013.

At the end of December 2013, French Guiana had 47 permanent bank branches. With a ratio of one branch for 5,321 inhabitants, the banking density in French Guiana is more than two times lower than in the other FDA.

Businesses	2013	Households	2013
Outstanding bank loans (all establishments)	EUR 1,353.8m	Number of inhabitants per bank branch	5,321
operating loans	EUR 94.1m	Number of inhabitants per ATM	1,839
investment loans	EUR 409.3m	Number of bank accounts per inhabitant	1.40
real estate loans	EUR 841.0m	Number of card in circulation	273,215
Financial assets (all establishments)	EUR 469.9m	Number of cases of overindebtedness filed	179
overnight deposits	EUR 280.5m	Outstanding bank loans (all establishments)	EUR 857.9m
liquid or short-term savings	EUR 61.8m	consumer loans*	EUR 170.7m
long-term savings	EUR 127.6m	home loans	EUR 687.0m
Number of payment incidents	372	Financial assets (all establishments)	EUR 1,037.5
Number of legal entities subject to banking prohibition	763	overnight deposits	EUR 345.6m
		liquid or short-term savings	EUR 342.3m
		long-term savings	EUR 349.6m
		N° of natural persons subject to banking prohibition	9,536
		Average debt per household** (in EUR)	12,680
		Household savings rate (as % of gross available income, 2007)	26.8%
		Gross rate of doubtful loans (all establishments, all agents)	3.9%

*excl. a new operator on the cash credit market in 2010. **67,657 households estimated by INSEE at 1st January 2011.
Source: IEDOM, INSEE.

N.B.: The data used in this note are as of 31st December 2013 unless specified otherwise.

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