

French Guiana: Economic Overview



A territory of challenges

No 737/January 2023

Capital	Cayenne
Area	83,846 km ² (15% of the national territory, equivalent to the surface area of Austria)
Geographic location	North-east of the South American continent, bordering Brazil and Suriname; 7,000 km from Paris
Languages spoken	French, Creole languages, Amerindian and Bushinenge languages
Currency	Euro
Status	Single territorial collectivity and European outermost region (OR)
Human Development Index ranking (2010, AFD estimate)	0.740 (73 rd)
National representation	2 Members of Parliament, 2 Senators, 1 representative on the Economic, Social and Environmental Council
State representation	Prefect

STRUCTURAL CHARACTERISTICS

Historical and geographical background

French Guiana is located in the north-east of the South American continent and forms part of the Guiana Shield, which stretches from southern Venezuela to north-eastern Brazil. It is the largest of the French overseas departments and regions (DROM), accounting for 15% of the national territory, an area equivalent to that of Nouvelle-Aquitaine. French Guiana is bordered to the north by the Atlantic Ocean over approximately 320 km and has an exclusive economic zone (EEZ) covering 126,000 km². To the west lies Suriname, with which it shares a 520 km border along the Maroni River, and to the south and east Brazil, with which it shares a 730 km border, the longest land border of France. Characterised by a humid equatorial climate, French Guiana is covered 96% by Amazon rainforest and is criss-crossed by rivers, streams and rapids. Its coastline is among the most unstable in the world, shaped by alternating phases of advance and retreat. According to the Guyaclimat 2022 report, climate change is expected to further alter the landscape of French Guiana, notably due to the risk of chronic flooding, rising temperatures, wind speeds, and declining rainfall.

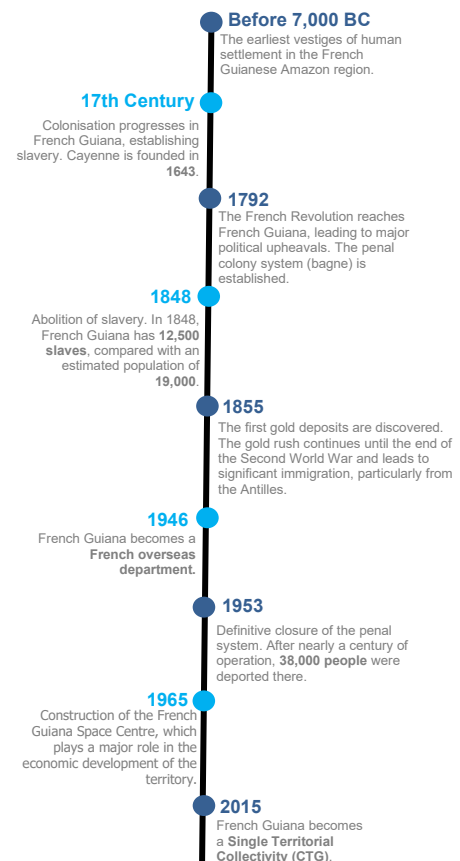
Owing to its history, French Guiana is home to Creole, Bushinenge, Amerindian, Hmong, European and South American communities. It also constitutes a regional pole of attraction, drawing significant migration flows.

Towards a change in institutional status?

The institutional framework of the French overseas territories is defined by the constitutional law of 28 March 2003. French Guiana is governed by the principle of legislative identity, which provides for the full application of national legislation to overseas collectivities governed by Article 73 of the Constitution, while allowing for adaptations 'in light of specific characteristics and constraints'. In December 2015, the Single Territorial Collectivity of French Guiana (CTG) replaced the former department and region, following the first election of its territorial councillors. At the local level, the territory is also administered by Amerindian and Bushinenge customary chiefs, who are represented within a consultative body of the CTG.

In parallel, like the other DROMs, French Guiana is a European outermost region (OR).

This status entails the application of European Union law, while allowing for the adoption of 'specific measures' to address local adaptation needs, as provided for in Article 349 of the Treaty on the Functioning of the European Union. This status enables French Guiana to benefit from European structural and investment funds. Lastly, French Guiana experienced major social movements in March–April 2017, which resulted in the Agreements for French Guiana. Signed by the State, these agreements comprise four components: the Emergency Plan for French Guiana, thematic agreements, an additional plan, and a process towards institutional change through public consultation. This latter aspect, reflecting the desire for greater autonomy expressed by many local elected officials, is receiving particular attention from the current CTG majority.



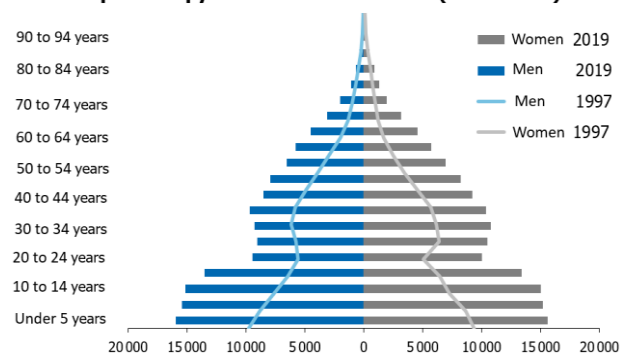
A GROWING POPULATION FACING SEVERE INEQUALITIES

A young population expected to double in nearly 40 years...

Demographic indicators	French Guiana	France
Population (thousands; millions for France, as at 01/01/2022)	294.4	67.8
Share of population under 20 (%) (as at 01/01/2022)	40.5	23.7
Share of population aged 20-59 (%) (as at 01/01/2022)	49.3	49.2
Share of population aged 60 and over (%) (as at 01/01/2022)	10.2	27.2
Population density (inhabitants/km ² , 2021)	3.5	120.6
Population growth over 10 years (%)	22.9	3.9
Birth rate (per 1,000 inhabitants, 2021)	26.8	10.9
Death rate (per 1,000 inhabitants, 2021)	4.8	9.7
Infant mortality rate (per 1,000 live births, 2018)	≈ 10	≈ 4
Total fertility rate (2021)	3.53	1.83
Life expectancy at birth - women (years, 2021)	80.0	85.4
Life expectancy at birth - men (years, 2021)	72.7	79.3

Sources : Insee, Eurostat

Population pyramid in French Guiana (1997-2019)



Source : Insee

The population of French Guiana, characterised by a high proportion of young people (40.5% of the population is under the age of 20), has increased by nearly one quarter over the past ten years, at a pace significantly faster than the national level. This demographic momentum is driven mainly by the municipalities of western French Guiana, where the population has grown by half over the last decade. By 2050, the population of French Guiana is expected to have doubled compared with 2013, despite a gradual slowdown in demographic growth.

Between 2013 and 2019, the contribution of the apparent balance of inflows and outflows was zero. Nevertheless, French Guiana remains a regional hub for immigration: in 2019, 30.6% of the population were immigrants. In addition, the territory is facing a sharp increase in the number of asylum seekers. In 2021, 2,854 asylum applications were submitted, nearly three quarters of which were filed by Haitian nationals. However, around 95% of applications are rejected.

... in which inequalities remain pronounced

Socio-economic inequalities highlight the heterogeneity of living conditions across the territory. The Gini index is estimated at 0.429 (compared with 0.270 in mainland France). In 2017, 53% of the population of French Guiana lived on less than €1,020 per month, compared with 14% in mainland France¹. In 2018, **29% of the population were living in severe poverty**, defined as combining a standard of living at least 50% below the French median level with at least seven material and social deprivations. This figure is fourteen times higher than in mainland France, and also significantly more worrying than in Martinique (10%) and Guadeloupe (12%). Foreign nationals and complex households² are more exposed to these situations.

Indicators relating to education, labour market integration, employment and living conditions are less favourable for women. In 2019, women's employment and activity rates (as defined by the census) stood at 36.2% and 59.9% respectively, compared with 45.7% and 64.1% for men. The average net hourly wage gap amounted to 7.7% in 2020, reaching 18% for managers and manual workers. Women also represent 69.4% of over-indebted persons.

Territorial inequalities are particularly pronounced in the remote inland municipalities, which account for 10% of the population. These areas suffer from a lack of infrastructure and more limited access to healthcare, education, housing and employment. As they are served only by river or air transport, the movement of people and goods is especially difficult.

SIGNIFICANT NEEDS DRIVING GROWTH...

An infrastructure deficit amplified by demographic growth

French Guiana is facing a significant lag in infrastructure development. This issue, which represents a lever for endogenous growth, encompasses numerous development challenges: opening up isolated areas of the territory, energy security, access to housing³, employment, healthcare, education, etc. It is further exacerbated by demographic pressure. In addition, the need to preserve the territory's biodiversity may constitute a constraint on infrastructure projects⁴.

On the one hand, road, maritime, river and air transport infrastructure remains limited or underutilised:

—Only one main road axis connects the western and eastern parts of the territory. French Guiana has 2,159 km of roads (equivalent to Martinique, even though French Guiana is 74 times larger). This sparse and weakly interconnected network is facing rising traffic levels as well as natural, administrative and organisational constraints, which complicate its expansion and refurbishment.

¹ At the departmental level, 23% of the population of French Guiana live below the local poverty threshold, set at €550 per month.

² Households comprising more than one family or several single individuals who usually share the same dwelling.

³ The issue of the housing shortage is addressed in the section devoted to the construction sector.

⁴ For example: the Larivot thermal power plant project, intended to replace the ageing Dégrad-des-Cannes power plant, is the subject of legal proceedings against a backdrop of environmental concerns.

- At the same time, although French Guiana does not have a maritime hub, port activity accounts for almost all of the territory's import – export flows. Traffic volumes have increased by 30.6% over ten years, but remain well below those recorded in the French West Indies. The Port of Dégrad-des-Cannes concentrates the majority of activity and is supported by four other ports with more limited capacity. The shallow depth of access channels also creates structural constraints for vessel access and results in significant dredging requirements.
- External air services are limited to connections with the French West Indies and mainland France, following the withdrawal in 2020 of the route serving northern Brazil⁵. The air transport network in French Guiana is essentially domestic. Some airfields face significant challenges in maintaining the level of safety required for their operation.

On the other hand, substantial needs remain in educational and healthcare infrastructure. The average annual growth in student numbers, at 1.4%, makes French Guiana the second most dynamic French region, after Mayotte, placing pressure on the number of educational facilities. Compared with the French West Indies, French Guiana has lower levels of educational infrastructure for larger student populations (see table opposite). In the healthcare sector, French Guiana had 425 hospital beds and places per 100,000 inhabitants in 2019, compared with 694 in Guadeloupe and 709 in mainland France. However, a restructuring of healthcare provision has been initiated: a regional university hospital centre is scheduled to become operational in 2025, and three decentralised prevention and care centres will be converted into local hospitals.

Student numbers and educational institutions in 2021

		Guyane	Guadeloupe	Martinique
Primary education	Number of students	47,158	41,466	32,506
	Educational institutions	185	289	247
Secondary education	Number of students	40,169	43,352	35,116
	Educational institutions	53	86	84
Total	Number of students	87,327	84,818	67,622
	Educational institutions	238	375	331

Sources: Rectorats de Guyane, Guadeloupe et Martinique

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An economy growing on the back of domestic demand

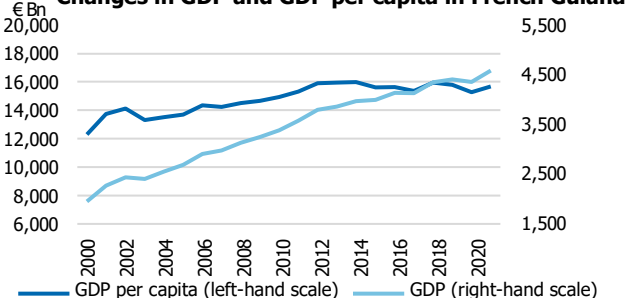
Main economic indicators	2011	2021	France 2021
GDP (current euros, €bn)	3.6	4.6	2,500.9
GDP growth rate (%)	3.7%	3.5%	6.8%
GDP per capita (current euros)	15,312	15,659	36,981
Import dependency ratio ¹ (% of GDP)	68.1%	64.3%	31.4%
Inflation rate (% annual average) ⁽²⁾	2.0%	1.3%	1.6%
Unemployment rate (% , ILO definition)	21%	15%	7%

(1) Goods and services.

(2) The 2021 CPI average is calculated on the basis of incomplete price observations.

Over the past ten years, French Guiana's GDP has grown by an average of 1.4% per year in real terms, compared with 0.9% at the

Changes in GDP and GDP per capita in French Guiana



Sources: Insee, CEROM.

national level. The impact of the Covid-19 pandemic on growth in 2020 was relatively more limited in French Guiana: GDP declined by 3.4%, compared with -7.9% nationwide. 2021 was marked by a strong rebound, with GDP increasing by 3.5% (€4.6 billion) and the business climate indicator reaching its highest level in ten years. Driven by demographic growth, final household consumption is a key engine of the economy. Given population growth, GDP per capita has stagnated (€15,659 in 2021), representing **47% of the national level**.

Overall, inflation, which remained relatively contained over the decade, has **followed a similar trend to that observed in mainland France**: it averaged 0.8% per year in French Guiana⁶, compared with 1.1% at the national level. In 2021, the recovery in global trade and bottlenecks in production chains exerted upward pressure on prices (+2.7% year on year at end-December). This acceleration continued in 2022 as a result of the war in Ukraine, driven by commodity prices, in particular petroleum products⁷. From a structural perspective, INSEE points out that the general price level is 11.6% higher in French Guiana than in mainland France.

A structurally deficit trade balance

According to INSEE, imports of goods and services were estimated at €2,946.2 million in 2021, while exports were 2.5 times lower, amounting to €1,143.7 million. As satellite launches are classified as services, space activity constitutes the main export sector.

Over the past decade, imports of goods have increased by 19% in value and 11.8% in volume. Following population growth⁸, this trend has further worsened an already deficit-ridden external balance. This phenomenon is amplified by the weakness of the local industrial base, which is unable to meet demand for consumer goods and high value-added capital goods. At the same time, only a limited range of raw materials is exported (gold, fish and timber), and volumes remain low. Exports of goods have declined by 34.5% in value over ten years.

Imports and exports of goods in 2021 (€m)

	Imports	Exports
Investment goods	626.4	61.5
Non-durable consumer goods	476.2	9.9
Intermediate goods	361.9	68.6
Energy	175.4	0.2
Durable consumer goods	96.4	2.2
Other goods	32.9	4.2
Total	1,769.2	146.6

Source: Customs

⁵ Air France announced the resumption of the Cayenne – Belém route in May 2023.

⁶ Some price surveys could not be carried out in 2021. The CPI average presented in this report is therefore based on incomplete data.

⁷ Despite limited direct trade with Russia and Ukraine (except for the space sector), the sharp rise in inflation is affecting French Guiana through its trade dependence on Europe.

⁸ Import volumes per capita have remained relatively stable over time.

Mainland France is the territory's leading trading partner, both as a supplier and a customer. French Guiana maintains limited formal trade relations with its neighbouring countries, while trade is more developed with the French West Indies and the European Union. One of the key challenges facing the territory, which would help reduce its dependence on external markets, would be to improve energy and food self-sufficiency and to enhance the value added of local products.

A rising employment rate, but challenged by informal activity

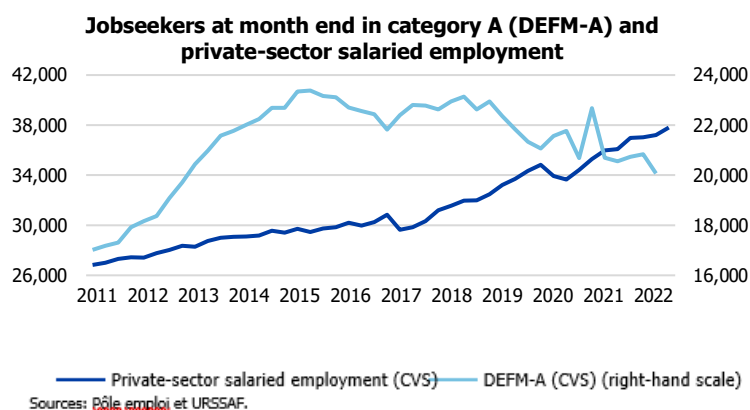
In 2021, INSEE's Labour Force Survey⁹ recorded 65,390 employed persons and 11,150 unemployed persons according to the ILO definition. Salaried employment is estimated at 57,760 persons. The labour market is characterised by the significant weight of the non-market tertiary sector in salaried employment (51.6% in French Guiana, compared with 31.4% in France excluding Mayotte). At the same time, private-sector salaried employment (URSSAF data) increased by 34.5% between 2011 and 2021.

Despite this favourable momentum, the ILO unemployment rate remains high (14.6% in 2021),

particularly affecting young people (27.6% among those aged 15–29). In addition, the halo around

unemployment represents 20.4% of the population aged 15–64. This can be explained by a certain mismatch between labour supply and demand. The activity rate is also low, standing at 51% in 2020, i.e. 14 percentage points below the national level.

However, in 2010, **one in eleven people reported having held an informal job during the previous six months**¹⁰, with the most affected sectors being personal services, agriculture, forestry and fishing. Recruitment difficulties, lack of training and the low level of structuring of certain sectors contribute to this situation. In western French Guiana, the role of the informal sector is even more significant, reflecting low employment and activity rates as well as the importance of traditional lifestyles.



A SERVICE-BASED ECONOMY WITH STILL UNDEREXPLOITED POTENTIAL

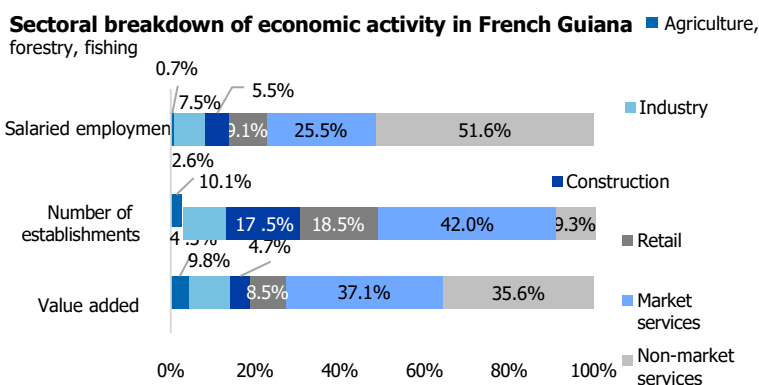
The atrophy of the market sector¹¹ (around 45% of value added) is a notable difference compared with mainland France (57%). In addition, public procurement plays a decisive role in the territory¹².

The space sector: a key industry

The space sector contributes 12.6% of value creation

in French Guiana, a share that has declined over several decades, due to the diversification and expansion of the local economy¹³. The sector generates 8.1% of salaried employment (4,500 jobs). In 2021, the Guiana Space Centre (CSG) carried out seven launches (compared with an

average of ten per year over the past decade).



Source: INSEE, estimates of salaried employment by sector; final accounts; SIRENE database.

Space activity is organised around the European Space Agency, Arianespace (launch operator) and the French National Centre for Space Studies (CNES). The Guiana Space Centre (CSG) is the operational base for Ariane launchers (since 1979), Soyuz (2011–2022) and Vega (since 2012). It covers an area of approximately 700 km². Following the war in Ukraine, the Russian – European partnership was suspended, leading to the halt of Soyuz launches. In order to maintain the competitiveness of European launchers, the CSG is undergoing restructuring with a view to controlling operating costs. A pioneer in this field, it is expected to produce 90% of its energy from renewable sources by 2025. At the same time, the flagship Ariane 6 project is under way, with a first launch scheduled for late 2023.

A construction sector driven by public procurement

The construction sector accounts for 4.7% of value added, 17.5% of establishments and 5.5% of salaried employment in French Guiana. Infrastructure demand constitutes a key development driver for the sector. For example, the modernisation and construction of new schools is a priority under the 2019–2022 Convergence and Transformation Contract (CCT), which totals €91.3 million in funding committed by the State and the CTG. Growing **energy needs** are also generating significant demand for the sector.

⁹ This source uses the ILO definition of employment. These data differ from those established under the census definition.

¹⁰ One in eleven people works without being declared, INSEE French Guiana, December 2012. In this study, informal workers include self-employed persons not registered, employees who have not received a payslip, and family helpers working more than 10 undeclared hours. As the Labour Force Survey is based on household declarations, these data may be underestimated. Moreover, the scope of the study does not cover the 10% of the population living in inland municipalities, where recourse to informal employment appears to be more frequent.

¹¹ The market tertiary sector comprises market services and trade.

¹² <https://www.cerom-guyane.fr/guyane/publications/etudes-cerom/comptes-economiques-rapides-de-la-guyane-en-2021.html>

¹³ The French Guiana economy has grown at a faster pace than the space sector over the past three decades: the sector accounted for 28.3% of value added in 1990.

Housing construction is another crucial development axis. To meet the demographic challenge, between 4,400 and 5,200 housing units must be built each year¹⁴. In practice, the pace stands at 1,600 housing starts per year. The need for construction is particularly acute for social housing and in western French Guiana.

Furthermore, 24% of the population were living in potentially substandard housing areas in 2016. Insufficient supply contributes to spontaneous urbanisation, thereby exposing residents to natural, technological and legal risks. In 2015, the French Guiana Urban Planning and Development Agency identified 37,287 spontaneous constructions¹⁵. By comparison, INSEE recorded 94,768 legal dwellings in 2019.

Abundant resources that remain underutilised...

The **forestry sector** comprises 200 companies in French Guiana, with an annual turnover of around €100 million. As activity is weakened by high operating and management costs, as well as by the narrowness of the market, the volume of industrial roundwood harvested has changed little (+9.1% over ten years). The objective of the Regional Forest and Timber Commission is to triple this volume, while reorganising the sector. One of the avenues to achieve this objective is the use of biomass to meet energy needs.

In the **primary sector**, the growing needs of the population are likely to encourage stakeholders to structure their activities. Sectoral growth

depends on greater penetration of the local market and the search for external outlets.

Within this sector, the **fishing industry** is undersized given the highly fish-rich waters of French Guiana. In 2021, production amounted to nearly 4,000 tonnes across the three main species caught, compared with more than double that level in neighbouring Suriname. While imports of seafood products have increased in volume over ten years (+17.1%), exports have declined (-8.7%), notably due to a shrimp fishing sector in decline. Fleet upgrading, infrastructure development and crew training represent key challenges.

French Guiana has **significant mining potential**, but only gold is currently exploited. Gold production has remained stable over the past decade, at between 1.2 and 1.4 tonnes per year. This level is far lower than in Suriname, where production is estimated at between 20 and 30 tonnes of gold per year. In addition, the sector faces environmental challenges, as illustrated by the dispute surrounding the Montagne d'Or project¹⁶, in a context of a recent reform of the Mining Code¹⁷.

Tourism represents only a small share of the economy, despite numerous assets: biodiversity, cultural heritage, and the space sector, among others. Accommodation and food services account for 1.3% of value added. In 2021, the Tourism Committees recorded 42,405 visitors in French Guiana, compared with 330,368 in Martinique. Having been particularly affected by the consequences of the pandemic, the sector has resumed activity at a level comparable to that before the crisis, but continues to face a lack of structuring.

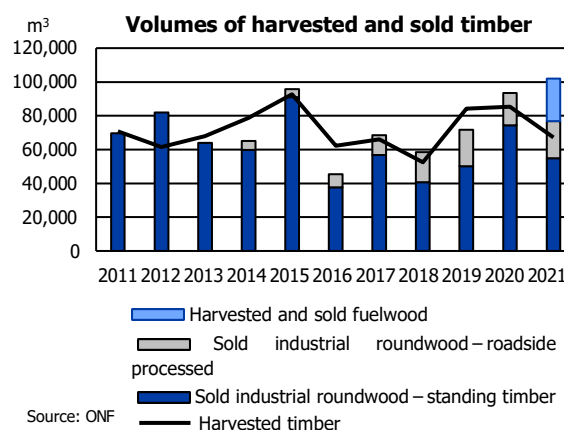
... Which are exploited on illegal markets

French Guiana faces **significant illegal practices in the sectors concerned**, although they are difficult to measure¹⁸. Some of these activities entail social and environmental risks. In addition, due to the porosity of borders, factors of production are largely imported illegally. The repressive strategy to combat these practices within the territory must therefore necessarily be combined with regional cooperation.

Illegal gold mining is believed to take place at more than 500 active sites and to extract around 10 tonnes of gold per year, for an estimated value of €500 million. The adverse environmental impacts notably include uncontrolled deforestation. The use of mercury¹⁹, which pollutes soil and water, poisons surrounding populations. Illegal gold mining is also fuelled by high gold prices. The organisation of the garimpeiros has proven resilient, despite the diversification of State action to combat illegal gold mining (more than €70 million per year devoted to this effort).

Fishing encompasses both informal and illegal practices, which weigh on the profitability of the formal sector. Curbing this phenomenon aims to preserve the resource from overexploitation and protect the interests of French Guianese fishers. Illegal fishing is estimated to represent between 1.4 and 3 times legal production. At the same time, illegal trade in swim bladders is developing.

Finally, **cocaine trafficking** is also a factor fuelling the illegal economy. Owing to the strengthening of anti-drug policies in the regional environment and rising global consumption, French Guiana has become a transit territory for cocaine produced in Colombia, Bolivia and Peru. According to the latest senatorial report on the subject²⁰, 20% of the cocaine arriving in mainland France is believed to originate from French Guiana.



Combating illegal fishing in French Guiana

	2020	2021
Inspections resulting in an offence*	135	163
Share of offences in total inspections	76.7%	80.5%
Tonnes of fish seized	162	167
Kilometres of nets seized	224	196
Kilograms of swim bladders seized	848	993
Vessels diverted or seized and destroyed	1	1

* Concerning illegal, unreported and unregulated (IUU) vessels, foreign vessels encroaching into French waters.

Source: Maritime and River Activity Surveillance and Controls (SCAMF), DGT.M.

¹⁴ What housing needs in French Guiana over the next ten years? DEAL, 2017

¹⁵ Spontaneous urbanisation in French Guiana: survey of the phenomenon in 2015, ADeG, 2018. The scope includes the CAEL, Kourou, Mana and Saint-Laurent-du-Maroni.

¹⁶ This project, which was intended to allow the extraction of 85 tonnes of gold over 12 years, is currently on hold due to ongoing legal proceedings.

¹⁷ The 2021 reform of the Mining Code, implementing the 'Climate and Resilience' law, introduces measures such as systematic environmental assessment for exploitation authorisations (AEX) exceeding 25 hectares, with a view to better taking environmental protection requirements into account.

¹⁸ The OECD (Handbook on the Non-Observed Economy, 2002) distinguishes underground production (legal but deliberately unreported), illegal production (prohibited by law), informal sector production (carried out by unincorporated household enterprises) and household production for his own final use.

¹⁹ Brazil, Suriname, Guyana and France are all signatories to the Minamata Convention, which bans the use of mercury in mining extraction.

²⁰ Putting an end to cocaine trafficking in French Guiana: the urgency of a more ambitious response, Senate information report by Mr Antoine Karam, September 2020.

Financially fragile local authorities

Local authorities play an important economic role. The operating budgets of municipalities and Public Intermunicipal Cooperation Establishments (EPCI)²¹ in the territory amount to around €240 million, while the operating budget of the CTG stands at approximately €480 million. Investment spending totals around €210 million (€130 million for the CTG and €80 million for municipalities and EPCIs).

Local authorities in French Guiana display a more fragile financial situation than those in mainland France. In 2019, a senatorial report placed 14 of the 22 municipalities in French Guiana within the local public finance early warning network²². However, over the 2014–2021 period, the French Development Agency (AFD)²³ observed a slight improvement in the self-financing capacity of municipalities and EPCIs, which nonetheless conceals strong territorial disparities. At the same time, a 2022 parliamentary report²⁴ highlighted the financial difficulties also faced by the CTG. This report indicates that the initial Budget Act for 2022 introduced exceptional State support to the CTG (€20 million) with a view to restoring its self-financing capacity, in return for commitments, notably regarding control of operating expenditure and compliance with payment deadlines.

According to the Court of Auditors²⁵, the structural difficulties encountered by local authorities are linked to the high weight of personnel costs (salary supplements for civil servants and overstaffing) and to the low yield of local direct taxes (40% of the national average), mainly due to the narrowness of the tax bases²⁶.

DYNAMIC FINANCING OF THE ECONOMY

The French Guianese banking system is based on 14 locally established credit institutions (LECI), as well as institutions operating from mainland France. The market is relatively concentrated: **in 2021 three institutions accounted for 70% of deposit collection and 59% of loan disbursements.**

Monetary and financial indicators	2011	2021	Guadeloupe Martinique 2021	
			Guadeloupe 2021	Martinique 2021
Cumulative net issuance of banknotes per inhabitant	9,949	16,762	5,047	3,791
Number of inhabitants per ATM	1,594	2,355	1,175	1,119
Number of current accounts per inhabitant	0.49	0.51	1.18	1.27
Financial assets of economic agents (€m)	1,439.9	2,689.8	9,700	9,800
Outstanding performing loans of economic agents (€m)	2,364.6	4,296.8	11,000	11,400
Gross doubtful loans ratio (%) (%)	4.0	2.5	4.0	4.8

Source: IEDOM

Outstanding performing **loans** increased by an average of 6.2% per year over ten years. Businesses account for 54.2% of outstanding loans, households for 34.3%, and local authorities for 7.4% (a share that has halved over ten years). For businesses, growth in outstanding loans has been driven by investment loans and real estate loans. In addition, State-guaranteed loans (PGE) supported lending to businesses during the Covid-19 crisis. For households, growth in outstanding loans is mainly driven by housing loans, which account for 73.9% of credit granted to them.

The **financial assets of economic agents** grew by an average of 6.4% per year between 2011 and 2021. They increased particularly during the health crisis, boosted by the build-up of 'forced' savings.

As regards **vulnerability indicators** of economic agents, the number of legal entities banned from banking services fell by 43% over five years, while the number of individuals banned from banking services was halved. Moreover, LECIs display a low level of credit losses compared with other DROMs, due to the clean-up of their portfolios and the weight of social housing providers in outstanding loans, which results in a relatively low doubtful loans ratio (2.5% in 2021).

From a monetary perspective, French Guiana is also characterised by a low level of banking equipment and particularly dynamic cash circulation. French Guiana accounts for one third of total banknote issuance in the DROMs, while its economy represents only 10% of their GDP. **This preference for cash** stems from factors specific to French Guiana: a low level of banking inclusion, a developed informal economy, and a geographical position that facilitates the outflow of cash abroad.

Business indicators	2011	2021	TCAM ⁽³⁾	Households indicators	2011	2021	TCAM ⁽³⁾
Outstanding performing loans ⁽¹⁾	1,212.6	2,329.0	6.7%	Outstanding performing loans ⁽¹⁾	733.7	1,474.1	7.2%
of which operating loans	80.1	204.6	9.8%	of which consumer loans	168.1	390.4	8.8%
of which investment loans	411.8	957.1	8.8%	of which housing loans	565.4	1,082.6	6.7%
of which construction loans	714.8	1,138.2	4.8%	Net doubtful loans	9.7	26.5	10.6%
Net doubtful loans	28.8	32.6	1.3%	Financial assets ⁽²⁾	952.0	1,573.4	5.2%
Financial assets ⁽²⁾	348.9	887.2	9.8%				

(1) of all credit institutions (2) locally established credit institutions (3) compound annual growth rate over the 2011–2021 period

Source: IEDOM, data as at 31 December N.

²¹ The data presented in this paragraph are approximations. They are based on the accounts of the local authorities concerned over the past seven years.

²² Supporting municipalities in overseas departments and regions, report by Georges Patient and Jean-René Cazeneuve, commissioned by the Prime Minister, 2019. Inclusion in the local public finance early warning network is based on four criteria: the current self-financing ratio, the structural expenditure rigidity ratio, the debt ratio, and the coefficient for mobilisation of the revised fiscal potential.

²³ Observatory of municipalities and EPCIs in French Guiana, 2022, AFD.

²⁴ <https://www.senat.fr/rap/r21-637/r21-6371.html>

²⁵ Local public finances, Court of Auditors, reports 2017 and 2022.

²⁶ Cadastral registration and address referencing are incomplete and do not ensure full coverage of tax bases. The AFD also mentions the absence of economic activity and direct taxation in certain areas as additional factors explaining the low level of tax revenues.