



**ECONOMIC CONJUNCTURE**

**Annual summary 2024**

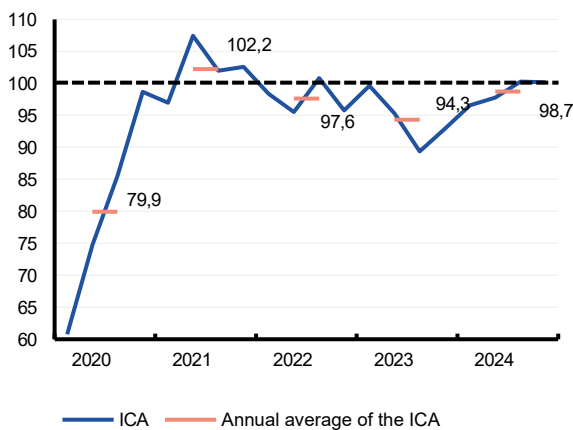
Activity recovers, but signs of fragility are mounting

In 2024, business confidence improved gradually. The business climate indicator (ICA) returned to its long-term average level at year-end. However, several sources of fragility must be highlighted, in particular the sharp increase in the number of jobseekers and the worsening of household over-indebtedness.

**The business climate gradually improves after the sharp deterioration in 2023**

**The ICA returns to its long-term average**

**Business climate indicator (ICA)**  
(100 = long-term average)



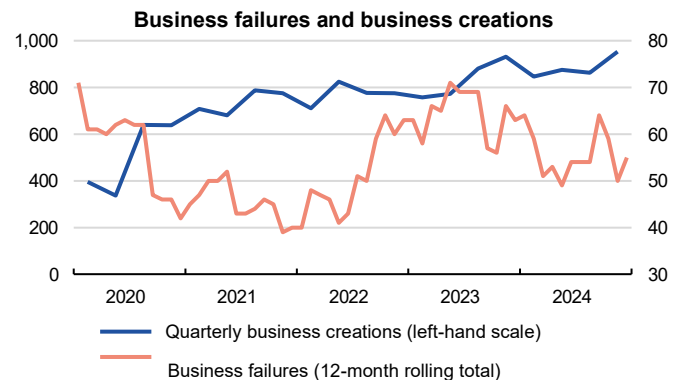
Source: IEDOM business survey

In 2024, the business climate indicator (ICA) increased for three consecutive quarters before stabilising at its long-term average level at year-end.

On an annual average basis, the ICA stood at 98.7 points, representing an increase of 4.4 points compared with 2023.

However, business leaders surveyed by IEDOM continue to report deteriorated payment delays, notably in connection with payment delays in the local public sector and the hospital sector. For reference, these delays averaged 64 days in 2023, a level above the regulatory threshold. Cost pressures also continued to rise, although a marked improvement was observed at year-end, which had a favourable impact on cash flow.

Business failures declined: on a rolling 12-month basis, they fell by 12.7% compared with 2023. French Guiana recorded 55 business failures in 2024.



Source: Banque de France, Insee.

Business creations, by contrast, maintained an upward trend over the year, increasing by 5.8% to reach around 3,540 new businesses. Micro-enterprises accounted for half of new creations and increased by 4.8% over the year.

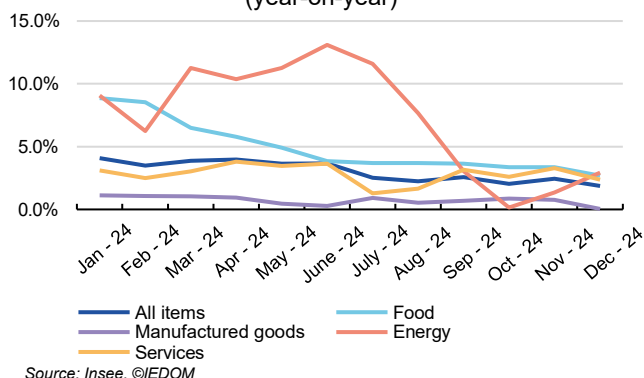
**Inflation stabilises**

On an annual average basis, inflation stood at 3.0% in 2024, a level similar to that of the previous year. While price growth therefore remained above the 2% threshold set by the ECB, it did not accelerate year-on-year. Inflation was driven mainly by energy prices (+7.2%) and food prices (+4.9%). Service prices contributed more moderately (+2.8%), while prices of manufactured goods showed little change (+0.7%).

In 2024, inflation remained higher in French Guiana than in mainland France, in contrast to the trend observed in previous years. At the national level, inflation averaged 2.0% over the year. Taking into account a lag effect, price developments in French Guiana are expected to gradually converge towards those observed in mainland France.

At an intra-annual level in French Guiana, a slowdown was observed in prices across all product categories was observed in the second half of the year. This was initially driven by a deceleration in service prices, followed by a slowdown in energy prices.

### Change in the consumer price index and its components (year-on-year)

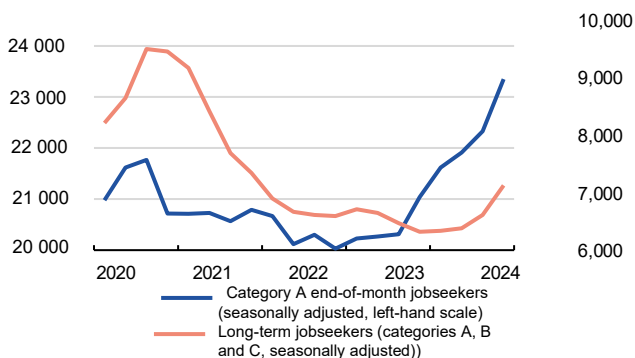


Source: Insee, IEDOM

### A sharp rise in the demand for employment

After a downward trend that began at the end of 2020, the number of end-of-month jobseekers (DEFM) in category A rose sharply in 2024, increasing by 9% to an annual average of 22,300 individuals. The number of long-term unemployed also increased, though more moderately, rising by 1.3% on an annual average basis (around 6,700 individuals).

#### End-of-month jobseekers



Source : France Travail, IEDOM

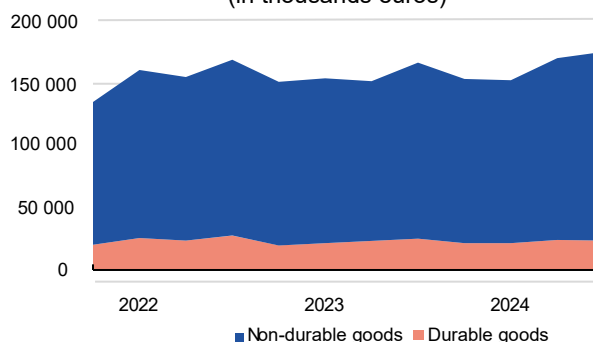
Developments in salaried employment nevertheless qualify this assessment. Salaried employment increased by an average of 2.5% over the year, reaching approximately 41,400 employees. These seemingly contradictory trends can partly be explained by several structural factors: a labour market unable to absorb the entire increase in the labour force linked to strong demographic growth, a low level of educational attainment among the population, labour shortages in certain occupations, the presence of a sizeable informal economy, etc.

### Household consumption is well oriented

Household consumption increased over the year, supported by growth in the private-sector wage bill (+4.2%). However, it remained constrained by inflation, which led households to prioritise purchases of essential goods and to postpone less essential spending.

Overall, imports of consumer goods rose by 4.5% in value and by 4.2% in volume in 2024, compared with +0.7% and -6.4% respectively in the previous year. In more detail, this momentum was driven mainly by non-durable consumer goods. Imports of these goods increased by 5.0% in value and by 4.4% in volume. By contrast, durable consumer goods recorded more moderate growth (+1.1% in value and +1.6% in volume), reflecting household trade-offs in a context of persistent inflation.

#### Consumer goods imports (in thousands euros)



Source : Customs, IEDOM

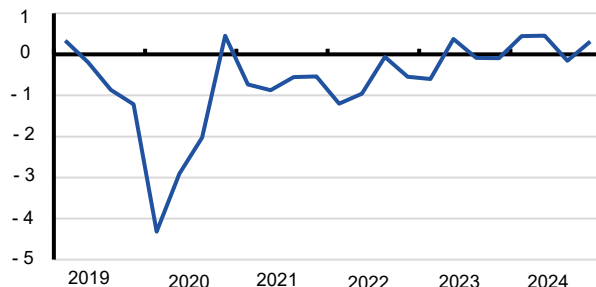
The automotive market posted weak results in 2024. Imports of passenger vehicles fell by 3.9% in value and by 9.7% in volume. Similarly, registrations of passenger cars declined by 6.4% over the year.

In terms of vulnerability, the number of over-indebtedness cases filed with IEDOM (291) increased sharply, up 27.6% year-on-year, pointing to heightened household fragility.

### L'investissement privé se maintient en hausse

La bonne santé de l'investissement privé constitue un signal d'optimisme sur l'année.

#### Balance of opinion on one-year investment expectations



Source : IEDOM business survey

Among the most notable private sphere projects, the energy sector was particularly prominent. The photovoltaic power plant with lithium-ion and hydrogen storage in western French Guiana (CEOG) represents a total investment of €170 million. In addition, the sawmill and energy hub project aimed at recovering submerged wood from the Petit-Saut reservoir is another flagship project currently under way. The commissioning of the Sinnamary biomass power plant, which forms part of this project, is imminent and is expected to contribute around 8% of the territory's electricity production.

In 2024, imports of capital goods increased by 5.2% in value and by 9.6% in volume.

Corroborating this trend, business leaders surveyed by IEDOM reported overall positive investment expectations over the year, despite a slight dip in the third quarter.

Similarly, outstanding investment loans surged by 10.2% over the year, driven largely by businesses (+14.8%).

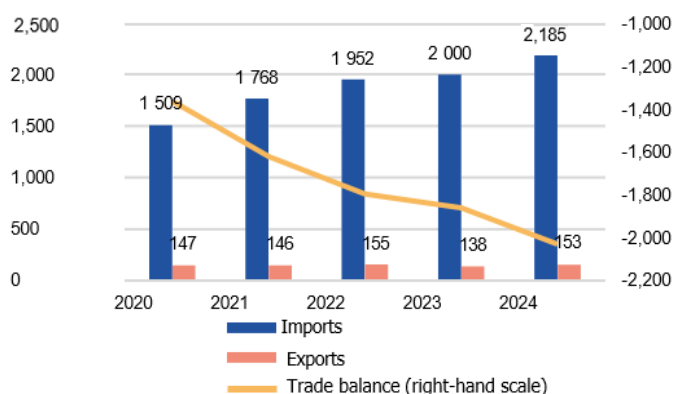
### Rebound in imports

Imports increased sharply in 2024, rising by 9.3% in value and by 21.0% in volume. They amounted to €2,185 million and 890,022 tonnes.

In detail, energy imports recorded the strongest growth, increasing by 22.8% in value and by 35.9% in volume. Imports of durable and non-durable consumer goods, as well as capital goods, were also dynamic (see the sections on consumption and investment). Lastly, imports of intermediate goods followed the overall trend, rising by 14.6% in value and by 19.7% in volume.

By contrast, the picture was more mixed for exports. While exports increased by 10.5% in value, they declined by 11.6% in volume. The increase in value was driven mainly by gold exports (+15.6%) and exports of consumer goods (+5.3%). The fall in volume was attributable to exports of agricultural, forestry and fishing products (-34.0%) and wood exports (-12.4%).

Foreign trade (€ million)

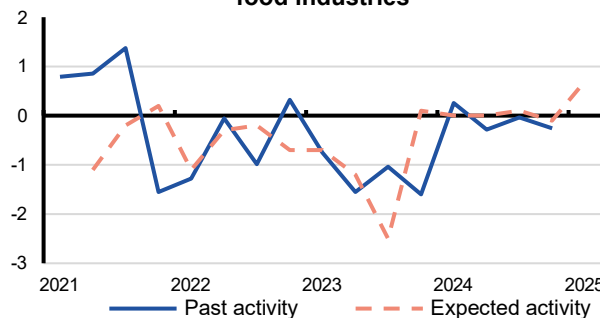


Source: Customs. ©IEDOM

## Contrasting sectoral trajectories

### Overall stable activity in the primary sector and agri-food industries

Balance of opinion on activity in the primary sector and agri-food industries



Source: Bank of France, Insee. ©IEDOM

The balance of opinion relating to activity in the primary sector and agri-food industries fluctuated slightly around its long-term average in 2024, pointing to relatively stable activity over the year. Investment expectations were particularly well oriented, and employment levels also increased.

Cost pressures, which had improved markedly over the first three quarters of the year, deteriorated significantly at year-end.

In the slaughtering subsector, performance weakened. Slaughter volumes of pigs and cattle declined over the year, by 17.7% and 2.2% respectively in volume. At the same time, imports of these products increased by 14.2% and 17.9% in volume.

### Industrial activity (excluding agri-food industries) rebounds

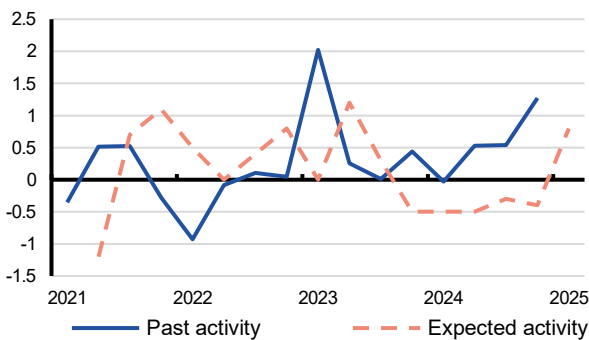
The first half of the year was subdued for the industrial sector (excluding agri-food industries). Activity nevertheless rebounded in the second half of the year. Business leaders in the sector reported an overall stabilisation of cash flow over the year. In addition, the balance of opinion relating to investment expectations improved steadily throughout the year and exceeded its long-term average at end-2024. Large-scale investment projects are currently being implemented (see the section on investment).

Gold-mining activity declined, with exports falling by 3.5% in volume over the year. However, the rise in the price of gold per ounce helped maintain an increase in gold exports in value terms (+15.6%).

Wood exports also declined over the year, down 12.4% in volume and 23.4% in value.

## Construction and public works activity accelerates

Balance of opinion on activity in the construction and public works sector



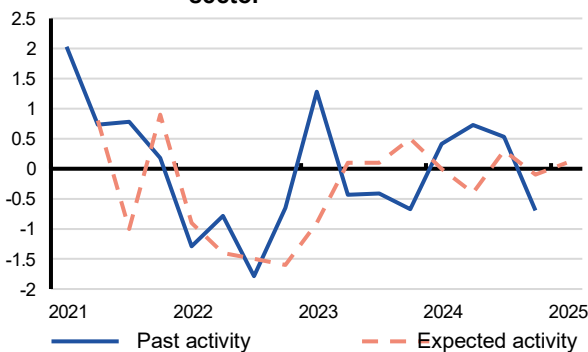
Source: Bank of France, Insee. ©IEDOM

Activity in the construction and public works (BTP) sector accelerated in 2024. While cost pressures were broadly stable over the year, payment delays improved markedly. In this context, cash flow strengthened at year-end, in line with employment levels.

By contrast, investment expectations deteriorated at the end of 2024, after peaking at the beginning of the year. At the same time, outstanding construction loans contracted by 8.1%. This trend is partly explained by a lack of visibility, with BTP stakeholders expressing concerns about a potential decline in future public procurement.

## Retail activity declines at year-end

Balance of opinion on activity in the retail sector



Source: Bank of France, Insee. ©IEDOM

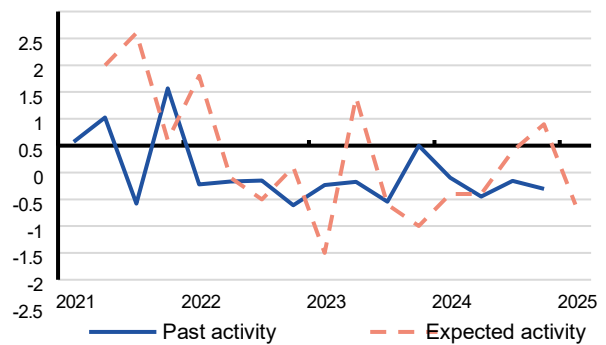
After rising at the beginning of the year, the balance of opinion relating to activity in the retail sector fell back below its long-term average in the fourth quarter of 2024.

Retail stakeholders reported declining prices throughout 2024, a trend that began in mid-2023.

Investment expectations, however, remained well oriented

## Market services: activity remains weak

Balance of opinion on activity in the market services sector



Source: Bank of France, Insee. ©IEDOM

As in 2023, activity in the market services sector remained weak in 2024. The balance of opinion relating to sectoral activity stayed below its long-term average throughout the year.

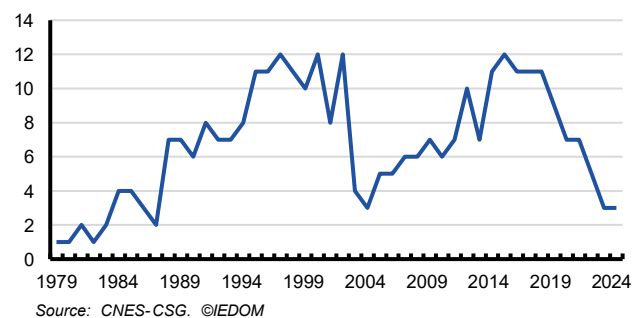
Payment delays, order books and cash flow deteriorated over the year.

By contrast, investment expectations improved, particularly towards the end of the year.

Tourism activity presented a mixed picture. Air traffic increased following a year in 2023 that had been affected by the liquidation of Air Guyane. The number of passengers at Félix Éboué Airport rose by 3%, while aircraft movements increased by 29.9%. Despite these favourable indicators, businesses surveyed by IEDOM reported weak activity, with the balance of opinion remaining below its long-term average. In addition, the number of hotel overnight stays declined by 1.2% on average in 2024.

In the space sector, activity remained stable. Three launches were recorded over the year, a level similar to that of 2023. By way of comparison, the average annual number of launches over the past decade stands at eight.

Number of launches



Source: CNES-CSG. ©IEDOM

However, the successful inaugural launch of the new European heavy launcher Ariane 6 in July, and the successful return to flight of the Vega-C launcher in December, point to more favourable prospects for the space sector.

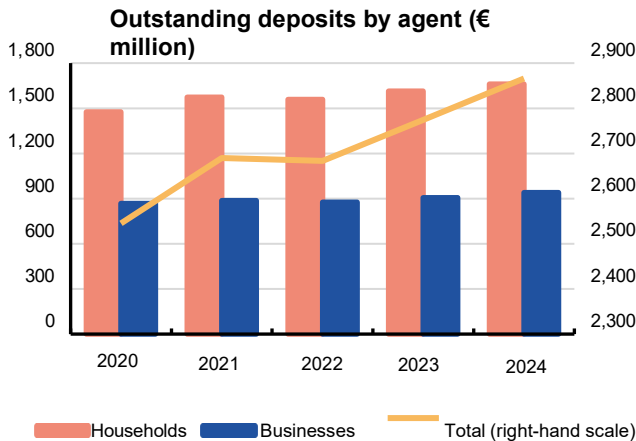
## Dynamic banking activity

Banking activity in French Guiana is carried out by locally established institutions (EBIL), through the presence of a local branch, as well as by non-locally established institutions (EBNIL). EBIL account for 55.5% of outstanding loans in the local banking market and 88% of deposits, with the remainder held by EBNIL.

In this publication, a stable sample composed of EBIL and EBNIL is used; it represents 96.2% of outstanding loans and 96.5% of deposits as at 31 December 2024<sup>1</sup>.

### Deposit collection maintains its momentum

Deposit collection remained dynamic in French Guiana in 2024. Outstanding deposits increased by 3.3%, a pace close to that observed in 2023 (+3.4%).



Source: IEDOM – Bank of France (SURFI and RUBA reporting) © IEDOM

This growth was driven by liquid and short-term savings as well as long-term savings (+7.5% and +4.4% respectively). Sight deposits, which account for more than half of total outstanding deposits, increased moderately (+1.2%), but rebounded after a decline in 2023 (-1.2%).

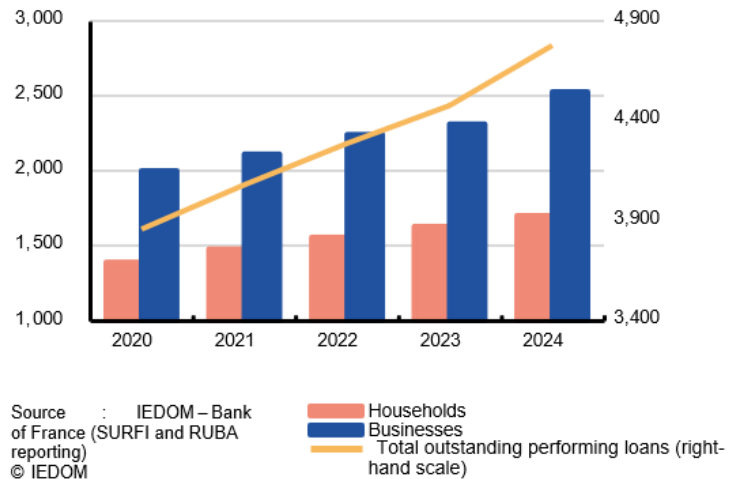
Savings held by the various economic agents increased overall in 2024. Outstanding household and corporate deposits rose by 2.9% and 3.7% respectively, after +3.5% and +3.4% in 2023. Deposits held by public administrations and other agents increased more sharply (+4.7% after +2.1% in 2023), although their share remains limited (9.2% of total outstanding deposits).

### Dynamic financing of the economy

Outstanding performing loans increased by 6.7% in 2024, a faster pace than in 2023 (+4.5%). Over four years, outstanding loans have thus risen by more than €900 million.

Growth in 2024 was driven by investment loans, which accelerated to +13.3% after +7.1% the previous year. Mortgage loans, which account for more than half of outstanding performing loans, grew at a more moderate pace (+3.5%, after +4.1% in 2023). Financing increased for most economic agents. Credit growth to businesses strengthened (+9.3% after +3.1% in 2023). Household lending maintained its momentum (+4.4% after +4.7%), despite a slowdown in consumer credit (+6.6% after +8.2%), reflecting the contraction in the automotive market.

### Outstanding performing loans by agent (€ million)



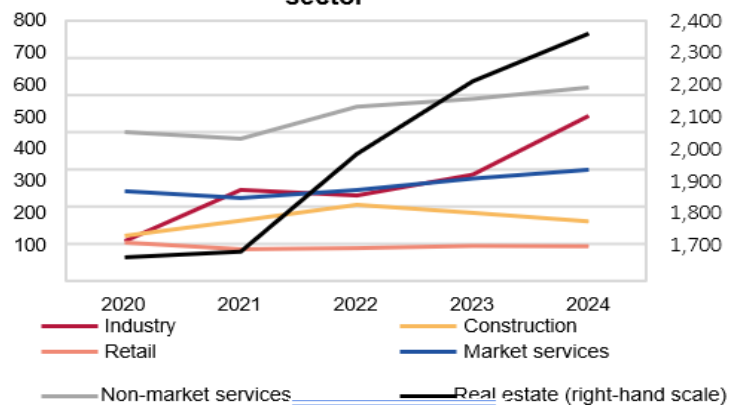
Source : IEDOM – Bank of France (SURFI and RUBA reporting) © IEDOM

Overall, credit risk remained relatively stable, with the doubtful loan ratio standing at 3.6% at end-2024, compared with 3.4% at end-December 2023.

### Rising outstanding loans at sectoral level<sup>2</sup>

At end-2024, outstanding loans increased on a year-on-year basis across most major sectors. Growth was particularly strong in the industrial sector (+41.0%, after +17.2% in 2023). Outstanding loans also rose in market and non-market services (+6.3% and +5.2% respectively, after +8.6% and +3.8%).

### Variation in outstanding loans by sector



Source: IEDOM – Bank of France, SCR reporting

<sup>1</sup> Data are drawn from RUBA (Reporting Unifié Banques et Assimilés - Unified Reporting for Banks and Similar Institutions), which has replaced SURFI (Système Unifié de Reporting Financier - Unified Financial Reporting System) since January 2022. This methodological change affects the data published by IEDOM, as they now cover a broader scope. The analysis presented here is based on a stable sample composed of EBIL and EBNIL in order to avoid structural effects.

<sup>2</sup> Data from the Banque de France's Central Credit Register (Service Central des Risques – SCR) are used. These data record credit facilities exceeding €25,000 granted by banking institutions to companies, associations and local authorities whose registered office is located in French Guiana.

Outstanding loans to real estate activities (including social housing) rose by 5.7% year-on-year (after +9.6% in 2023).

By contrast, outstanding loans to the construction sector declined (-8.1%, after -6.9% the previous year), despite favourable activity trends. Outstanding loans to the retail sector stabilised in 2024 (-0.4% after +3.0% over the previous 12 months).

### General increase in interest rates

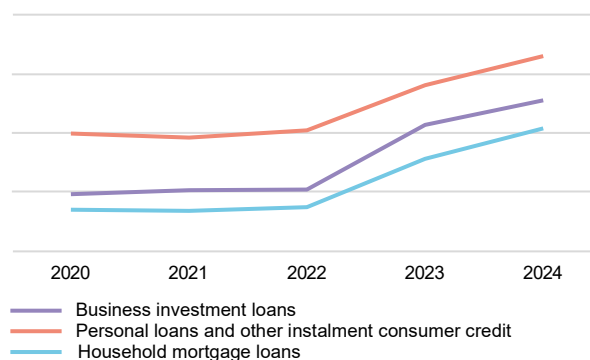
As in other French overseas departments and in mainland France, all lending rates increased in French Guiana in 2024. However, this upward trend slowed compared with 2023, reflecting the easing of ECB policy rates.

For households, consumer credit rates increased by an average of 99 basis points in 2024, compared with +154 basis points in 2023, reaching an annual average of 6.62%. Mortgage rates also rose, by 104 basis points (after +165 basis points in 2023), to an annual average of 4.16%. Compared with mainland France, rates remained higher in French Guiana (+15 basis points for consumer credit in 2024 and +70 basis points for mortgage loans).

For businesses, lending rates increased by 84 basis points in 2024, after a sharp rise of 221 basis points in 2023, reaching an annual average of 5.11%. They remained 73 basis points higher than national averages over the year.

A relative stabilisation of most rates was nevertheless observed in French Guiana at end-2024, reflecting the effects of the ECB's monetary policy easing.

**Weighted average annual lending rates in French Guiana (%)**



Source: IEDOM, RUBA reporting © IEDOM

## 2025: outlook constrained by a lack of confidence

Early feedback from the business survey at the beginning of 2025 points to a decline in the ICA in the first quarter. This deterioration in the business climate, which was not apparent at end-2024, reflects several recent factors weighing on business confidence and calling for caution.

- The decision by the United States to apply new customs tariffs to the European Union, together with the countermeasures considered by the EU, has weighed on business sentiment. Should these measures enter into force, French Guiana would be affected. Although direct trade flows between the United States and French Guiana are limited (around 7% of imports and less than 2% of exports), the territory would be indirectly impacted, as its main trading partners (mainland France and other EU countries) maintain significant trade relations with the United States.
- The beginning of 2025 has also been marked by supply difficulties for goods, linked to social movements in several ports that have slowed maritime transport.
- Several economic actors in the territory have also reported significant delays in connecting newly constructed buildings to the electricity grid, thereby weakening the financial balance of certain projects.
- Lastly, payment delays by local authorities remain a source of concern in the territory.

In this less favourable context, several recent developments nevertheless provide grounds for optimism:

- Inflation decelerated in the second half of 2024 in French Guiana, a trend that could continue in 2025 if the territory

follows national developments. According to the Banque de France, inflation is expected to slow in France and to stand at 1.3% in 2025.

- The ECB cut its key interest rates several times in 2024. The expected transmission of these reductions to locally applied rates could facilitate access to financing for economic actors.
- Beyond the private energy projects already mentioned in this report (see the section on investment), numerous major construction projects are under way in the territory, such as the Larivot power plant and second bridge, the Western judicial complex, and the Cayenne police headquarters. These investments, amounting to several hundred million euros, are likely to support economic activity.
- Space activity is also expected to intensify, with five Ariane 6 launches and four Vega-C launches scheduled for 2025, exceeding the average number of launches over the past decade. By way of reminder, the space sector plays a key role in the economy, accounting for nearly 13% of value added and 83% of exports in 2019.
- Lastly, 2024 was marked by national political instability, resulting in the late adoption of the 2025 Finance Act. This context prompted a degree of caution among economic actors. The adoption of the Finance Act at the beginning of the year constitutes a factor supporting economic confidence, even though legislative balances remain fragile.

All IEDOM publications are available and can be downloaded free of charge from [www.iedom.fr](http://www.iedom.fr)

Director of publication: R. Elbez ■ Editor-in-chief: D. Lauret

Editorial team: S. Calvo Cano - J. Capitaine – A. Couragier

