

TESTIMONY OF THE INTERVENTION

PANEL I – INTERNATIONALIZATION, TRENDS AND CHALLENGES

Business opportunities in the French market

Géraldine Dussaubat

Moderation: Clarisse Nunes, Journalist in USA

“The French market in terms of opportunity, it’s an open and sophisticated market. It’s a big market where a good trust quota exists and we’re currently watching a vastly favourable image of Portugal who’s currently being rediscovered by the French. There’s a new French invasion and that situation is advantageous for Portugal sales and strength in France.”

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“Good Afternoon, I have the hard task of speaking now at lunchtime, so I’ll try to be interesting and succinct.

My name is Geraldine Dussaubat, I’m French and I thank AIDA for the invitation. I still have a small accent Portuguese and Brazilian, but I’ve been in Portugal for almost 20 years and it’s now disappearing.

I would like to say that I do basically the same work that AICEP, in France, and I’ll have all the honours of getting feedback or points from Dr. Silva, so, please do it.

I’ve met some business men and their respective companies here in the room.

The French Market is a present market, because it’s a priority for Portugal. So I’ll try to focus in the most important parts.

Our day to day task is to work for the Portuguese companies that want to work with France and for the French companies that come to Portugal. We try to focus at the points that seems to us that need improvement so we can perfect the process.

We have Portuguese companies that respond with products to the needs of French companies. In this case, we have good news. Everyone is looking at Portugal. We start to have an amazing image. There are issues that need to be improved, like some issues with the deadlines. But Portugal has a very good image in terms of adaptability and ease of doing business. Therefore, there is a very positive environment about French companies working with the Portuguese ones.

Then, I’ll point out the question of “intercommunication”. That’s something that needs to be improved so that everything works. Especially for the for companies with products like canned goods, fish or furnishing that want to penetrate the French markets but find some issues.



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CONCLUSIONS

The French market is a central market, it's big and seductive. It's a very important economic power. The French territory it's six times bigger than Portugal. France it's one of Europe's founders and still guarantees a very competitive workforce. It's growth its bigger than anticipated and the unemployment rates are decreasing.

In terms of presence of French companies in Portugal, we are talking about very well-known multinational groups. Some of them are settling in here. Portugal is a very famous market at an industrial level.

This is a bilateral relationship. At this point, there are over four thousand companies exporting products that represent all the Portuguese activity of Portuguese industries such as shoemaking, wine, furnishing, construction materials, paper, etc. We are talking about every activity area.

In terms of French investment, it's getting at an abysmal rate at Portugal. Not a day goes by that we don't get requests of French companies to settle in Portugal. French presence is being reinforces and today we have more than 600 companies settling in.

We have, in France, a Portuguese community strongly implanted with over 45 thousand companies that represent about 800 thousand people with Portuguese origin at the French market. This detail makes that the relation between France and Portugal and the commerce between the two countries to be facilitated and dynamic.

Another important issue is the alterations that the French market has been suffering at a political level, economical and even administrative – with the alteration of twenty-two regions to thirteen. This is a very recent issue and it's of extreme importance to who is present at the French market. There are in fact regions that have been altered and make France have a different geographical shape.

About the consumption, the minimum wage its relatively higher comparing to Portugal making France the fifth country in Europe, income wise.

There are various opportunities so I'll try to introduce some based on the Aveiro Region.

Food sector is a very concentrated sector. You know all the French labels, from Carrefour, Auchan or E.Leclerc. That distribution is very well organized and it's the most developed one in the world. For whom wants to sell food products in France it's not an easy task.

It's always possible to sell something that already exists in the market, although our Chamber doesn't position itself in the "homesick market" it might be interesting for Portuguese companies, as well as betting on niches or gourmet products. This might be a good way to sell olive oil, honey or some specific products.

French have altered consumption habits. They are interested in buying ready and innovative products.

France have a very important industry that hold around 30 thousand companies achieving 6th place worldwide. It's an aeronautical and automotive industry. Some companies are already acting in Portugal and other ones have made the request to start doing so. Companies that are leaving eastern Europe, Morocco and Tunisia. Aveiro it's a geographical region that receives multiple requests and demands from our Chamber.

This is an activity area with a lot of demand and a huge opportunity of growth. Mechanical areas is also growing not just by the French companies working in that Area but by the companies who are trying to settle in Portugal and the Aveiro region.

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In the pastures and farming sector, we also have some requests. I'm giving you real situations and events that get to us every single day by the French companies who approach us.

Finally, a area that involves all the country in terms of requests, it's the construction sector.

For the last 10 years. We set up conventions about construction and we have French companies that come to Portugal to acquire products or meet companies to subcontract. It's a very big sector with around 400 thousand companies. In France there is a shortage of workforce that doesn't exist in Portugal. We have received companies that went by the Chamber. More than 2000 companies since the event, to try to establish relations with French companies, to sell products or for contracts.

Before approaching the next subject, I would like to tell you that the Chambers of Commerce and other institutions are quite helpful at this issue. We are a very pragmatic Chamber. We currently have a team of two people at Oporto and I'm responsible for the Lisbon branch. In Oporto they handle support for Portuguese companies and we try to be as practical as possible. We don't follow theories or conversations.

We have requests for Portuguese and French companies and we try to make these companies to work together. We have requests and we try to help the biggest possible number of French companies, through our communication channels or by the opportunities at our website or direct contact with the chamber associates.

Now, about the way to approach the French market I can tell you some bullet points about where it fails. At the moment, I think that Portugal has a lot of advantages in working with France. It's a familiar market, not just geographical but also cultural. Portugal is a country with great adaptational skills. France has a lot of Portuguese and we have a great image that need to be taken advantage off.

Opportunity wise, France has an open and sophisticated market. It's a large market where there is a good trust quota and there's currently a very good image of Portugal that's being rediscovered by the French. There's a new invasion of French people and that situation is favourable for Portugal being able to sell even more and get even more recognition in France.

In terms of threats and barriers, the first issue is the fact of the strength of the competition. French market is saturated of their own produce and imports from other countries. It's a very mature market with well-developed clusters. The market is very modern, so to be successful, you need to be very innovative and financially secure.

I'll approach the subject we usually inform our partners who want to approach the French market.

It's not easy to be welcomed in France. Portugal has the amazing skill of setting up a meeting. Even with no interest whatsoever they will be received out of kindness or affinity. I was amazed by how easily they could set up a meeting in Portugal. Portuguese are extremely nice. In France they are less approachable. First, they will try to understand if they are interested and if they are welcome and if that happens then they are really interested.

Sometimes, Portuguese companies that go to France have "missions" with ten meetings. I use to say that 10 meetings is almost impossible and that if they have three good meetings it's wonderful and they are close to a sale. In France, there is no sympathy or kindness. They only meet if they intend to do business.

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French are a lot squarer. Yesterday I signed a contract and brought to Portugal a group of French. They said that Portuguese were a lot more flexible, dynamic and adaptable, while in France the opposite would happen. They need immediate answers and want to be informed.

In France you set up meetings and those meetings are unalterable. Sometimes, Portuguese have meetings with Carrefour or the Municipal Chamber of Paris and they say a week prior that they had some sort of constraint and they have to postpone and I say that they can't because it has been set for 3 weeks so they have to stick to it.

I understand that the mindset has to be altered, that sometimes it's complicated and those frictions harm the business. It's not because of the quality of the product or because it's Portuguese. It's because of the way you approach markets and by the strict way you should do so.

Sometimes French people are seen as arrogant and in fact it's true because they think they know it all. I think Portuguese make mistakes do to their inferiority complex and that shouldn't be an issue.

They should believe their product and keep their word about commitment. That's quite a big deal in France because late changes or cancelling meetings leaves a bad image and that can keep you from doing business.

French market is huge and there's quite a few points of entry. Paris is already saturated which mean you may have to do your approach from other cities, for example, if you want to sell furniture or construction materials you may achieve that through Bordeaux, which is even closer, or through other regions that are less competitive and represent less difficulty.

French patriotism is taken to the limit, something like "everything that is French is good, its better" About that there's nothing we can do. It's something that really makes the French people feel well and they in fact feel that way.

Even so, there are very points in common between Portuguese and French people. The lunch ritual and the topics of conversation like football, gastronomy and sports are quite common. There are various things, they are similar countries in terms of culture that allow for an easier approach.

Finally, something to be taken in consideration, I work regularly in France and in fact French have a lot of vacation time. Here in Portugal we usually do vacation in August and Christmas but in France that can happen all throughout the year.

So, when you have to schedule meetings in France, take that into consideration and set them with at least 3 or 4 weeks in advance. Try to get some communicational support as well and have someone at your company that speaks French. Be meticulous and commercial. When you get an email don't take 3 weeks to reply.

Consider every single detail and do what you do best and everything will be great.

Thank you, I'm available whenever you need it!"