



#04

december 2014

# CCI Observatoires

## Export activity

Normandy

# HOW WIDE IS NORMANDY'S INTERNATIONAL SCOPE ?

The degree of openness towards international markets is an indisputable asset for nurturing growth and increasing the dynamics of an economy, as well as being a factor affecting the attraction of our region. In terms of an open economy, Normandy ranks among the top three regions in France, together with Ile de France and Rhône-Alpes.

One of the aims of the Chamber of Commerce and Industry network in Normandy is to provide tailor-made support to companies who wish to grow internationally. The International CCI in Normandy is dedicated to helping companies establish partnerships and business relationships on an international level. Indeed, every year, at least 1,600 Norman companies take advantage of this customised service.

This edition of CCI Observatoires has been compiled in association with the teams from Direccte\* and the Customs services of Upper and Lower Normandy to provide information about Normandy with regards to international business, focusing specifically on export. With the help of Customs data, we will present information concerning the Norman economy on the international market, including its strengths and unique characteristics.

I hope you enjoy this issue !

Vianney de Chalus  
President



\* Regional Directorates for Companies, Competition, Consumption, Work and Employment, reporting to the regional Prefect

### DID YOU KNOW ?

With 74 billion euros of foreign trade, Normandy ranks third among the different regions of France

Normandy is the region with the third most open economy in France

36.4% of Normandy's GDP is generated by export

3,500 companies from Normandy export their products/services

61% of exports from Normandy are sold to European customers

Normandy ranks as the top region for the export of petroleum products



PRÉFET DE LA RÉGION BASSE-NORMANDIE



PRÉFET DE LA RÉGION HAUTE-NORMANDIE



# Trade slows and Normandy's position is strengthened



Port 2000 © Jérôme Rigaudière

On a national level, foreign trade continued to increase overall in 2013, albeit to a slightly lesser extent than in 2012 : -1.6 % for export and -2.6 % for import year on year. On a positive note, although imports declined to a greater extent than exports, **the national trade balance improved by 8 %**, moving from a deficit of almost 80 billion euros to 73 billion. France's economy is still very open to foreign

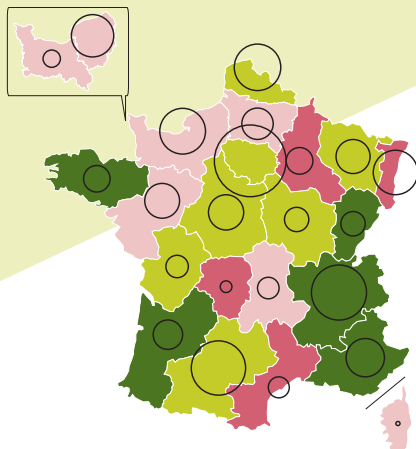
trade with more than 20 % of GDP (gross domestic product) generated by export.

On a regional level, Normandy features among the leading French regions, ranking third in terms of foreign trade generating 8 % of French trade (74 billion euros) and 7.4 % of exports (5th region in France) **Map 1**. This strong position can be explained, of course,

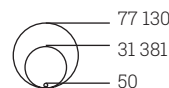
by Normandy's geographic location. With a coast providing access to the busiest sea in the world, a prime position close to European decision-making hubs, and proximity to the Paris basin (France's largest consumer market), together with well-developed infrastructures along the Seine, Normandy possesses an outstanding number of assets to favour the development of strong foreign trade.

## Map 1

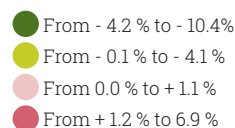
### Regional exports by revenue (2013)



Exports, in million €



Evolution from 2012 to 2013



Source : Customs  
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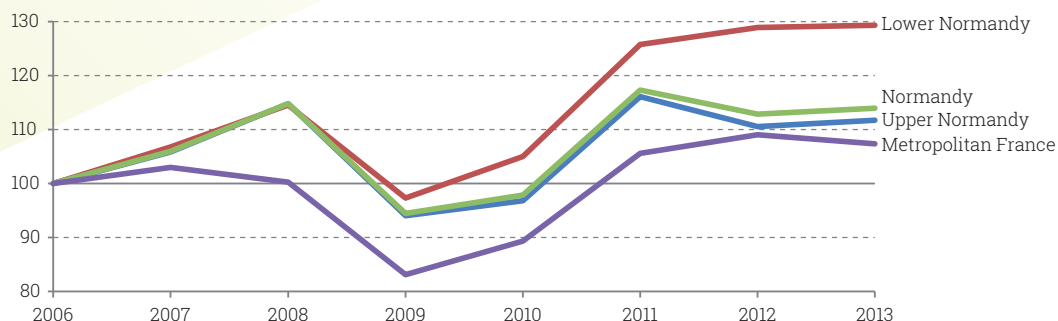
This regional strength can be seen in the evolution of foreign trade in 2013. Indeed, despite a decline in national foreign trade, which also impacted the region (- 2.9 % compared to 2012), **Normandy is one of the few regions that saw its export activity increase in 2013 : + 1% up to 31.4 billion euros** **Image 1 et Map 1**. Imports decreased by 5.6 %, resulting in an improvement in the regional trade balance, accompanied by **an almost 20 % reduction in the deficit year on year**. Normandy's trade balance relies heavily on petroleum products and natural hydrocarbons, which display highly volatile prices on the financial markets. The regional trade deficit is therefore strongly dictated by the weight of these products. With the import of petroleum products having decreased by 9 % in 2013, this contributed

to the drop in imports in Normandy. This trend seems to be continuing in 2014. The level of exports remains the same as in 2013, yet the level of imports is continuing to decline **Boxed text 1**.

Another way of measuring Normandy's dominant position with regards to international trade is to consider the openness index of the regional economy. As far as this is concerned, Normandy ranks third among the different regions of France with a ratio of 36.1 % (for export). Even though this is a worse performance than the previous year, (the value of exports increased slower than that of GDP), **the region managed to remain dynamic and move up a rank compared to 2013**, just in front of the Franche-Comté region.

**Image 1**

### Evolution of export revenue since 2006



Source : Customs

### Boxed Text 1

#### Initial trends emerging in 2014 (as at the end of September)

Foreign trade trends in Normandy, which began in 2013, seem to have continued into the first few months of 2014. The level of exports roughly corresponds to that of the same period last year and imports continue to decline (- 7.1 % compared to September 2013). Normandy's trade deficit continues to decline, primarily due to the decrease in the level of imports of natural hydrocarbons (- 14 %).

# Normandy's export companies – a showcase for the region

As we would expect with the rich industrial fabric of Normandy, the ranking of the top 20 Norman export companies reflects the economic diversity of the **Table 1**. Normandy's chemical, pharmaceutical, agri-food and aeronautical industries are represented on the international market by

**successful, dynamic companies.** The majority of these companies are large groups of international renown that have been based in Normandy for many years. Employing a skilled Norman workforce, these companies have developed the competencies and expertise needed to grow in international markets.

**Table 1**

## The top 20 export companies in Normandy (2013)

(this table only shows companies whose head office is located in Normandy)

Compagny	Location of HQ	National rank	Evolution 2011-12			
1. LUBRIZOL FRANCE <i>Manufacturer of chemical products</i>	Rouen (dept. 76)	60 <sup>th</sup>	↗	11. ROXANE SAINT-AMAND <i>Mineral water sector</i>	La Ferrière Bochart (dept. 61)	455 <sup>th</sup> ↗
2. GUY DAUPHIN ENVIRONNEMENT <i>Waste treatment</i>	Rocquancourt (dept. 14)	81 <sup>st</sup>	↗	12. KNORR-BREMSE <i>Manufacturer of automotive parts</i>	Glos (dept. 14)	457 <sup>th</sup> ↗
3. SIDEL BLOWING & SERVICES <i>Mechanical equipment</i>	Octeville-sur-Mer (dept. 76)	115 <sup>th</sup>	↗	13. REVIMA APU <i>Repair and maintenance of aircraft and spaceships</i>	Caudebec-en-Caux (dept. 76)	525 <sup>th</sup> ↗
4. AIRCELLE <i>Aeronautic and spatial construction</i>	Gonfreville-l'Orcher (dept. 76)	175 <sup>th</sup>	↗	14. ELLE & VIRE <i>Manufacturer of dairy products</i>	Condé-sur-Vire (dept. 50)	531 <sup>st</sup> ↗
5. FLEXI FRANCE <i>Manufacturer of metal products</i>	Le Trait (dept. 76)	206 <sup>th</sup>	↗	15. NOVACEL <i>Manufacturer of plastic products</i>	Déville-lès-Rouen (dept. 76)	532 <sup>nd</sup> ↗
6. CONTINENTAL PHARMACEUTIQUE <i>Wholesaler of pharmaceutical products</i>	Le Grand-Quevilly (dept. 76)	252 <sup>nd</sup>	↗	16. FERRERO FRANCE <i>Manufacturer of cocoa, chocolate and confectionery</i>	Déville-lès-Rouen (dept. 76)	539 <sup>th</sup> ↗
7. APTAR (EX VALOIS) <i>Manufacturer of basic organic chemical products</i>	Le Neubourg (dept. 27)	260 <sup>th</sup>	↗	17. NOVANDIE <i>Manufacturer of dairy products</i>	Maromme (dept. 76)	567 <sup>th</sup> ↘
8. LANXESS ELASTOMERES <i>Manufacturer of synthetic rubber</i>	Lillebonne (dept. 76)	300 <sup>th</sup>	↘	18. NUTRISET <i>Manufacturer of other food products</i>	Malaunay (dept. 76)	572 <sup>nd</sup> ↗
9. PLANETPHARMA <i>Wholesaler of pharmaceutical products</i>	Le Grand-Quevilly (dept. 76)	355 <sup>th</sup>	↗	19. BENP LILLEBONNE <i>Manufacturer of basic organic chemical products</i>	Lillebonne (dept. 76)	630 <sup>th</sup> ↘
10. DRESSER-RAND <i>Manufacturer of machines and equipment</i>	Le Havre (dept. 76)	389 <sup>th</sup>	↘	20. DRESSER PRODUITS INDUSTRIELS <i>Manufacturer of machines and equipment</i>	Condé-sur-Vire (dept. 50)	639 <sup>th</sup> ↘

Source : Douanes

NB : This list has been compiled based on the top 20,000 French export companies, which represent more than 95% of revenue streams.

The regional ranking of companies cannot be compared to the corresponding regional statistics concerning foreign trade. The regional ranking is based on the department in which the company headquarters are located (according to data from the SIRENE business directory), whereas the regional statistics are calculated using the department from which exports are actually shipped and the department into which imports are shipped, using data provided by Customs.

Even though the majority of companies that appear in the top end of this ranking employ more than 250 staff, **the ranking also lists SMBs that have managed to position themselves on the global market**, for instance, in the chemical and pharmaceutical fields. And from a global perspective, these 20 companies have improved their positions in the national ranking, compared to the previous year.

This table only shows part of the export company ranking. A total of 1,800 companies generate

more than 10,000 euros in export revenue. These companies represent a wider spectrum of Normandy's economy, spanning everything from agriculture, retail and construction sectors to service providers. And, contrary to the top end of the ranking, the majority of these companies are microbusinesses and SMBs. Indeed, 37 % of export companies are represented by SMBs with between 10 and 49 employees. **The total number of export companies in Normandy (regardless of revenue) exceeds 3,500.**

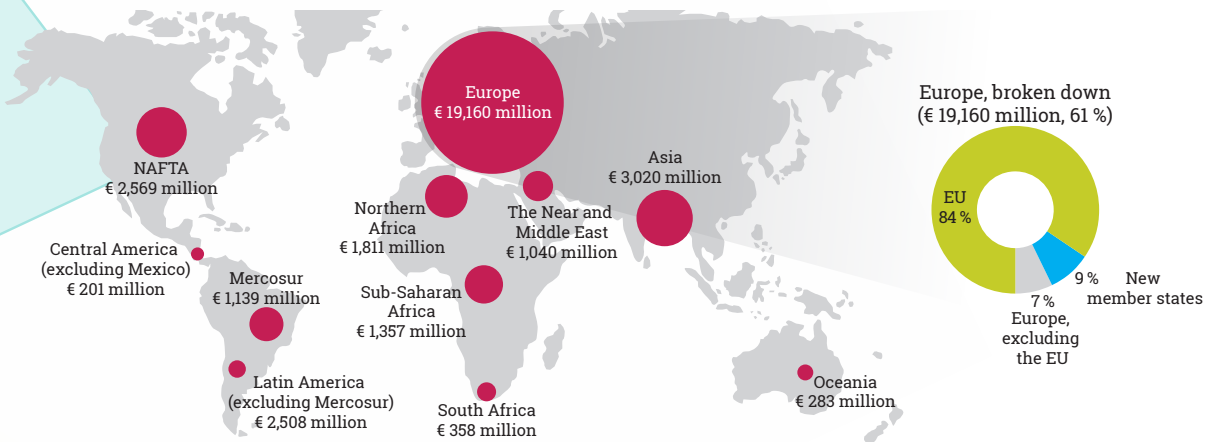
# Exports focus on Europe and the 'markets of the future'

As is the case for all regions of France, Europe is the primary destination of exports from Normandy: **61 % of regional exports are destined for European customers** **Map 2**. Europe represents an average of 67 % of exports in metropolitan regions. This market share is lower in Normandy than in other regions of France, with this percentage sometimes being considerably higher, i.e. 89 % in Lorraine.

The majority of exports are consumed by western European countries (the EU15). In Normandy, 36 % of exports are shipped to neighbouring countries – Germany, Belgium, the Netherlands and the United Kingdom. We have noticed, however, that exports to Europe have declined since 2011: - 4.6 % between 2011 and 2013, and this is a trend that seems to be continuing into 2014.

**Map 2**

**Normandy's exports grouped by major zones (2013)**



Source : Customs  
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Companies in Normandy – like those in other regions, such as Poitou-Charentes, Midi-Pyrénées, etc. – have opened up to other geographic zones to try and increase the diversity of their client portfolio as much as possible, with the aim of developing other markets and being less reliant on a few specific customers. As a result, the European market share is lower, with Asia frequently being the most attractive region for exports. **Normandy seems to prefer trading with Africa and Latin America**, respectively generating 11 % and 13 % of the region's exports in 2013. Exports to these regions have been continually increasing over the past few years, particularly to countries belonging to the Mercosur<sup>(1)</sup>: + 72 % between 2008 and 2013. Today, this zone represents almost 4 % of Normandy's exports, which is twice as

much as the national level. However, this does not mean to say that the vast market of the Asian zone has been neglected. Norman companies also operate in this zone and generated total export revenue of more than 3 billion euros here in 2013, representing 10 % of the region's exports.

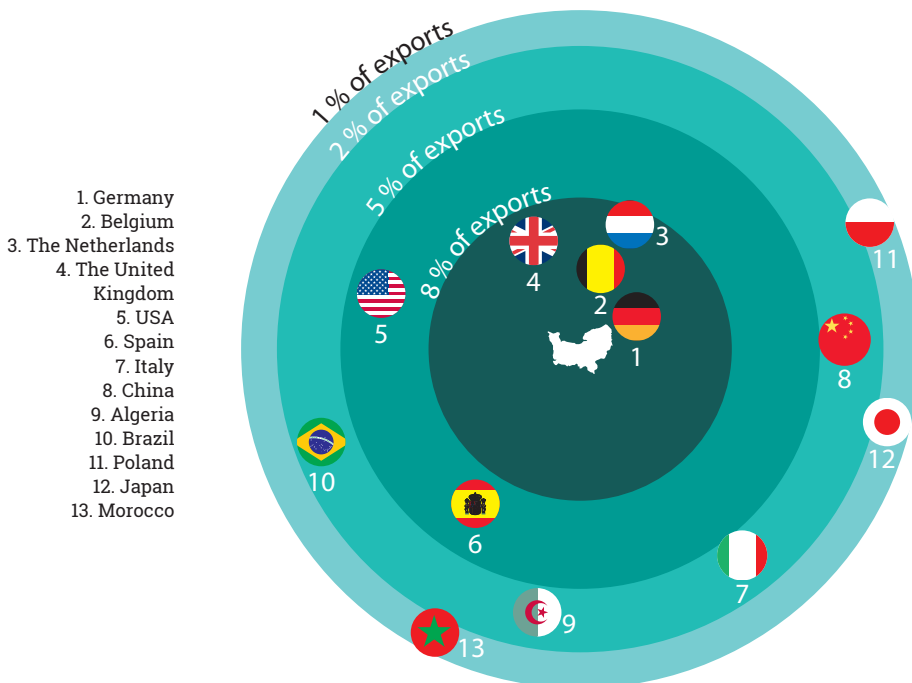
**African countries also represent a future market for exports, especially for a region like Normandy.** Indeed, the African continent represents a significant consumer market – one that is currently developing and will continue to do so – for products from the agricultural and livestock farming sectors. This is why it is a good idea, if not essential, to establish operations there today, in order to build up strong business relationships. After the Ile-de-France region, Normandy is the

region that exports the most to Africa (almost 13 % of national exports). The most important customers are primarily Northern Africa and Sub-Saharan Africa, led by Algeria and Morocco. These two zones alone purchase 10 % of Normandy's exports.

The customer portfolio of the Normandy region is, therefore, extremely diverse. It contains a greater number of customers with smaller market shares than the average across other regions of France. The geographic diversity mentioned above is reflected here, too: only 6 of the top 13 customers (representing more than 500 million euros of exports) are European (as opposed to 10 out of 13 for France as a whole), with the other positions being occupied by African and American countries **Image 2**.

(1) Mercosur : the Southern Common Market comprising Argentina, Brazil, Paraguay, Uruguay, Venezuela, Chile, Bolivia, Peru, Columbia and Ecuador

**Image 2**  
**Normandy's top customer countries (2013, more than 500 million euro)**



Source : Customs  
 © SIG CCI Normandie/PEAT/JR-11/2014

# Normandy's exports reflect great industrial diversity

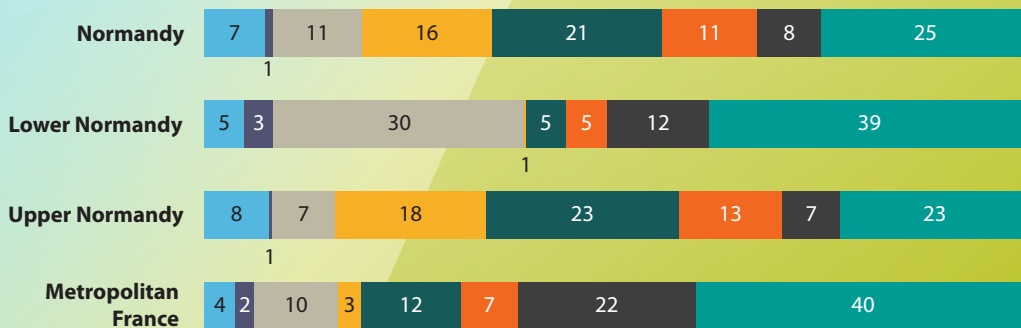


Port Jérôme © Pascal Monet - CCI Normandie

The diversity of Normandy's exports reflects the wealth of industry in the region, including the refining, chemical and petrochemical, pharmaceutical, automotive, agri-food, wood and paper, aeronautical, electronic and tobacco sectors **Image 3**. Some of these products play a highly significant role in Normandy's export activity, while others occupy a more strategic position. All of these products, however, help create the image of Normandy in the international marketplace – the image of an attractive region that performs well in leading sectors with high added value.

**Image 3**

## Break-down of exports by product (2013, in %)



- Agricultural, forestry, fishery and fish farming products
- Natural hydrocarbons, other extraction industry products, electricity, waste
- Agro-food products
- Refined petroleum products and coke
- Chemical products, perfumes and cosmetics
- Pharmaceutical products
- Transport materials
- Other products (including electric and electronic products, metalworking, waste management sector, textile industry, etc.)

Source : Customs

## Drivers of export activity in Normandy

The strength of Normandy's export activity relies on several flagship products that represent 70 % of the region's exports.

- **Petroleum products**

At the top of the ranking, **petroleum products alone are responsible for almost 16 % of the region's exports.** This significant industry generates 4.9 billion euros of export activity and relies primarily on two large global companies : Total and ExxonMobil. These companies are able to exploit a perfect geographic location and an efficient infrastructure network, which plays just as significant a role in importing raw materials (crude petroleum via the Antifer oil terminal) as it does in exporting the finished products. Petroleum products also allow Normandy to occupy the top position in the ranking of the different French regions, with 41.2 % of national exports, way ahead of the Provence-Alpes-Côte d'Azur (PACA) region with 31.1 %. This gap widened in 2013 because the market share for Normandy increased by 6 points, while that of the PACA region fell by 3.5 points.

- **Chemical and pharmaceutical products**

The other strengths of the region's export activity are the chemical and pharmaceutical industries, both of which play a major role in Normandy's exports. **Basic chemical products, nitrogen products, plastics and synthetic rubber, pharmaceutical products and diverse chemical products are responsible for 9.4 billion euros, equivalent to 30.1 % of exports.** The chemical industry is a high-tech sector characterised by high added value, which means that the industry requires specific skills and expertise, which have been developed in Normandy over a long period of time. Testimony to this are the large companies that have their headquarters here : Lubrizol, Aptar, Lanxess Elastomères and Farmaclair.

- **Agri-food products**

Normandy's exports are also characterised by products from the agri-food sector. **Products from the agriculture and livestock farming sectors, as well as certain agri-food products, generate more than 3.4 billion euros of exports every year, representing 11 % of Normandy's exports.** Once again, the region of Normandy has successfully marketed its agricultural strengths, the diversity of its crops and livestock, as well as its expertise in certain products (flax, for instance), to attract large manufacturers such as Elle&Vire, Ferrero and Isigny Sainte-Mère, which are growing their international markets. This type of export seems to be a fail-safe market because, despite the slowing economy, the export of agri-food products has continually increased since 2008, displaying a growth rate of 46.5 %.

- **Other products**

The manufacturing of machines and equipment for general use (4.8 % of the region's exports), electronic equipment (4.8 % of the region's exports) and automotive equipment (3.8 % of the region's exports) are further products that play a significant role in the dynamics of Normandy's export activity. Products of this kind have the backing of strong industries that are very well integrated in the region and that comprise a solid network of successful companies.

## Opportunities for growth

Normandy has secured a strong position for many products in the national export ranking. These markets, many of which are niche, offer as many opportunities for growth as they do unique regional features that can be exploited.

In the leading position, **the aeronautical sector represents 1.5 % of Normandy's exports, yet enables the region to come sixth in the national**





**ranking.** This booming niche market opens up numerous growth opportunities for companies within our region (Aircelle and Revima Apu, for example), which are able to benefit from R&D centres and a well-structured network (such as the NAE (Normandy Aerospace) network), which aims to promote the industry's expertise and skills.

**The paper and cardboard sector in Normandy exported almost 450 million euros worth of products in 2013, which represents 1.4 % of the region's exports.** This specific market enables the region to rank fifth in the production of paper pulp and fourth in paper and cardboard product manufacturing. This specific feature can be partly explained by the existence of a packing and packaging sector in the region and, as a result, the presence of large companies that operate in the international market (Groupe Hamelin or Double A, for example).

Downstream from **the chemical and petrochemical**

**sector, the manufacturing of plastic products generates more than 500 million euros worth of exports every year in Normandy, representing 1.6 % of the region's exports.** For this type of product, the region ranks fourth amongst the other regions of France, due to the presence of numerous companies, such as Novacel, Ceisa Packaging and Südpack Medica.

Lastly, and more specifically, more than 95 million euros worth of **tobacco-based products were exported in 2013, representing just 0.3 % of Normandy's exports, yet enabling the region to rank second place in the national ranking,** behind the Pays de la Loire region. Representing more than 20 % of French exports, this manufacturing sector is one of Normandy's specific characteristics, the region being home to Imperial Tobacco – global leader in the tobacco market, with a large range of different brands and products.

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## Note about our methodology

*The data used for the purposes of this document has been sourced from the foreign trade statistics provided by Customs. The data should be interpreted with care :*

- *Figures relating to imports and exports refer to monetary values. They depend, therefore, on price fluctuations of both raw materials and products.*
- *The regions from which products are exported are not necessarily the regions where these products were manufactured. For instance, the value of exports is calculated by Customs in the region from where the products are exported, rather than where they are manufactured.*

Fotolia © afateev



# The Direccte\* teams in Normandy are dedicated to helping small to intermediate-sized businesses

French authorities (Prefecture, Direccte teams in charge of international and economic development, Customs, etc.), the Regional Councils and the other members of the French export team\*\* are heavily involved at all levels in the implementation of the Regional Plans for the Internationalisation of Businesses (PRIE). The main objectives of the initiative are to increase the number of SMBs in Normandy that are involved in export, and to grow the number of export markets, with the aim of contributing towards the national objective of reducing France's trade balance deficit.

The French State's international service teams are also active in the field in the following areas :

- communicating the policies of the Ministry of Foreign Affairs, foreign trade and tourism in the region, by informing companies and their advisers about French and European aid available and how to best gain access to this; by recognising 'Entreprises du Patrimoine Vivant' (living heritage businesses) as part of the tourism plans in 2014; by implementing the planned Export Platform for China in 2015.
- getting involved in the work of the French Foreign Trade Advisers, who are appointed by the Prime Minister as key figures in the field of export, by developing projects to promote the attractiveness of the region, for instance, the economic components of the Landings celebrations in 2015; by promoting the student recruitment campaign for the 2015 International Vocation Award (Prix 2015 de la Vocation Internationale) organised by the region's French Foreign Trade Advisers.
- promoting youth employment abroad, on a more general level: raising awareness of the VIE (voluntary work experience abroad) programme.
- supporting innovation – a strategic domain for international success: public programmes dedicated to specific sectors and competitive business clusters, the launch of the industrial plans selected by the region, such as the 'technical and smart textile plan' in 2014.
- detecting entry barriers to markets outside the EU – informing Paris and Brussels of difficulties met by Norman companies in the large emerging markets (tariffs, standards, intellectual property, quotas, regulations, etc.).
- helping foreign investors get established by assisting in the authorisation procedures for industrial projects.

\* Regional Directorates for Companies, Competition, Consumption, Work and Employment, reporting to the regional Prefect.

\*\* The International CCI of Normandy, Ubifrance, BPI France export, French Foreign Trade Advisors, agencies for innovation and competitive business clusters, chambers of agriculture and chambers of trades, etc.

The following international affairs consultants are at your disposal :



Marie-Claude AURADOU at DIRECCTE in Caen  
(marie-claude.auradou@direccte.gouv.fr)  
Erwan LE CARER at DIRECCTE in Rouen  
(erwan.lecarer@direccte.gouv.fr)

## Customs support exporting companies Why not let an international business expert take care of your projects?

Customs play a major role in the successful workings of the European Union market and the French economy by ensuring a regulated flow of goods, with the aim of encouraging legal commerce and fighting prohibited trade.

Three corporate consultancy units located in Caen, Rouen and Le Havre can offer advice to companies. and a range of free, tailor-made services. These units :

- implement the «PME action plan» targeting micro-businesses, SMBs and intermediate-sized companies, which aims to help these businesses gain access to the international market and reveal their competitive strengths ;
- provide companies with critical competitive factors for their corporate strategy – optimised customs solutions, legal security of their processes, cost-saving opportunities.
- These benefits provide reinforcement for a company operating in international markets (for example, the initiative entitled «Manufacturing in France with Customs»: <http://www.douane.gouv.fr/articles/a12185-produire-en-france-avec-la-douane>).
- support companies through the certification process for the Authorised Economic Operator (AEO), a certificate providing a competitive advantage in international business relations.
- provide companies with international business statistics compiled by Customs, which are able to supply customised statistics, as well as research reports on specific topics and regions.

The corporate consultancy units can be contacted as follows:



In Caen: + 33 (0)9 70 27 45 20  
In Rouen: + 33 (0)9 70 27 39 11  
In Le Havre: + 33 (0)9 70 27 41 41



Fotolia © Randy Harris

## Key figures for Normandy

	Lower Normandy	Upper Normandy	Normandy
<b>INDICATORS</b>			
Exports (revenue, 2013)	€ 4,500 million	€ 26,881 million	€ 31,381 million
Imports (revenue, 2013)	€ 5,070 million	€ 37,571 million	€ 42,641 million
Trade balance (revenue, 2013)	- € 570 million	- € 10,690 million	- € 11,260 million
Exports as a percentage of national exports (2013)	1.1 %	6.3 %	7.4 %
Openness index (2012)	12.4 %	54.0 %	36.4 %
The top 3 customer countries (2013)	Germany (14.5 %) Spain (11 %) United Kingdom (10.8 %)	The Netherlands (9.1 %) Belgium (9.1 %) Germany (8.7 %)	Germany (9.5 %) Belgium (9.3 %) The Netherlands (8.5 %)
The 3 top export products (2013)	Dairy products and ice creams (11.6 %) Automotive parts (9.5 %) Machines and equipment for general use (7.8 %)	Refined petroleum products and coke (18.3 %) Basic chemical products (14 %) Pharmaceutical products (12.5 %)	Refined petroleum products and coke (15.7 %) Basic chemical products (12.1 %) Pharmaceutical products (11.4 %)
The specialist product* (2013)	Dairy products and ice creams	Refined petroleum products and coke	Refined petroleum products and coke

\*The specialist product is the main product by which the region is significantly represented among national exports  
Source : Customs, Insee – regional accounts



[www.normandie.cci.fr](http://www.normandie.cci.fr)