

Non-resident ownership of French CAC 40 shares remained stable in 2023

At the end of 2023, non-residents held EUR 1,093 billion of shares in French CAC 40 companies, representing 49.5% of a total stock market capitalisation of EUR 2,207 billion. The rate of non-resident ownership was similar to that observed in the three previous years.

Non-residents were slight net sellers of French CAC 40 shares in 2023, reducing their overall holdings by EUR 1.6 billion. The share sales mainly concerned firms with activities in finance, real estate and consumer goods and services.

Non-resident shareholders were primarily located in the euro area (39.5%) and the United States (36.6%), with the proportion of US shareholders increasing steadily since 2020.

The calculation of equity holdings was significantly revised in 2024 due to the coordinated benchmark revision of national accounts. This has had a major impact on the historical data presented in this article.

Aurélié Hodeau
Fabien Renouard
 Balance of Payments Directorate
 Securities Division

JEL Codes
 F21, F23,
 F36, G15,
 G34

49.5%

share of capital in French CAC 40 companies held by non-residents at the end of 2023

EUR 1.6 billion

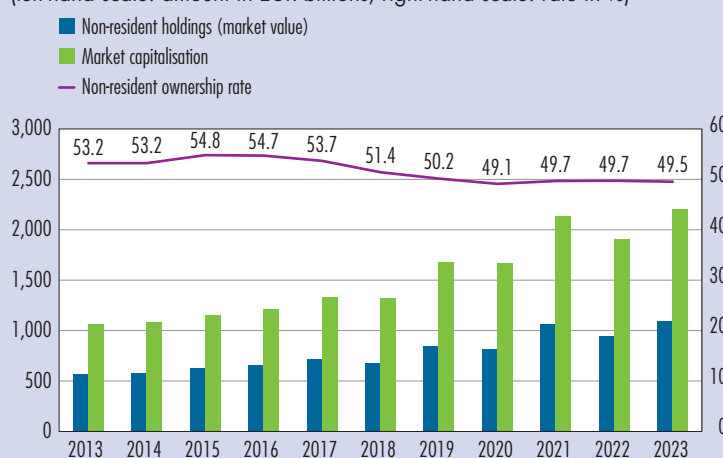
net sales of French CAC 40 shares by non-residents in 2023

18 out of 35

French CAC 40 companies are majority-owned by non-resident investors

Non-resident ownership of French CAC 40 companies

(left-hand scale: amount in EUR billions; right-hand scale: rate in %)



Sources: Banque de France (balance of payments) and Euronext.

1 Non-residents held nearly 50% of French CAC 40 shares in 2023

Non-residents' French equity holdings are mainly concentrated in CAC 40 companies

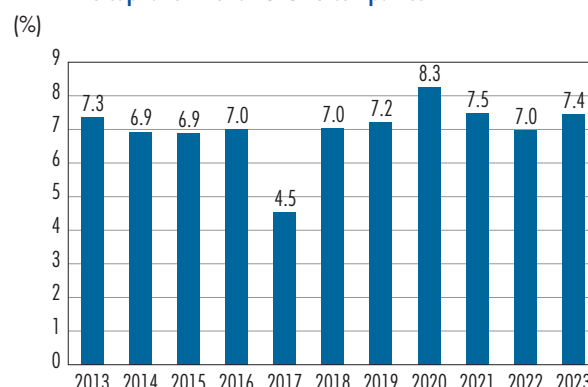
At the end of 2023, non-residents held 49.5% of the capital of the 35 French resident companies¹ listed in the CAC 40. The proportion was stable compared with the end of 2022 (see Chart 1).

Non-resident holdings were mainly portfolio investments (92.6%), with direct investments accounting for only 7.4% of the total.² The proportion of direct investments has remained almost unchanged over the past decade (see Chart 2).

Non-resident holdings in French listed firms were valued at EUR 1,280 billion at the end of 2023, with CAC 40 firms accounting for the vast majority of this (EUR 1,093 billion or 85%). Outside the CAC 40,

non-resident ownership of French listed firms has hovered at around 30% since 2017. Consequently, the rate of non-resident ownership of all French shares listed on Euronext was 45.7% in 2023 (see Chart 3).

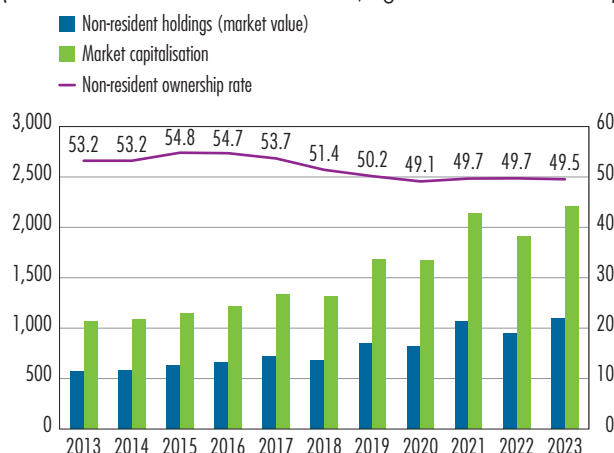
C2 Share of non-resident direct investments in the capital of French CAC 40 companies



Source: Banque de France (balance of payments).

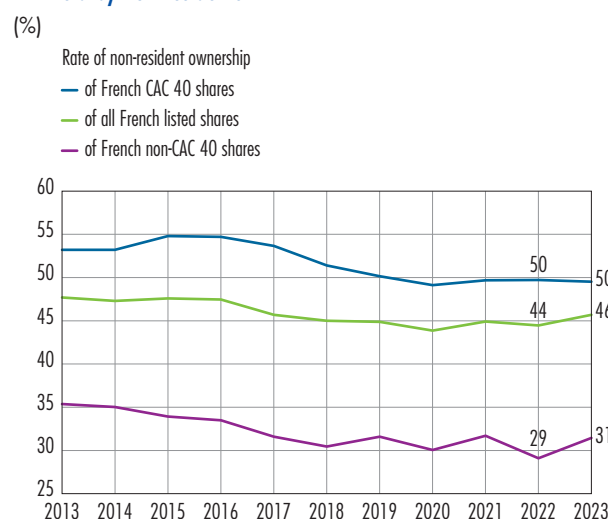
C1 Non-resident ownership of French CAC 40 companies

(left-hand scale: amount in EUR billions; right-hand scale: rate in %)



Sources: Banque de France (balance of payments) and Euronext.
Interpretation: At 31 December 2023, the French companies listed in the CAC 40 had a total market capitalisation of EUR 2,207 billion, of which 49.5% was owned by non-residents.

C3 Proportion of French listed companies' capital held by non-residents



Sources: Banque de France (balance of payments) and European Central Bank (quarterly sector accounts, securities issues statistics).

¹ Five CAC 40 companies are excluded from the scope of this study as their headquarters were not located in France at the end of 2023 (Airbus, ArcelorMittal, STMicroelectronics, Eurofins Scientific and Stellantis; see Appendix 1). The share of capital held by non-residents is calculated based on the composition of the index and the country of domiciliation of companies in the reference period. The composition of the index changed in 2023, with Edenred replacing Worldline.

² "Portfolio investments" refers to individual holdings accounting for less than 10% of the shares in a company. Above this threshold, holdings are considered to be "direct investments" for balance of payments purposes. A company may be majority-owned by non-residents but without any of these holdings constituting a direct investment if no individual stake exceeds the threshold of 10%.

BOX

Benchmark revision and upward adjustment of the ownership rate

Every five years, European statisticians jointly revise the balance of payments and national accounts time series, in an exercise commonly known as a benchmark revision. This benchmark revision is also an opportunity to improve methodologies and adjust primary data sources, while also producing series that are consistent over time and better describe economic flows. The figures published in summer 2024 using the new benchmark contain significant revisions (described in detail in Fact Sheet No. 1 of the Banque de France's 2023 balance of payments and international investment position.)¹ The corrections notably concern stocks of portfolio investments, which in turn affects the balance of non-resident equity holdings.

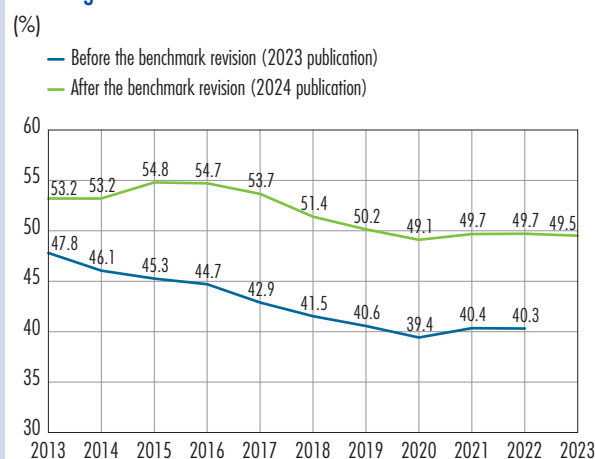
Under the previous benchmark, non-resident holdings were calculated using data reported by French custodians.² However, with the roll-out of the European securities settlement-delivery platform, Target2 Securities, from 2015 to 2017, the scope of non-resident securities registered with French custodians gradually diminished – especially as of 2018 – leading to an underestimation of ownership rates.

In accordance with the most recent international statistical recommendations, for balance sheet purposes, non-resident holdings of French equities are now calculated as the difference between total issuance of French equities and the amount of those equities held by French residents. This is because the statistical sources available to statisticians (primarily national) are deemed to contain better information on resident holdings.

The benchmark revision was an opportunity to change the methodology and, on one hand, estimate the gap caused by the missing data, and, on the other, calculate new historical series dating back to 2013.

As a result, non-resident equity holdings have been revised significantly upwards compared with resident holdings, leading to a sharp rise in the rate of non-resident ownership of French CAC 40 companies. The figure for 2022 is now 49.7%, compared with 40.3% using the old benchmark (see chart). Other indicators have also been affected, such as the number of companies more than 50%-owned by non-residents, which has risen from 12 to 18. This change of methodology brings France more into line with the other main euro area countries.

Non-resident ownership of French CAC 40 companies following the benchmark revision



Sources: Banque de France (balance of payments) and Euronext.

¹ Banque de France (2024), *Balance of payments and international investment position. Annual Report 2023*, p. 18.

² For more information on account custody activities - securities custody, see <https://www.banque-france.fr/en/publications-and-statistics/statistics>

T1 Breakdown of French CAC 40 companies according to share of capital held by non-residents and presence of direct investments (units)

Share of capital held by non-residents	Number of companies										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
0-30%	2	2	1	3	2	6	7	8	6	5	6
30-50%	14	13	14	15	12	11	11	9	9	11	11
More than 50%	20	21	21	17	20	19	18	20	20	19	18
Total	36	36	36	35	34	36	36	37	35	35	35
<i>o/w at least one non-resident shareholder owns more than 10% of the share capital</i>	9	10	11	11	6	7	8	8	7	7	7

Source: Banque de France (balance of payments).

Half of French CAC 40 companies are majority-owned by non-residents

As at 31 December 2023, 18 of the 35 French companies listed in the CAC 40 were more than 50%-owned by non-residents, 11 were 30-50%-owned by non-residents, and 6 were less than 30%-owned by non-residents. Seven French firms had at least one foreign direct investor (i.e. with a stake of over 10%; see Table 1). This breakdown has changed very little over the past few years.

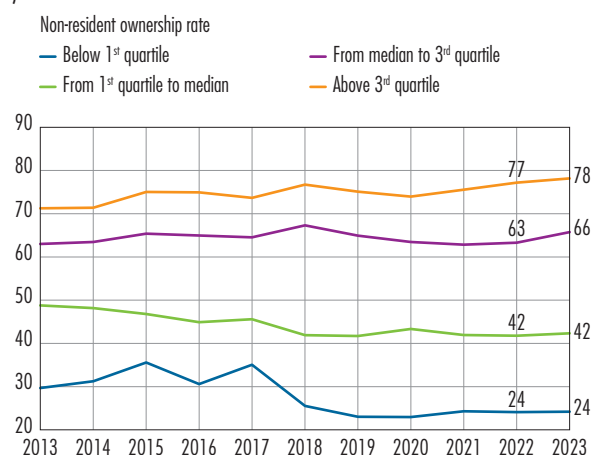
Moreover, the dispersion of non-resident ownership rates for French CAC 40 stocks remained stable in 2023 (see Chart 4). The average ownership rate for companies with the smallest foreign-held stake was 24%, while for those with the biggest foreign-held stake it was 78%.

Healthcare and utility firms have the largest foreign-held stakes

In 2023, non-residents reduced their overall stake in the consumer goods and services, healthcare and utilities sectors by 0.9 percentage point, and increased their stake in industry and energy by 1.7 percentage points, from 56.5% to 58.2%. Holdings in all other sectors were stable or declined very slightly. Non-residents continued to hold a majority stake in healthcare and utility firms, while their smallest stake was in consumer goods and services firms (see Chart 5).

C4 Average capital stake held by non-residents in French CAC 40 companies, by quartile

(%)

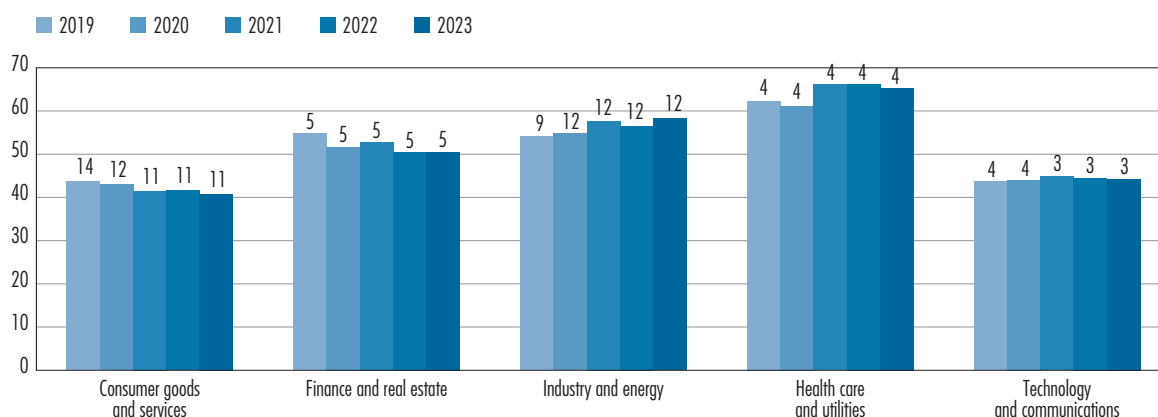


Sources: Banque de France (balance of payments) and Euronext.

Notes: French CAC 40 companies are broken down into quartiles (Q) according to the share of their rate of non-resident ownership. "Below 1st quartile" refers to the 25% of companies with the lowest rate of non-resident ownership, and "above 3rd quartile" shows the 25% of companies with the highest rate of non-resident ownership.

The average ownership rate is calculated as the average of the non-resident ownership rates of each company, weighted by capitalisation.

C5 Non-resident ownership of French CAC 40 companies, by sector (%)



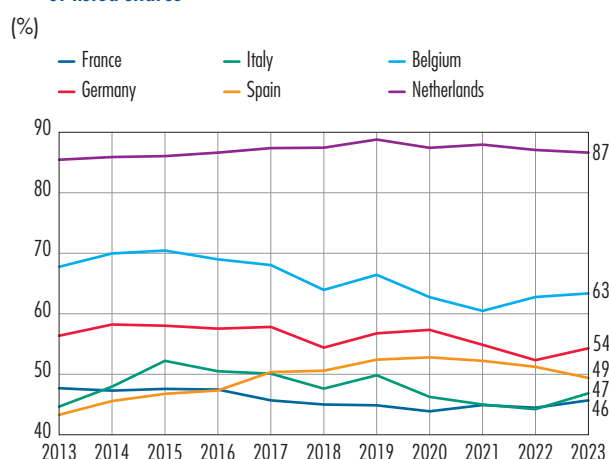
Source: Banque de France (balance of payments).

Notes: The sectors presented here are those defined in the Industry Classification Benchmark (ICB) used by Euronext. The figures at the top of each column show the number of companies in each sector in each year.

Non-residents have larger capital stakes in other European countries

At the end of 2023, non-residents held 45.7% of all French listed shares, less than the proportion held in all other major European countries (see Chart 6). In Germany, the non-resident ownership rate was 54%. The Netherlands continues to stand out, with 87% of its listed shares held by non-residents.

C6 International comparison of non-resident ownership of listed shares (%)



Source: European Central Bank (quarterly sector accounts, securities issues statistics).

Note: Only France significantly revised its data at the last benchmark revision.

In volume terms, France has the second-largest stock market capitalisation in Europe, as a share of GDP, after the Netherlands (100% and 130% of GDP respectively in 2023).

2 Sales and valuation effects offset each other in 2023, keeping the non-resident ownership rate stable on 2022

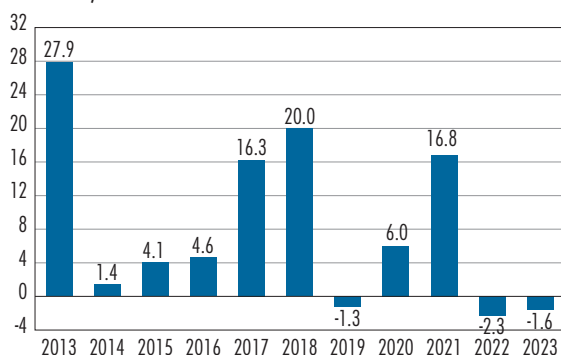
In 2023, non-residents were once again net sellers of French CAC 40 shares

In 2023, non-residents sold slightly more French CAC 40 shares than they purchased. Net flows were relatively modest at EUR -1.6 billion for the year (see Chart 7).

The sales mainly concerned firms with activities linked to consumer goods and services (see Chart 8), with foreign investors selling off EUR 4.3 billion of shares in the sector over the year. They were also net sellers of shares in financial and real estate firms, albeit to a lesser extent than for consumer goods and services (net sales of EUR 3.3 billion). In contrast, they were net purchasers of shares in industrial and energy firms, in the amount of EUR 5.6 billion, continuing a trend that has emerged over recent years. In the technology and telecommunications sector, sales and purchases offset each other.

C7 Net flows of non-resident purchases of French CAC 40 shares

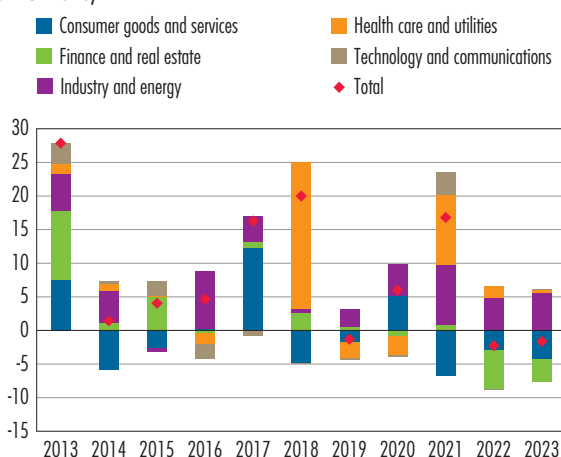
(EUR billions)



Source: Banque de France (balance of payments).

C8 Breakdown by sector of net non-resident purchases of French CAC 40 shares

(EUR billions)



Source: Banque de France (balance of payments).

Note: The sectors presented here are those defined in the Industry Classification Benchmark (ICB) used by Euronext.

The non-resident ownership rate remained stable: flow effects offset valuation effects

The change in the value of a basket of shares depends on the change in each share price (valuation) and the amount of shares purchased or sold (flows). Thus, the change in the non-resident ownership rate from one year to the next depends on two factors:

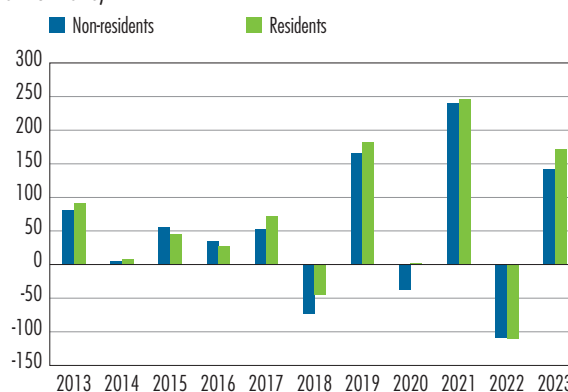
(i) The valuation of the stock of CAC 40 shares held by non-residents relative to the valuation of the stock held by residents. These valuations may differ because the two populations hold shares in different firms. For example, in 2023, the valuation of resident holdings of CAC 40 shares increased by more than the valuation of non-resident holdings, as shares held by residents performed better in the market than those held by non-residents (see Chart 9). All other things being equal, in 2023, these valuation effects had a negative impact of -0.71 percentage point on the non-resident ownership rate.

(ii) The relative net purchase/sale flows of the two investor groups. In 2023, resident investors sold a much higher net total of French CAC 40 shares than non-residents (EUR 18 billion compared with EUR 1.6 billion). All other things being equal, this made a positive contribution of +0.44 percentage point to the non-resident ownership rate.

Overall, non-resident ownership of French CAC 40 shares edged down by 0.19 percentage point between 2022 and 2023, as the valuation effect largely offset the flow effect (excluding scope effects, see Chart 10 and Appendix 2).

C9 Change in the valuation of CAC 40 shares held by residents and non-residents

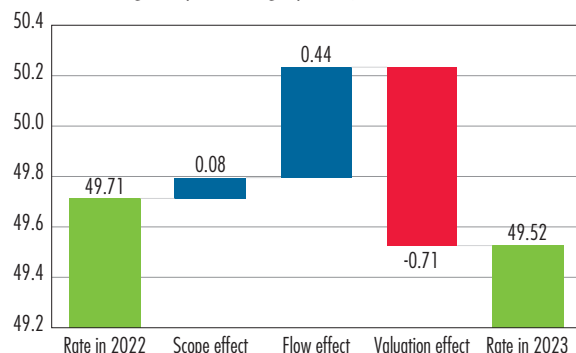
(EUR billions)



Source: Banque de France (balance of payments).

C10 Breakdown of the change in the non-resident ownership rate between 2022 and 2023

(rate in %, change in percentage points)



Source: Banque de France (balance of payments).

Notes: The non-resident ownership rate is the ratio between the stock of shares issued by French CAC 40 companies that are held by non-resident investors and total market capitalisation for the reference year. Scope effect refers to changes in the composition of the CAC 40. Flows are purchases/sales and issues of shares between 2022 and 2023, excluding valuation effects. The valuation effect reflects changes in the price of the shares held. Adjustments linked to other effects are negligible.

3 The proportion of euro area investors has declined since 2020

The International Monetary Fund's annual *Coordinated Portfolio Investment Survey* (CPIS),³ to which the Banque de France contributes, details individual countries' total holdings of French listed equities and investment fund shares combined (a much broader scope than that used in this article, which covers only listed equities).⁴

At end-2023, 39.5% of the French equities and investment fund shares owned by non-residents were held by euro area investors, down from 44.5% in 2020. Conversely, the proportion of US shareholders has risen over the past three years, and reached 36.6% in 2023, up from 32.8% in 2020.

T2 Geographical origin of non-resident holders of French listed shares and French investment fund shares

(%)

	Year-end ownership rates ^{a)}										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Euro area	40.9	41.8	42.4	44.6	44.8	45.0	43.6	44.5	44.0	42.1	39.5
o/w: Luxembourg ^{b)}	12.3	12.6	13.4	13.7	14.0	15.1	14.8	15.3	16.1	15.6	14.0
Germany	7.5	7.4	7.7	7.6	7.7	7.8	8.3	8.8	8.6	8.4	8.0
Italy	6.4	6.7	6.1	6.9	6.8	6.1	5.0	4.7	4.3	4.0	3.6
Ireland	3.1	3.4	3.6	3.4	3.3	3.3	3.6	4.0	4.4	4.4	4.5
United States	34.0	32.9	32.9	32.6	32.1	31.7	33.5	32.8	35.1	36.4	36.6
Norway	3.6	3.5	2.9	2.9	2.7	2.8	3.1	3.2	3.1	3.2	3.0
United Kingdom	8.8	8.6	8.0	6.5	7.5	6.6	5.4	4.3	3.3	2.9	4.7
Canada	2.8	2.7	2.6	2.8	2.7	2.7	2.7	2.2	2.3	1.9	2.2
Japan	2.3	2.9	2.9	2.7	2.5	2.5	2.6	2.5	2.3	2.3	2.1
Switzerland	2.8	2.8	2.5	2.2	2.2	2.1	2.1	2.2	2.1	2.1	2.1
Other ^{c)}	4.9	4.8	5.9	5.6	5.4	6.6	6.9	8.4	7.8	9.1	9.8
Total	100	100	100	100	100	100	100	100	100	100	100

Sources: Banque de France (balance of payments) and International Monetary Fund (*Coordinated Portfolio Investment Survey* – CPIS).

a) All holding sectors, including investment funds.

b) Luxembourg's percentage holding includes equities held by Luxembourg-based investments funds, shares of which may be owned by residents of other countries, including France.

c) The "Other" category mainly comprises Australia (1.4%) and Sweden (1.0%).

³ The CPIS survey conducted by the IMF provides data on the portfolio investment positions of almost 80 countries, broken down by security type (equities and investment fund shares, short and long-term debt instruments) and by counterparty country. Data and explanations concerning the CPIS can be found on the IMF's website: *Coordinated Portfolio Investment Survey*.

⁴ An investment fund allows investors to purchase a portfolio of securities. The place of residence and nationality of the investors holding investment fund shares are different from the nationality of the investment fund.

Appendix 1

Composition of the CAC 40 in 2023 and scope of the study

For a company to be included in the scope of the study, it must be listed in the CAC 40 index and the registered offices of its parent company must be located in French territory.

List of the 35 resident companies in the CAC 40 at 31 December 2023 and taken into account in this article

Air Liquide	Crédit Agricole	Kering	Publicis Groupe	Teleperformance
Alstom	Danone	Legrand	Renault	Thales
Axa	Dassault Systèmes	L'Oréal	Safran	TotalEnergies
BNP Paribas	Edenred	LVMH	Saint-Gobain	Unibail-Rodamco-Westfield
Bouygues	Engie	Michelin	Sanofi	Veolia Environnement
Capgemini	EssilorLuxottica	Orange	Schneider Electric	Vinci
Carrefour	Hermès International	Pernod Ricard	Société Générale	Vivendi

Source: Euronext.

Note: CAC 40 companies whose registered offices are located outside France (Airbus, ArcelorMittal, Eurofins Scientific, Stellantis and STMicroelectronics) are excluded from the scope of the study.

Appendix 2

Breakdown of flow/stock effects

The breakdown of flow/stock effects makes it possible to determine the change in the value of financial outstandings between two dates that is due to financial transactions carried out over the period, and the change that is due to existing stocks, i.e. variations in exchange rates and in the prices of assets.

The stock at end-2023 consists of the stock at end-2022 plus any transaction flows over 2023, to which are added fluctuations in stock market prices, any other adjustments and changes in scope. The table below quantifies these different elements in order to show how they affected the change in outstandings between 2022 and 2023.

The main symbols used in this appendix are:

$S_i^{(j)}$	Stock of French CAC 40 shares held by non-residents at the end of year i , estimated at market value at the end of year j .
$C_i^{(j)}$	Market capitalisation French CAC 40 shares at the end of year i , estimated at market value at the end of year j .
$CS_i^{(j)}$	Impact of the change in scope over year i on the stock of shares held by non-residents, calculated at market value for year j .
$CC_i^{(j)}$	Impact of the change in scope over year i on the stock market capitalisation of the CAC 40 at market value for year j .
$F_R^{(j)}$	Net flow of purchases/sales of CAC 40 shares by French residents in year i , calculated at market value at the start of year j .
$F_{NR}^{(j)}$	Net flow of purchases/sales of CAC 40 shares by non-residents in year i , calculated at market value at the start of year j .

TA1 Non-resident ownership of French CAC 40 share

(EUR billions)

	2022 stock	Change in scope	Net non-resident flows in 2023	2023 stock
	$S_{22}^{(22)}$	$+ CS_{23}^{(22)}$	$+ F_{NR,23}^{(22)}$	$= S_{23}^{(22)}$
Change in stock in 2023, excluding price variations	949.9	2.8	-1.6	951.0
	$\Delta S_{22}^{(22)}$	$+ \Delta CS_{23}^{(22)}$		$= \Delta S_{23}^{(22)}$
Change in prices in 2023	137.9	4.4		142.2
	$S_{22}^{(23)}$	$+ CS_{23}^{(23)}$	$+ F_{NR,23}^{(23)}$	$= S_{23}^{(23)}$
Change in stock in 2023 including price variations	1,087.7	7.1	-1.6	1,093.2

TA2 Total market capitalisation of French CAC 40 companies

(EUR billions)

	2022 capitalisation	Change in scope	Net resident flows in 2023	Net non-resident flows in 2023	2023 capitalisation
	$C_{22}^{(22)}$	$+ CC_{23}^{(22)}$	$+ F_R,23^{(22)}$	$+ F_{NR,23}^{(22)}$	$= C_{23}^{(22)}$
Change in market capitalisation in 2023 excluding price variations	1,910.7	2.4	-18.3	-1.6	1,893.2
	$\Delta C_{22}^{(22)}$	$+ \Delta CC_{23}^{(22)}$			$= \Delta C_{23}^{(22)}$
Change in prices in 2023	308.8	5.4			314.2
	$C_{22}^{(23)}$	$+ CC_{23}^{(23)}$	$+ F_R,23^{(23)}$	$+ F_{NR,23}^{(23)}$	$= C_{23}^{(23)}$
Change in market capitalisation in 2023 including price variations	2,219.5	7.8	-18.3	-1.6	2,207.4

TA3 Breakdown of the change in the non-resident ownership rate between 2022 and 2023

(%)

Scope	Non-resident (NR) flows	Prices	Adjustments	Calculation formula	Non-resident ownership rate	
Constant	Excluding NR flows	Constant	Excluding adjustments	$S22^{(22)} / C22^{(22)}$	49.71	T1
Modified	Excluding NR flows	Constant	Excluding adjustments	$[S22^{(22)} + CS23^{(22)}] / [C22^{(22)} + CC23^{(22)}]$	49.79	T2
Modified	Including NR flows	Constant	Excluding adjustments	$[S23^{(22)}] / [C23^{(22)}]$	50.23	T3
Modified	Including NR flows	Current	Excluding adjustments	$[S22^{(23)} + CS23^{(23)} + F_{NR}23^{(23)}] / [C23^{(23)}]$	49.52	T4
Modified	Including NR flows	Current	Including adjustments	$[S23^{(23)}] / [C23^{(23)}]$	49.52	T5

The impacts of changes in scope are calculated at constant prices, before taking into account non-resident flows and adjustments (R2 – R1).

The impacts of non-resident flows and changes in valuation are calculated after taking into account changes in the scope of the index (R3 – R2 for flows and R4 – R3 for valuation effects).

The impact of adjustments is calculated after taking into account all other effects (R5 – R4).

TA4 Measurement of the respective contributions of scope, flow, valuation and adjustment effects

(rate in %, change in percentage points)

Non-resident ownership rate in 2022	49.71
+ Change in scope	0.08
+ Flows	0.44
+ Valuation	-0.71
+ Adjustments	0.00
= Non-resident ownership rate in 2023	49.52

Published by
Banque de France

Managing Editor
Claude Piot

Editor-in-Chief
Claude Cornélis

Editor
Alexandre Capony

Translator/English Editor
Vicky Buffery

Technical production
Studio Creation
Press and Communication
ISSN 1952-4382

To subscribe to the Banque de France's publications
<https://www.banque-france.fr/en/alertes/abonnements>

