

Eco-industries

**Extract from France's 2021 Environmental Performance
Review**



Eco-industries

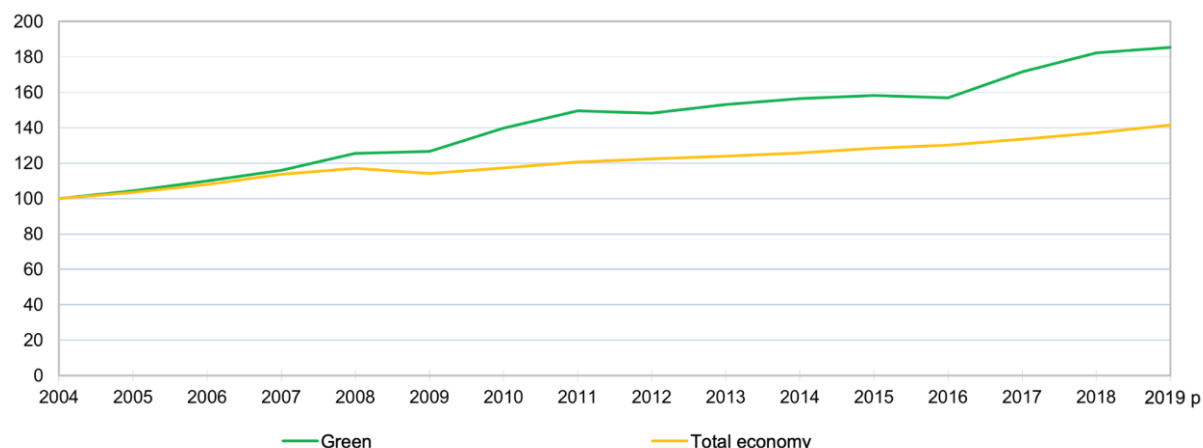
Eco-industries are businesses and public services aiming to protect the environment or sustainably manage natural resources. Macroeconomic indicators such as output, value added, exports and imports are used to monitor the growth of these activities in the national economy.

GREEN ACTIVITIES ACCOUNT FOR 2.1% OF THE NATIONAL ECONOMY'S ADDED VALUE

In 2019, the value added by green activities amounted to €44.9 billion or 2.1% of all sectors nationally. Renewable energies, energy efficiency, organic farming, wastewater and waste management are the highest generating sectors. Between 2004 and 2019, the value added by green activities increased by an average of 4.2% per year compared to 2.3% for the whole economy (+3% and +1.2%, respectively excluding inflation) – (Figure 1). The share of total value added contributed by green activities increased from 1.6% in 2004 to 2.1% in 2019.

Figure 1: Trends in value added by green activities between 2004 and 2019

Base index value 100 in 2004 from values in current euros



p = provisional data.

Scope: France.

Sources: SDDES; INSEE, EAP, É sane, National Accounts base 2014; Ademe; Agence Bio

STRONG INCREASE FOR ORGANIC FARMING

In 2019, the production of green activities reached €115 billion or 2.7% of total French output. Almost three quarters (73%) was generated by renewable energy production, energy management, soil and water protection activities (including organic agriculture), and waste and wastewater management (Table 1). Between 2004 and 2019, value added by eco-industries increased by an average of 4.3% per year compared to 2.5% for the whole economy (+3.1% and +1% respectively excluding inflation).

Organic farming contributed strongly to this growth, with annual growth of 13% over this period. The number of farms engaged in this mode of production was multiplied by 4 between 2004 and 2019. There were 47,260 farms in 2019 (53,250 in 2020). The share of areas being farmed under organic certification increased from 1.9% in 2004 to 8.5% in 2019, then 9.5% in 2020.

With average growth of 7.5% per year between 2004 and 2019, renewable energy production also contributed significantly to the overall growth of eco-industries. Wood energy, solar power, wind energy and hydroelectricity had the highest market value for energy sold, manufacturing and installation of equipment, studies and exports. However, sectors contributing to biogas production and the production and installation of heat pumps were the fastest growing between 2015 and 2019. Energy efficiency activities also contributed to the overall growth of eco-industries, but to a lesser extent +5.1% per year between 2004 and 2019.

Fact Sheet: Eco-industries

Table 1: Output, value added and external trade for eco-industries in 2019

In millions of current euros

	Value added (p)	Output (p)	Exports	Imports	Trade balance
Environmental protection	20,850	51,300	2,600	3,000	- 400
Air and climate protection	800	3,350	1,750	1,850	- 100
Wastewater management	5,500	12,950	450	350	50
Waste management	6,400	16,200	250	650	- 450
Radiation protection	300	750	200	100	100
Soil, groundwater and surface water protection	6,050	14,400			
<i>including organic farming</i>	5,350	12,550			
Noise control	400	1,200			
Biodiversity and landscape protection	1,350	2,450			
Resource management	17,600	52,800	6,500	6,300	200
Water resources management	250	800			
Sustainable forest management	1,850	3,300			
Recovery of materials for recycling	1,850	8,300	3,850	1,400	2,450
Renewable energy production	7,300	22,700	2,250	3,550	- 1,350
Energy control	6,300	17,700	400	1,300	- 900
Multidisciplinary activities	6,500	11,350			
General environmental administration	2,750	3,750			
Environmental R&D	2,200	4,050			
Environmental engineering	1,600	3,500			
All eco-industries	44,900	115,450	9,100	9,300	- 200
Annual change 2019/2018 (%)	1.7	2.8	1.3	18.3	
Annual average trend 2019/2004 (%)	4.2	4.3	5.0	8.1	
All branches	2,169,269	4,314,969	520,561	575,744	- 55,183
Annual change in all industries 2019/2018 (%)	3.2	3.1	2.9	1.9	
Annual average trend in all industries 2019/2004 (%)	2.3	2.5	3.1	3.5	
Share of eco-industries in all industries (%)	2.1	2.7	1.7	1.6	

(p) = provisional data.

Notes: Free on board (FOB) value for exports and imports; excluding foreign trade in agriculture and services; totals and subtotals may differ from the sum of components due to rounding.

Scope: France.

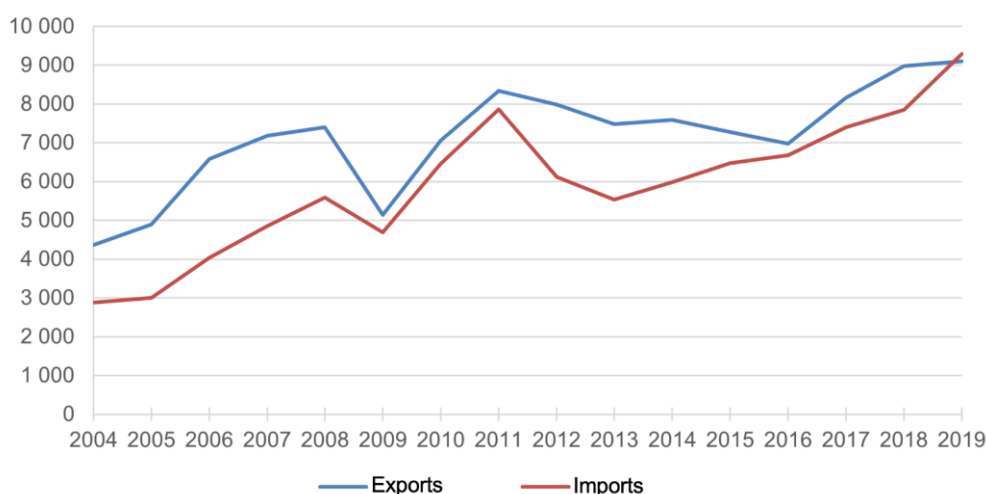
Sources: SDES; INSEE, É sane, EAP, National Accounts base 2014; Customs; Ademe; Agence Bio. Treatment: SDES, 2021

A SLIGHT DEFICIT IN THE 2019 TRADE BALANCE

In 2019, exports by eco-industries amounted to €9.1 billion and imports to €9.3 billion. As a result, the eco-industries trade balance appears to be in slight deficit whereas it was in surplus between 2004 and 2018, even exceeding €2 billion in 2006 and 2007 (*Figure 2*). The strong increase in imports of electric vehicles in 2019 largely explains this decrease.

Figure 2: Trends in green activity exports and imports

In current million euros



Note: Exports and imports at FOB (free on board).

Sources: Customs; Ademe; Agence Bio; Eurostat. Treatment: SDES, 2021

The trade balance is in deficit in three areas: waste, renewable energy and energy efficiency. For example, the value of garbage bag imports is much higher than exports: €120 million compared with €430 million. The same applies to certain components used to produce wind energy (generators) and certain materials used for housing insulation (slag wool, fibreglass panels, polystyrene panels).

On the other hand, external trade in raw materials for recycling was in a surplus of €2.4 billion in 2019. Scrap metal exports (iron, steel and copper waste and residue) far exceeded purchases by non-residents with a surplus of around €2 billion since 2006 despite the volatility of raw material prices. With a positive balance of €135 million in 2019, France is also a net exporter of recycled paper and cardboard. However, this balance decreased significantly in 2019 compared to 2018, when it reached +€180m. The export value for recycled plastic and rubber materials has consistently exceeded imports since 2007. However, the surplus has steadily decreased since 2012, from €176 million this year to €86 million in 2019.

FOR MORE INFORMATION

- *Les éco-activités et l'emploi environnemental en 2018*, SDES, Datalab Essentiel, September 2020, 4 pp.
- *Les éco-activités et l'emploi environnemental en 2018 – Résultats détaillés*, June 2021, web article.
- *Observatoire national des emplois et des métiers de l'économie verte – Nouveau périmètre des activités de l'économie verte*, working document, no.48, July 2020, 22 pp.