



FIMMEF · FRANCE

Country Report September 2026

NAMES

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ORGANIZATION

FIMMEF

COUNTRY

France



Economy — September 2026

GENERAL INDICATORS

Since the beginning of 2026, the French economy has been in a mixed situation:

Inflation rising

2.4% year on year.

Fragile industry

After a start to the year marked by some increases in production, manufacturing activity contracted at the end of the first half of 2026.



Key takeaway

The French Government strongly supports French industry, but companies must simultaneously invest more in decarbonization and face fiscal and regulatory obligations. The challenge is therefore to succeed in reindustrializing France without degrading the competitiveness of companies.

Reindustrialization & Energy

AID, DECARBONIZATION, SECTOR TRENDS

Aid to invest and reindustrialize

With France 2030, the French Government supports new factories, innovation, strategic technologies and productive investments: 78 projects for €336 million of aid, representing nearly €4 billion in investment.

Decarbonization: a cost and an opportunity

Measures support decarbonization and electrification of industry, aiming to reduce industrial emissions by 30% by 2030.

Energy: a French advantage

Electricity is 95% carbon-free in 2026, at a competitive price on a European scale — favorable to electro-intensive industries. But taxation and constraints still weigh on certain companies.

Uneven sector trends

Decline in automotive, heavy industry (steel, cement, mining & quarries), construction and agri-food. Increased activity in aeronautics and defense.

2027 Presidential Election

ECONOMIC & INDUSTRIAL STAKES

France's industrial and economic situation is directly linked to the 2027 presidential election.

8.3%

Unemployment

Weak

Growth

Fragile

Industry

Rising

Inflation & high debt

This economic situation is becoming a major campaign issue. Candidates must answer a key question: how to boost growth and industrial employment while controlling public finances?

Pro-competitiveness approach

Some candidates favor lowering charges and regulations to improve business competitiveness.

Pro-intervention approach

Others promote more state intervention, public investment and industrial planning.

The election will focus on which economic policy enables France to reindustrialize, create jobs, and improve purchasing power — while keeping public finances in check.

LEVEL OF ACTIVITY BY CLIENT SECTOR

STRONG

- Aeronautics and other means of transport
- Energy production (oil & gas, nuclear, thermal, renewables)

NORMAL

- Mechanical engineering (robotics, packaging, textiles, paper, handling...)
- Electrical, electronics & IT
- Automotive Industry
- Chemistry / parachemistry / pharmacy / health
- Agri-food
- Catering, food services, luxury goods

WEAK

- Heavy industry (steel, cement, mining)
- Construction, building materials
- Water supply
- Agricultural equipment
- Industrial distribution

UNEMPLOYMENT RATE

Unemployed / working population

8.3%

8.3% of the labor force, up 0.2 points in a quarter — the highest level since Q3 2020.

21.6% Unemployment among 15–24 year-olds, reached in Q2 2026

EMPLOYMENT RATE

Employed persons / working-age population

~69%

Employment rate of the 15–64 age group stands at about 69% as of Q2 2026.

The transitional period, which ended in January 2026, aimed at:

1

Acculturating companies

Preparing companies subject to the MACF (CBAM) system for the new obligations.

2

Simplifying procedures

Allowing French authorities and the European Commission to develop reporting procedures, making them simpler and more intuitive.

50 TONNES

Imports below the threshold of 50 tonnes (total net mass of goods under all aggregated Combined Nomenclature codes) are exempted from the obligations of the MACF Regulation.

€75.36

Price per tonne of CO₂, set quarterly by the European Commission for 2026

MACF calculator

The MACF calculator is available on the website of the French Ministry of Ecological Transition, helping companies estimate their obligations.

Current scope

MACF initially applies only to "simple" goods highly exposed to the risk of carbon leakage: steel, cement, aluminum, nitrogen fertilizers, hydrogen, and electricity.

Planned expansion

The aim is to gradually expand MACF to other industrial sectors — notably refining and chemicals — and to certain downstream products, in order to limit the importation of semi-processed products currently outside the scope of MACF.

France now has a significant advantage thanks to largely carbon-free electricity, but it still needs to reduce its dependence on fossil fuels and invest heavily in its energy system.

95.2%

Share of low-carbon electricity
produced in metropolitan
France in 2025

Very low-carbon electricity

France's main asset is nuclear power, supplemented by hydropower, wind and solar. Nuclear generation reached 373 TWh in 2025, while solar and wind generation continued to grow.

A major issue for industry

Energy is directly linked to industrial competitiveness. Industries consuming significant electricity — steel, chemicals, aluminum, batteries, data centers — need affordable, stable and decarbonized energy.

Four pillars of French energy policy

French energy policy now rests on several pillars: nuclear power + renewables + electrification + energy sobriety. The PPE3, published in February 2026, sets the French energy strategy for 2026–2035 and provides for the continued revival of nuclear power alongside the development of renewable energies.

Where the debate lies

The political debate focuses in particular on the respective roles of nuclear and renewables, and on the cost of the necessary investments.

~60%

of total French energy
consumption still
comes from fossil fuels

The problem remains dependence on fossil fuels. Even though French electricity is very low-carbon, fossil fuels still account for nearly 60% of total French energy consumption.

The challenge for the coming years is to gradually replace oil and gas with decarbonized electricity — particularly in transport, industry, and heating.

Energy prices remain a major issue for France in 2026.

+2.5%

Average electricity price increase on August 1, 2026

+5.6%

Further gas price increase expected in September 2026, on a much more volatile trend

What's at stake

This situation is weighing on the purchasing power of households and on the production costs of businesses. The challenge is therefore to maintain affordable, stable and decarbonized energy in order to preserve the competitiveness of French industry.

The European Commission has just adopted a draft text introducing measures to protect the steel industry — a regulation aimed at addressing the negative commercial effects of global overcapacity on the EU steel market.

Replacing the 2018 safeguard measures

This text is intended to replace the safeguard measures on steel, in place since 2018 and ending in June 2026.

GLOBAL OVERCAPACITY & IMPORT QUOTAS

Global overcapacity is disrupting EU steel production in a context of falling demand. Several countries have already implemented import restriction measures, notably the United States, Turkey and Canada.

CURRENT QUOTA

36M

tonnes available for import

PROPOSED QUOTA (–50%)

18M

tonnes available for import

A competitiveness risk for EU mechanical industries

This increase will penalize, on the EU internal market and on world markets, companies in the mechanical industries sector compared to companies located outside the European Union, which are not subject to similar measures. The EU also faces US measures (Section 232 of the Trade Expansion Act) on steel and aluminum — the source of the current safeguard measures.

Trade Association Activities

SKILLS & WORKFORCE STUDY

Study on “key figures and main prospects for the evolution of trades and skills in the thin sheet metal working sector”
— working groups held in Besançon following the presentation of this study.

CHALLENGES IDENTIFIED

- Shortage of technicians trained in tooling and cutting professions
- Lack of attractiveness and awareness of these professions
- Lack of employability of graduates
- Inadequacy of the educational program vs. industrial needs
- Difficulty integrating into companies' technical teams

ACTIONS UNDERWAY

- Create a cutting-tool and die supply chain: adjusters, toolmakers, designers, technical experts, R&D
- Give meaning back to the professions
- Integrate industrial know-how into education

Trade Association Activities

TECHNICAL CONGRESS & STUDY VISIT

FIMMEF Technical Congress

Organized every two years with the Technical Center for Mechanical Industries (CETIM).

The next congress will take place in 2027.

Topics include: new materials, process control, support for the profession (AI, priority mechanics technologies 2030), and new materials shaping technologies.



Visit of a French delegation in Italy

May 2026.



LOBBYING BY FIM & FIMMEF

- European measures to protect the European steel industry
- Help for CBAM declaration for companies
- Fee for the release of 28 PFAS (per- and polyfluoroalkylated substances); drafting of a guide on decarbonization and electrification for industrial companies
- Organization of webinars on financial, fiscal, economic and business topics

NATIONAL “DEEPTech PLAN”

A new step to accelerate industrialization and transform research innovations into industrial successes.

- 1 Accelerate the transition from the laboratory to the factory
- 2 Mobilize €30 billion in public & private financing by 2030
- 3 Support the growth of deeptech start-ups towards competitive industrial companies

CIRCULAR ECONOMY

Implementation of the European PPWR (Packaging and Packaging Waste Regulation)

It is a European regulation that aims at reducing packaging waste and make packaging more recyclable, reusable and sustainable.

In practice, it concerns :

-  the design of packaging and its recyclability;
-  the use of recycled materials in certain packaging;
-  the development of reuse and recycling;
-  some restrictions on single-use packaging;
-  the labeling and sorting of packaging;
-  the obligations of manufacturers, importers and distributors.

PPWR is therefore particularly important for companies that produce, import or sell packaged goods in Europe.

For mechanical industries, the PPWR will concern the packaging used to ship, protect, and market parts and equipment.

For example, if a mechanical company ships parts in:

cartons, wooden crates or pallets;
stretch films or plastic covers;
plastic bags;
foam inserts;
straps, strapping, anti-corrosion protections;
reusable packaging for industrial parts.

The topic then becomes: what obligations will fall on the company regarding these packaging?