

Press Release

French Draft Finance Bill 2025: safeguard innovation, competitiveness and employment in the French aerospace industry, above all

The French aerospace industry, represented by the French aerospace industries association GIFAS, warns of the potential risks of the French Draft Finance Bill 2025 (“DFB25”) and asserts its full support for the air transport sector.

Several of the proposed measures could have the opposite effect to the intentions voiced by Finance Minister Antoine Armand at the French National Assembly on October 21st, 2024, namely to maintain our competitiveness and trade balance, support decarbonisation and reindustrialise France, while sustaining employment. Any new taxes applying to air transport would need to be adapted in order to support the sector’s massive, ongoing investments in innovation, competitiveness and decarbonisation.

Aviation should be supported, rather than overburdened with extra taxes, to continue to sustain whole sectors of the French economy.

The extensive tax measures included in the DFB25 – surtax on air transport, increase in compulsory levies, extension of the business value added contribution (CVAE) – would be detrimental to the French aviation industry and its regions, and would come on top of those under the EU Fitfor55 package. They will reduce our tourist appeal and bring the sector’s reindustrialisation to an abrupt halt.

Our leading position is not unshakeable

Aviation is one of France’s (too few) industrial leaders in exports. With a trade surplus of more than €30 billion in 2023, it ranks number one ahead of perfumes and cosmetics (€16.7 billion) and beverage (€15.4 billion), whereas France has a deficit of €100 billion.

Any measures rendering us less competitive and attractive would inevitably be detrimental in this hypercompetitive world. Our position is not unshakeable. Thanks to particularly attractive governmental policies, our competitors in China, the United States and soon India will continue to win market shares and erode France and Europe’s leading position in aviation unless we remain at the cutting edge of technology.

These tax measures would hinder companies that create qualified jobs throughout the country: more than 25,000 recruitments are still expected in our industrial sector in 2024.

French aviation is already decarbonising

France's current leading position means it has a key role to play in the decarbonisation of aviation worldwide. But to do so, it requires strong and permanent support to focus efforts on two key levers: industry and fuels.

France has always had an advantage thanks to unfailing government support since the end of World War II. Our industry is currently designing next-generation aircraft for the coming decade which will be 20 to 25% more energy efficient. Since 1980, aviation has already reduced its CO₂ emissions per passenger by 50%, an achievement made possible by our industry's unrivalled capacity for innovation, in both commercial and business aviation. Contrary to general belief, considerable headway has already been made in the latter sector: Falcon business jets already fly regularly with 30% sustainable aviation fuel (SAF), and the next-generation Falcon 10X could take that proportion to 100%.

This dynamic is being pursued thanks to the work of the French Civil Aviation Research Council ([CORAC - CO](#)[onseil de la Recherche de l'Aviation Civile](#)), which the government must continue to co-finance with industry, providing €300 million/annum for four years (as pledged by the French President in June 2023). This investment will support French and European design and construction of increasingly efficient aircraft in order to meet the sector's net zero goal by 2050, in line with the commitments of the ICAO's 193 Member States. It will keep them in the lead in this area, ahead of increasingly fierce competition.

Make sustainable aviation a reality with SAFs

Sustainable aviation fuels (SAFs) represent the second lever. In the United States, this sector's development benefits from considerable support under the Inflation Reduction Act (IRA). However, the mechanism is unmatched in Europe and France, causing us to fall behind our competitors. SAFs should be clearly and openly supported either through tax incentives, or by channelling air passenger taxes into the industry's development: French taxes on air passenger tickets and transport (TSBA and TTAP) could be fully earmarked for the sector, thereby creating a virtuous circle in which users directly contribute to decarbonising air transport, as is the case in Singapore.

Protect French engineering and its international outreach

The air transport sector is not only a source of finance for our country, but also of tremendous international outreach thanks to the expertise of our engineers since 1908. This has been achieved through a close partnership with the government and the support of the French people, who take pride in our flagship industry. Today, just as the aviation industry is enthusiastically undertaking a new technological revolution, some would like to name and shame a French activity and passion that has been a world leader since Clément Ader.

Our pioneering industry gives our country autonomy and sovereignty in an increasingly uncertain world. We must not destroy what we do best.

Aviation's Key Role in the French Economy

General and business aviation employs 36,000 people in France, representing 150,000 direct and indirect jobs in total, including 101,500 specific to business aviation (Source FNAM, 2019).

For its part, the aerospace industry accounts for 210,000 direct, highly skilled jobs in France, including 19,000 in the space sector. It contributed 1.5% to French GDP in 2023, which is equivalent to 4.7% of GDP after including the ripple effect on the French economy as a whole (the aerospace industry has the highest value-added ratio in the French economy, at 3.1. For an investment of €1 billion (research tax credit (CIR) + CORAC), the government recovered €11.4 billion in mandatory levies in 2023 (source GIFAS).

The aerospace industry is the biggest contributor to France's trade balance, with a surplus of €30.8 billion in 2023, ahead of perfumes and cosmetics (€16.4 billion) and beverages (€15.4 billion), whereas France has a trade deficit of €99.6 billion (source French Customs). In 2023, growth in aerospace exports accounted for approximately half of French GDP growth, and the trend is the same in 2024 (source GIFAS).

It is the world leader in terms of aircraft sold and the range of civil and military products on offer, including spacecraft, commercial and business aircraft, defence equipment including the Rafale combat aircraft, helicopters and all related equipment, notably engines.

About GIFAS

The French Aerospace Industries Association (GIFAS) is an industry body that brings together 482 companies ranging from main prime contractors and system suppliers to SMEs and startups. They form a cohesive, hard-driving high-technology sector specializing in the design, development, construction, marketing and maintenance of all aeronautical and space programmes and equipment, both civilian and military planes and defence and security systems.

GIFAS, an industry whose 2023 sales amounted to €70.2bn: 83% of its consolidated sales accounted for exports. It directly employs 210,000 people.

Every two years, GIFAS organizes the Paris-Le Bourget International Air Show, the world's top event of its kind. The 55th Paris-Le Bourget Air Show will run from 16 to 22 June 2025.

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