Doing Business in France:

2017 Country Commercial Guide for U.S. Companies


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Doing Business in France

Market Overview

The U.S.-French commercial and economic alliance is one of the United States’ oldest and closest. The United States and France established diplomatic relations in 1778 and the United States’ first trade agreement, the Treaty of Amity and Commerce between the United States and France, was signed that year. Relations between the United States and France have remained active and friendly. Our countries share common values and have similar policies on most political, economic, and security issues. Differences are discussed frankly and have not generally been allowed to impair the pattern of close cooperation that characterizes relations between our two countries.

Trade and investment between the United States and France are strong. On average, over $1 billion in commercial transactions, including sales of U.S. and French foreign affiliates, takes place every day. U.S. exports to France include industrial chemicals, aircraft and engines, electronic components, telecommunications, computer software, computers and peripherals, analytical and scientific instrumentation, medical instruments and supplies, and broadcasting equipment. The United States is the top foreign destination for French investment and the United States is the largest foreign investor in France. The United States and France have a bilateral convention on investment and a bilateral tax treaty addressing, among other things, double taxation and tax evasion.

With a GDP of approximately $2.42 trillion in 2016, France is the world’s sixth-largest economy and the EU’s third largest economy after Germany and the UK. It has substantial agricultural resources and maintains a strong manufacturing sector, despite a recent decline. A dynamic services sector now accounts for an increasingly large share of economic activity and is responsible for most job creation in recent years. France initiated the G-20, is host to the OECD, and is a member of the G-7, the European Union, and the World Trade Organization, confirming its status as a leading economic player in the world.

In 2016, France was the 8th largest trading partner of the United States. The U.S. currently has a goods deficit with the European Union, with France responsible for 10.8% (15.8 billion) of that total figure. In 2016, the U.S. had a services surplus of $3.5 billion with France.
In May 2017, France elected a new President, former Minister of the Economy Emmanuel Macron. Macron broke from French political tradition to form his own, centrist political party - La République en Marche. After winning the presidency by a relatively large margin, Macron appointed a center-right prime minister, and a diverse cabinet drawing from multiple political parties.

Emmanuel Macron ran on a pro-European Union platform and has emphasized the importance of strengthening the Franco-German partnership. President Macron pledges to make France more business friendly and lower corporate taxes, especially for SMEs. He plans a wide range of reforms to labor law, including keeping the legal work week at 35 hours but allowing employers more flexibility in negotiating real work hours for employees. He has also called for greater investment in expanding France’s digital economy, which has already become an important source of French economic and employment growth.

**Market Challenges**

U.S. firms must currently navigate national and European regulations and standards for selling products into France. The French often interpret existing EU regulations more stringently than other Member states and regulate in areas where the EU has not yet proposed legislation. For example, France has passed significant digital sector legislation ahead of EU-wide efforts in that area and has been among the most active EU member states in fining online platforms, both U.S. and European, for violating data protection laws.

Another challenge for U.S. firms is dealing with highly concentrated retail distribution chains and networks. Many French global manufacturers and suppliers exercise strong control over these retail networks, with well-organized buying offices that have put in place very stringent selection processes for new suppliers, products and services. High retail mark-ups combined with innovative and creative marketing approaches are prerequisites to enter the French retail market.

British exit from the European Union (Brexit) may pose uncertainty for companies as they seek to understand how the 2019 departure will ultimately affect business. France has
been actively trying to attract companies across multiple sectors to transfer operations from the United Kingdom to France, touting the country’s location in Europe, high quality of life, and educated labor force.

**Market Opportunities**

France is an economically developed nation with a large, diverse and sophisticated consumer base. While manufacturing has declined as a percent of GDP, many of France’s remaining industries, such as aerospace and pharmaceuticals, are still world leaders and receptive to foreign partners and suppliers. Its comparatively affluent populace is a leading consumer of services, particularly in the digital, educational and travel sectors.

Key sectors of the French economy include aerospace, food products, pharmaceuticals, microelectronics, logistics, and healthcare equipment. Call centers, biotechnology, telecommunications, information and communication technology, E-commerce, E-mobility, smart manufacturing, smart cities and environment are other sectors with high potential.

The French market for food products is mature, sophisticated, and well served by suppliers from around the world. An increasing interest in American culture, younger environmentally-conscious consumers, and changing lifestyles contribute to France’s import demand for American consumer and food products.

A full report, prepared by the US Department of Agriculture’s (USDA) Foreign Agricultural Service for U.S. exporters of food products can be viewed at:

[http://www.usda-france.fr/market-information.htm](http://www.usda-france.fr/market-information.htm)

**Market Entry Strategy**

In general, the commercial environment in France is favorable for sales of U.S. goods and services. Marketing products and services in France is similar to the approach in the United States, notwithstanding some significant cultural differences and certain legal and regulatory restrictions. While French buyers can be receptive to new and innovative products, there is a tendency to stick with known local suppliers. Competition can be
fierce but local partners are readily available in most sectors and product lines. U.S. companies should be prepared to invest marketing resources in launching a new brand or product in France.

Like in many European countries, traditional distribution channels are being disrupted by new players in the digital and sharing economy. Many U.S. firms are doing well in this space, as well as a growing number of local competitors.

In addition to this Country Commercial Guide, the US Commercial Service office in Paris offers many services and customized solutions designed to assist you in developing your market entry strategy and to facilitate your exports to France. For a detailed description of these services please visit: http://export.gov/france/
Political Environment
Political Environment in France: https://www.state.gov/p/eur/ci/fr/
Selling US Products & Services
Using an Agent to Sell US Products and Services

U.S. firms entering into agent/distributorship/franchise agreements with French firms should ensure that the agreements they put into place are in accordance with EU and French legislation as outlined in the French Code du Commerce.

Key link:  [http://www.legifrance.gouv.fr/Traductions/en-English/Legifrance-translations](http://www.legifrance.gouv.fr/Traductions/en-English/Legifrance-translations)


U.S. firms developing or terminating trade relationships with French companies should always rely on legal advice from competent legal firms. Lawyers, consultants and specialists on both the French and U.S. business environments can be found on the American Embassy in France website.

Key link:  [http://france.usembassy.gov/living_in_france.html](http://france.usembassy.gov/living_in_france.html)


Companies wishing to use distribution, franchising, and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent’s remuneration, and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.
The European Commission’s Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of “vertical agreements.” U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as “agreements of minor importance,” meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized. The EU has additionally indicated that agreements that affect less than 10% of a particular market are generally exempted (Commission Notice 2014/C 291/01).

The EU also looks to combat payment delays. The new Directive 2011/7/EU, which replaced the current law in March 2013, covers all commercial transactions, both public and private sector, within the EU, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8% above the European Central Bank rate) as well as €40 as compensation for recovery of costs. For business-to-business transactions, a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Companies’ agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national
centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

http://ec.europa.eu/solvit/site/about/index_en.htm

Establishing an Office

Establishing a subsidiary/branch office in France is advisable for some industries. The French government encourages the formation of new enterprises. In conjunction with the Paris Chamber of Commerce, chambers throughout the country and business incubators, the French government offers extensive counseling and assistance in setting up an office in France. Detailed “how to” guides are available from the various chambers of commerce and numerous American consulting firms present in France.

Key Link:

http://sayouitofrance-innovation.com/?lang=en

Local Centers for Setting-up a Company - Chambers of Commerce and Industries
http://www.cci.fr/
http://www.cci.fr/web/formalites-de-creation

Franchising

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. The laws that govern the operation of franchises within the EU are fairly broad and generally do not constrain the competitive position of U.S. businesses. The potential franchisor should take care to look not only at the EU regulations but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the European Franchise Federation:  http://www.eff-franchise.com/spip.php?rubrique2
The French franchise sector ranks first in Europe in terms of sales and has doubled over the last ten years. Although very competitive with 1,900 franchisors and 71,518 franchisees, the French market offers many opportunities for innovative U.S. franchises. 7% of franchises operating in France are foreign, of which 22% are American. In 2016, total franchising sales were estimated at $61 billion (€55.01 billion). The potential remains for U.S. franchisors to explore additional sectors, such as gourmet fast-food, personal service, household duties, school tutoring, child or elder care, and renovation services. However, it is important to note that for the past 30 years, direct investment or area development expansion methods have proven more successful in France than the traditional Master Franchise model.

Key Links:

**Direct Marketing**

There is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffer for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance-selling and online commerce. In addition, it is important for exporters relying on a direct-selling business model to ensure they comply with member state requirements.

The European e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers, and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the
Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link:  http://ec.europa.eu/internal_market/e-commerce/index_en.htm

**Joint Ventures/Licensing**

Joint venture and licensing agreement can cover versatile arrays of partnership activities in the context of the French legislation that is consistent with EU directives.

Key Links:

French Code of Commerce  http://www.legifrance.gouv.fr/

Other codes of French legislative regulations can be accessed to by topic at: http://www.legifrance.gouv.fr/

Lawyers, consultants and fiscal specialists, in both the French and U.S. business environment, can be found among the members of business organizations such as:

The American Chamber of Commerce in France:  
http://www.amchamfrance.org/fr/business_center/doing_business_in_france

The European-American Chamber of Commerce in France:  http://www.eaccfrance.com/

The French-American Chamber of Commerce in the United-States: 
http://www.faccnyc.org

**Selling to the Government**

The French Government generally follows EU procurement regulations that are adopted into French regulations: The French Government Portal for French Government tenders, “La PLACE” is the platform for the French public administrations’ procurement procedures. It enables companies to view and respond to consultations issued by French governmental agencies and sub-agencies in the central administration and decentralized
services, public institutions within them, as well as Chambers of Commerce and Industry and the Union of public purchasing groups, “UGAP”.

Key link: https://www.marches-publics.gouv.fr/.

French government uses Tenders Gazette and Boamp.fr, to disseminate French public tenders launched by the government, the military, regions, departments, municipalities and institutions in France. It enables tracking and access to business opportunities for companies. It offers practical tools to understand the rules of public orders in France:

Key links: http://www.boamp.fr/
http://www.boamp.fr/Espace-entreprises/Comment-repondre-a-un-marche-public/Sommaire
Key link to the Public procurement Legal department of the French Ministry of Economy: http://www.economie.gouv.fr/daj/commande-publique

Policies governing the public procurement market in the EU have recently been revised and a new legislation on concession has also been adopted. Consequently, currently there are four relevant legislations, these are:

Directive 2014/24/EU (replacing Directive 2004/18/EC) on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts applies to the general sector;

Directive 2014/25/EU (replacing Directive 2004/17/EC) coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors;

Directive 2009/81/EC on defense and sensitive security procurement. This Directive sets Community rules for the procurement of arms, munitions and war material (plus related works and services) for defense purposes, but also for the procurement of sensitive supplies, works and services for non-military security purposes;
Directive 2014/23/EU on the award of concession contracts. A concession contract (either for the delivery of works or services) is conducted between a public authority and a private enterprise that gives the right to the company to build infrastructure and operate businesses that would normally fall within the jurisdiction of the public authority (e.g. highways).

The latest indications on the size and value of the EU’s public procurement market are from 2011, which give an estimate of $340 billion - €440 billion. More details on the size of the EU public procurement market are available in the European Commission’s “The Annual Public Procurement Implementation Review” as well as the OECD’s “Government at a Glance” report:


The EU has three remedy directives imposing some common standards for all Member States to abide by in case bidders identify discriminatory public procurement practices. The U.S. and the EC are signatories to the World Trade Organization’s (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds:


There are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in EU coverage of the GPA. Article 85 of Directive 2014/25 allows EU contracting authorities to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% or give preference to the EU bid if prices are equivalent (meaning within a 3% margin). Moreover, the Directive allows EU contracting authorities to retain the right to suspend or restrict the award of service contract to undertaking in third countries where no reciprocal access is granted.
There are also restrictions in the EU coverage of the GPA that apply specifically to U.S.-based companies. U.S. companies are not allowed to bid on works and services contracts procured by sub-central public contracting authorities in the following sectors:

- The water sector
- Airport services
- Urban transport sector as described above and railways in general
- Dredging services and procurement related to shipbuilding

While authorities of EU member states have to apply EU Public Procurement Directive when procuring goods and services, the EU institutions follow different procurement rules, as explained in our reports on “Selling goods and services to the EU institutions - Update 2014” and “Tenders for Government Contracts in the EU”:

http://export.gov/europeanunion/marketresearch/index.asp

**Distribution & Sales Channels**

The distribution sector includes all activities supplying goods and services to consumers. This includes e-commerce, retail business, hypermarkets/supermarkets and specialty store. With over 508,000 firms, 3.4 million employees and a consolidated turnover of over $548 billion, retail and distribution is an important, dynamic, highly sophisticated and competitive sector of activity in France with a versatile array of cutting-edge marketing and selling concepts. Retail industry interests are well represented by a federation of industry specific retail associations, “Conseil du Commerce de France”, that issues an Extensive Survey of Retail Trade in France in close cooperation with the French statistical agency INSEE every year.

One of the challenges for U.S. SMEs interested in breaking into the French market is dealing with highly concentrated retail distribution chains and networks, as well as occasional French global manufacturers/suppliers that have strong control over the retail networks they are using. In many sectors, independent wholesale/retail outlets are disappearing rapidly and being replaced by retail distribution chains and networks that have significant market shares in France, but also in the other neighboring European Union territories. Many of these large retail networks have extremely well organized buying offices that have put very stringent selection processes in place for products and services distributed. High retail mark-up, ongoing competitive market innovation, and creativity, combined with constantly changing theme designs are prerequisites to keep up with retail
trends. Complete data on buying offices of French key retail networks (all sectors inclusive) can be acquired from Panorama Trade Dimensions. American Embassy Paris U.S. Foreign Commercial Service Consumer Goods and Distribution Retail Trade Specialists, Caroline.deVilloutreys@trade.gov and Rose-Marie.Faria@trade.gov can assist U.S. firms approaching the French retail market operators.

- **The Retail Network Food & Non-Food:**

  France possesses a diverse and comprehensive retail network, which increasingly resembles that of the United States, from the largest department store chains to the smallest individual proprietorships. French distribution channels are demonstrating some significant new trends that could affect how products are sold in France. Small- and medium-sized family-owned firms, which traditionally accounted for a majority of French wholesale and retail trade, are rapidly losing ground to hypermarkets—large retail outlets carrying a wide variety of products at discounted prices. At the same time, direct marketing, Internet sales, and specialized chain stores have shown strong growth.

- **The Retail Distribution Food & Non-Food:**

  France’s retail distribution network is diverse and sophisticated. The food & non-food retail sector is generally defined by six types of establishments: 1) hypermarkets, 2) supermarkets, 3) hard discounters, 4) convenience, 5) gourmet centers in department stores, and 6) traditional outlets.

  - **Hypermarchés:**

    Hypermarchés are defined as stores with a minimum selling area of 2,500 square meters. French hypermarkets offer 25,000-40,000 products for sale at competitive prices, of which 3,000-5,000 food items and 20,000-35,000 non-food articles. Generally located in suburbs, they cover a total sales area of 11.1 million square meters. As of 2015, there were 2091 hypermarkets, employing over 330,574 people. The top five hypermarket companies are Leclerc, Carrefour, Intermarché, Système U, Casino, and Auchan.

  - **Supermarchés:**

    Supermarchés are smaller versions of hypermarkets, with a selling area between 400 and 2,500 square meters. They usually carry 3,000-5,000 items, of which 500-1,500 are non-food products, and cover a total sales area of 7.4 million square meters. As of 2015, there were 5,746 supermarkets, employing over 166,587 people. The top four supermarket companies are Intermarché, Carrefour, Casino and Systeme U.
• **Convenience Stores (Magasins de proximité):**

Convenience stores are generally located in city centers of small-to-medium size towns. They are self-service stores run by one or two independent operators, i.e., individuals not paid by the distribution group. Currently, there are 2,587 outlets representing no more than 3% of total food sales. Since around 2009, convenience stores have become more popular and Hypermarket/supermarket chains began creating local convenience stores with their brands, such as Carrefour City, Carrefour Contact, U Express, and Monop’/DailyMonop’.

• **Click & Drive:**

Click and Drive has become popular among consumers over the past few years. Thanks to increasing internet accessibility, stores such as Le Drive Intermarché, Leclerc Drive, Carrefour Drive, Leader Drive and Auchan Drive have met the high demand for convenient shopping by offering services that allow a consumer to order groceries online that will be ready for pick-up. In 2015, there were 2,695 click and drive services -1,916 more than 2012. Le Drive Intermarché dominates the market with a total of 719 click and drive centers, followed by E. Leclerc Drive with 576. Over the past few years, the number of click and drive centers has increased tremendously and is expected to continue increasing of the coming years.

• **Department Stores (Grands magasins):**

The number of Department stores has been declining over the past few years and currently accounts for 86 department stores employing over 23,199. Paris has the most department stores of any French city with six of the ten top-selling stores located within the city.

Department stores have lost some market share in all areas except in the medium-to-high price range. A unique feature of the French department store is that many non-food products are sold by the branded-mark’s own sales staff, which can account for up to 20% of the store’s total sales force. Some department stores in Paris such as Galeries Lafayette, Au Printemps, and Le Bon Marché have gourmet food sections. Although they do not account significantly for total food sales in France, they set the quality standard for product presentation.

• **Discounters (Magasins discount):**
Compared to hyper/supermarkets, hard discount stores offer a smaller range of goods for lower prices. At the end of 2015, there were 4,334 hard discount stores in France. The top four hard-discount companies are Lidl, Aldi, Dia (former Ed), Leader Price. Despite the economic crisis, the hard discount stores did not gain substantive market shares and actually decreased in number of stores. Conventional supermarkets/hypermarkets have heavily stocked their low prices shelves in order to hinder the hard discount expansion.

- **Large Specialized Stores (Grandes surfaces spécialisées):**

  Large specialized stores offer an extensive choice of goods in a specific category at a competitive price and with an emphasis on customer service. This dynamic sector included over 13,400 stores in 2012, including such store categories as toys, health and beauty, gardening, and media/books/music. Textiles are the most numerous (3,550), followed by do-it-yourself equipment stores (2,355) and beauty/heath stores (2,398).

- **Multi-Channel Retail Groups (Groupes de distribution multicanaux):**

  The distinctions made above between hypermarket chains, supermarket chains, etc., are becoming blurred. In recent years, major multi-channel retail groups owning chains of different types of stores have emerged. Pinault-Printemps and Nouvelles Galeries Réunies fall into this category, because they own chains of specialty and convenience stores.

- **Traditional Retail Food Outlets (Magasins de détails traditionnels):**

  Traditional outlets include a broad array of establishments, from corner grocery stores, bakeries, and neighborhood butcher shops, to open air markets, to frozen and gourmet food stores. The aggressive expansion of mass distribution outlets threaten these traditional outlets, which account for some 20% of the country’s total retail food distribution. To survive, these outlets must have flexible store hours, product variety, and special services such as home delivery.

- **Gas Station-Marts (Boutiques de stations d’essence):**

  Gasoline companies, having lost about 60% of their gas sales to hypermarkets, have equipped their gas stations with small, self-service food stores. These outlets are frequently used for stop-gap purchases and accounted for about 1% of French food sales.

- **Central Buying Offices (Centrales d’achats):**
In addition to contacting the largest store chains listed above, introducing products via central buying agencies is an excellent distribution method. A complete list of French central buying agencies, the Atlas de la Distribution, is from:

L.S.A · Libre Service Actualités (Groupe GISI)
Tel: +33(0) 1.77.92.92.78
Website: http://www.lsa-conso.fr/

Mass retail distribution Directory:
Tel: +33(0) 1.34.41.62.50
Fax: +33(0) 1.34.41.62.51
Website: http://www.panorama-tradedimensions.com/


Express Delivery

Express Delivery Service is a highly developed industry within the French economy. There are several companies, operating both domestically and internationally, that have been established in this industry since the growth of express delivery services. These include the following: DHL, FedEx, UPS Express, TNT Express, Chronopost, and La Poste. These companies ship packages domestically and internationally, provide a wide range of delivery options and prices, and have grown significantly as a result of the rise in e-commerce. In France, e-consumers buy around 13.5 parcels per year for a total of over 400 million parcels. Across France, the road express delivery market is valued at over 43 billion Euros.

Sources: http://www.e-tlf.com/dossiers-tlf/chiffres-cles/
https://halshs.archives-ouvertes.fr/halshs-00853932/document

Selling Factors & Techniques
Selling your product or service in France is similar to the United States. Buying decisions are made on the basis of quality, price, and after-sales service. One principal difference in France that should be noted is language. Since August 1994, the "Loi Toubon" requires that all advertising, labeling, instructions, and promotional programs be in French, so we strongly recommend close contact with the Commercial and Agricultural sections in the Embassy, as well as arranging for local legal representation.

Key links: French legislation: Commercial Code:

http://www.legifrance.gouv.fr/Traductions/en-English/Legifrance-translation

eCommerce

- Overview

French B2C commerce of products and services is one of the largest markets in the world, ranking second in Europe and fifth in the world in terms of online consumption in 2016. The market grew by 14% between 2015 and 2016 representing a good opportunity for U.S. retailers that have unique products and services to offer. U.S. firms tend to do well selling products and services to the French via eCommerce. In fact, although the U.S. has a trade deficit with Europe, digital services, including eCommerce sales, are where we see a significant trade surplus of $71 billion for the year ending in 2015.

The U.S. Commercial Service sees the French eCommerce market as a sizable opportunity for U.S. retailers in virtually every category. The French are fond of American culture and tend to enjoy our brands. Many firms begin by testing the market directly from their U.S. site, or using Amazon or a similar French marketplace to gauge interest. Online marketplaces are beginning to disrupt industries where traditionally starting with a distributor or sales agent would have been advisable.

For U.S. SMEs operating without a presence in Europe, it is important to understand the basic rules and regulations for selling to consumers in the market. While we expect that the Digital Single Market strategy (see below) will assist U.S. firms in adhering to one single set of rules and regulations across Europe, U.S. firms currently have to navigate national and European regulations and standards for selling products online. The French tend to interpret existing EU regulations stringently, or tend to regulate in areas where the EU has not yet proposed legislation. For example, a number of recent online players, both U.S. and European, have been fined in France for violating rules such as the
protection of consumer’s data privacy or advertising “online sales” outside of permitted holiday periods.

When approaching the EU market, U.S. Commercial Service recommends starting small and selecting the markets that show the most potential. France may be attractive not only because of the size of the market, but the effect that Brexit may have on currency fluctuations and shipping costs from the UK to the rest of the continent. If a firm determines that the French market represents a good opportunity, seek out local service providers and experts that can help with a digital marketing strategy. The U.S. Commercial Service in Paris can be a good starting point.

• Current Market Trends

A couple of trends are becoming more important in the B2C e-commerce, including m-commerce (smartphones and tablets), the “click-and-collect” or “click-and-reserve” options, the multichannel approach (web-to-store or store-to-web), the CtoC and social commerce.

The “click-and-collect” option for general products and grocery stores in particular has grown significantly in the past years and food grocers for example are implementing larger number of sites offering this purchasing option. The “premium” delivery subscription, just like Amazon Premium, is also developing at a fast pace. The “click-and-reserve” option is well received and already widely used in the fashion sector.

The sharing economy and its platforms are also trending in France with 60% of internet users using it for renting homes, car sharing, grouping purchases from producers (i.e. vegetables), with popular global brands such as Airbnb and Uber and local players such as BlaBla Car.

Another growing trend for e-merchants is the use of market places; their sales grew by 46% in one year and represent 26% of their total sales volume. Marketplaces now account for 9% of online purchasing and are estimated to represent more than $3.3 billion (€ 3 billion) in sales.

The shared economy has not bypassed France, with 60% buying or selling products directly with each other on websites such as Le Bon Coin.

• Domestic eCommerce (B2C)
In 2016, almost 37 million French people shopped online, which represents 80% of internet users. The average online transaction in 2016 was around $77 (€70) and online shoppers tend to shop more frequently, approximately 28 times a year, for a total amount spent of around $2,213 (€2,000) in 2016. Online shoppers purchase mainly clothing (57%), cultural products (52%), travel packages (43%), and high tech products (42%). Most of the sales volume, however, occurs in tourism (32%), clothing (10%), home equipment (7%) and click-and-collect grocery products (7%).

- Cross-Border eCommerce

B2C shopping abroad is also becoming more popular; there is a growing share of cross-border online purchases taking place, although not as high as in other parts of Europe. In 2016, 46% of French online shoppers bought from foreign e-merchants and 50% of e-merchants established in France received orders from customers located abroad.

- B2B eCommerce

Just over 20% of French companies make purchases electronically (via a website 7% or via a digital data exchange system-EDI - 11%) which represents 18% of the total amount of sales to professionals (B2B). This market accounts for $553 billion and is expected to grow significantly in the next coming years. In 2015, most of the transactions were made in travel and transportation purchases (53%), followed by a few sectors such as boating equipment and supplies (33%), computer supplies (30%), medical supplies (25%).

- eCommerce Intellectual Property Rights

France is a strong defender of intellectual property rights. US firms should refer to this Country Commercial Guide’s Intellectual Property section and the local Code of Intellectual Property for further information:

https://www.legifrance.gouv.fr/Traductions/en-English/Legisfrance-translations

- Popular eCommerce Sites

Popular e-commerce sites in France include Amazon, Cdiscount, Fnac, Ebay, Voyages SNCF (travel and train tickets) and Price Minister.
Online Payments

In France, 80% of online purchases are paid using debit cards tied to their bank account. The French are not accustomed to using credit cards to pay with credit. The French use other means of online payments which include electronic wallets (42%), gift vouchers (28%), virtual bank cards (16%), installment payments at no charge (15%), and 14% by direct debit authorization. Note when shopping outside of the EU, French consumers must pay an import fee for any goods purchased with the price above 22 Euros.

Mobile eCommerce

In 2015, 6.6 million people made a purchase through their mobile phone, representing a total market of $7 billion. Sales on mobile phones and tablets continue to grow very fast and they already account for 25% of total sales on the major eCommerce platforms.

Major Buying Holidays

The major holidays driving purchases in France include Christmas, Mother’s Day (last Sunday of May), Father’s Day (second to last Sunday in June), and Valentine’s Day. In addition, seasonal sales (“les soldes”) run for six weeks in early January and again in the summer from late June. The popular American sales date of “Black Friday” does not exist in France. The dates for sales moreover, whether online or in stores, are determined by French Trade Law.

Social Media

Social media is becoming significantly relevant for French users. The trend for firms is to be present products on various social media platforms, and to continue being active with
content and recommendations. Facebook is still the premier choice for e-merchants followed by Instagram and Twitter. In France, monthly visitor to popular social media sites are as follows:

You Tube 49 million,
Facebook 30 million,
LinkedIn 14 million,
Twitter 13.9 million,
Instagram 13.5 million,
Snapchat 10 million,
Viadeo 10 million and (French competitor to LinkedIn),
WhatsApp 9.4 million.

- The European Union’s Digital Single Market Initiative

Creating a Digital Single Market (DSM) is one of the ten priorities of the European Commission (EC). The overall objective is to bring down barriers, regulatory or otherwise, and to unlock online opportunities in Europe, from e-commerce to e-government. By doing so, the EU hopes to do away with the current 28 fragmented markets and create one borderless market with harmonized legislation and rules for the benefit of businesses and consumers alike throughout Europe. Although the primary goal is to foster innovation and assist European SMEs, U.S. firms are poised to also benefit from the single digital market concept.

The EC set out its vision in its May 6, 2015 DSM Strategy which has been followed by a number of concrete legislative proposals and policy actions. They are broad reaching and include reforming e-commerce sector, VAT, copyright, audio-visual media services, consumer protection, and telecommunications laws. Most of these proposals are currently going through the legislative process. DSM-related legislation will have a broad impact on U.S. companies doing business in Europe.

For more information, visit the European Country Commercial Guide or the following links:


DSM Strategy:


The French regulatory environment is following the European Union “Electronic Commerce Directive (2000/31/EC) as mentioned in the section “Direct Marketing” above, providing rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as providing contact details on their website, clearly identifying
advertising and protecting registrants against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers and released a report on implementation of the action plan in 2013.

Key Link: http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

- Data Privacy and Protection

**Current Situation: the New General Data Privacy Regulation**

The EU data privacy framework is currently going through a legislative transition.

The currently applicable legislation is the Data Protection Directive (95/46/EC) adopted in 1995. It spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. Data subjects must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter.

On May 4, 2016, the EU adopted a new piece of legislation called the General Data Protection Regulation (GDPR). The GDPR will replace the 1995 Data Privacy Directive. However, there will be two-year transition period to allow companies and organizations (including those U.S. entities that receive data from European customers) to comply with the numerous new requirements introduced. The transition period will end on May 25, 2018.

The GDPR is broad in scope and applies to all companies who collect, process, and/or store the personal data of European citizens regardless of whether or not a company has a physical presence in Europe or directly provides goods or services to European customers.

Among the many requirements are: erasure for data subjects, an obligation for organizations to obtain “affirmative and unambiguous” consent for processing personal data, an obligation to report personal data breaches, the requirement under certain circumstances to conduct a privacy impact assessment before processing personal data, and for organizations that fill certain criteria, the mandatory appointment of a Data Protection Officer.
Companies are strongly encouraged to do due diligence and seek legal advice from an attorney specializing in European data privacy law to ensure they comply with this legislation. France’s data protection authority (CNIL), strictly monitors and enforces the laws regarding the protection of French citizen’s personal data. There are a number of recent firms that have been fined in France due to their lack of adherence to the current data privacy regulations. Fines in case of non-compliance could reach four percent of the annual global revenue of the company after May 2018.

Full GDPR text:


Transferring Customer Data to Countries outside the EU

The EU’s current Data Protection Directive, which will be fully replaced by the General Data Protection Regulation (GDPR) as of May 25, 2018, provides for the free flow of personal data within the EU but also for its protection when it leaves the region’s borders.

The GDPR (Chapter 5 - Article 44 onwards) sets out obligations on data controllers (those in charge of deciding what personal data is collected and how/why it is processed), on data processors (those who act on behalf of the controller) and gives rights to data subjects (the individuals to whom the data relates). These rules were designed to provide a high level of privacy protection for personal data, and were complemented by measures to ensure the protection is maintained when data leaves the region, whether it is transferred to controllers, processors or to third parties (e.g. subcontractors). EU legislators put restrictions on transfers of personal data outside of the EU, specifying that such data could only be exported if “adequate protection” is provided.

The European Commission (EC) is responsible for assessing whether a country outside the EU has a legal framework that provides sufficient protection for it to issue an “adequacy finding” to that country. The U.S. has never sought to be found adequate by the EC. This means that U.S. companies can only receive personal data from the EU if they:

- Join the EU-U.S. Privacy Shield program, or
- Provide appropriate safeguards (e.g. contractual clauses, binding corporate rules), or,
- Refer to one of the GDPR’s derogations,
European Commission’s webpage on transfers outside the EU and all mechanisms outlined below:


Important note:

The legal environment for data transfers to the United States continues to evolve. Companies that transfer EU citizen data to the United States as part of a commercial transaction should consult with an attorney, who specializes in EU data privacy law, to determine what options may be available for a particular transaction.

About the EU-U.S. Privacy Shield

The EU-U.S. Privacy Shield Framework was designed by the U.S. Department of Commerce and the European Commission to provide companies on both sides of the Atlantic with a mechanism to comply with data protection requirements when transferring personal data from the European Union to the United States in support of transatlantic commerce.

For more information on the EU-U.S. Privacy Shield, go to: https://www.privacyshield.gov/Program-Overview

For more information about other mechanisms of transfer, please refer to:

https://www.export.gov/article?id=European-Union-Transferring-Personal-Data-From-the-EU-to-the-US

Value Added Tax (VAT)

The EU’s VAT system is semi-harmonized. While the guidelines are set out at the EU level, the implementation of VAT policy is the prerogative of Member States. Therefore, the examination of VAT rates by Member State is strongly recommended. These and other rules are laid out in the VAT Directive. French VAT rates may be consulted at: https://www.economie.gouv.fr/cedef/taux-tva-france-et-union-europeenne

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities.

As part of the legislative changes of 2015, the Commission launched the Mini One Stop Shop (MOSS) scheme, the use of which is optional. It is meant to facilitate the sales of ESS from taxable to non-taxable persons (B2C) located in Member States in which the sellers do not have an establishment to account for the VAT.
The most important pieces of legislation on VAT are the EU VAT Directive 2006/112/EC and its Implementing Regulation 282/2011.

Further information relating to VAT on ESS:

http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/telecom/index_en.html#onestopshop

Trade Promotion & Advertising


Competent consulting firms specialized in trade promotion and advertising are regrouped under the French industry association: http://www.syntec-rp.com/agences/annuaire/

- General Legislation:

Laws against misleading advertisements differ widely between member states within the EU. To respond to this imperfection in the internal market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any “advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor.” Member states can authorize even more extensive protection under their national laws.

U.S. retailers should be aware that in 2016, nineteen eCommerce companies, including French and U.S. brands, were fined a combined 2.4 million Euros by the French authorities for committing misleading sales practices. The misleading practices included-marking items as discounted when they were not, and labeling sales for a limited amount of time when in fact they were offered multiple times a year.
Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU’s Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming is subject to a code of conduct that includes a limit of junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. This Directive has incorporated into the Consumer Rights Directive mentioned above. For more information on sale of consumer goods and associated guarantees, see the legal warrants and after sales service section below.

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Links:  [http://ec.europa.eu/consumers/consumer_rights/unfair-trade/index_en.htm](http://ec.europa.eu/consumers/consumer_rights/unfair-trade/index_en.htm);

- Medicines:

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to
prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.


- **Nutrition & Health Claims:**

  On July 1, 2007, regulation 1924/2006 set into force EU-wide conditions for the use of nutrition claims such as “low fat” or “high in vitamin C” and health claims such as “helps lower cholesterol.” The regulation applies to any food or drink product produced for human consumption that is marketed in the EU. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) are allowed to carry claims. Nutrition and health claims are only allowed on food labels if they are included in one of the EU’s positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive 90/496/EC and its amended version Directive 1169/2011.

  In December 2012, a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals, which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

  The development of nutrient profiles, originally scheduled for January 2009, has been delayed. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content.” A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria. Detailed information on the EU’s Nutrition and Health Claims policy can be found on the USEU/FAS website at:


  and in the USDA Food and Agricultural Import Regulations and Standards EU 28 2014

Key Link:  [http://ec.europa.eu/nuhclaims/](http://ec.europa.eu/nuhclaims/)

- **Food Information to Consumers:**
In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements apply from December 13, 2014 except for the mandatory nutrition declaration which will apply from December 13, 2016.

Detailed information on the EU’s new food labeling rules can be found on the USEU/FAS website at


and in the USDA Food and Agricultural Import Regulations and Standards EU 28 2014

Key link:


Food Supplements: Directive 2002/46/EC harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by member states.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list is updated most recently revised in 2014. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link: http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

- Tobacco:

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many member states. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. A revised Tobacco Products Directive has been adopted and transposed into the French national legislation in May 2016. The new legislation includes bigger, double-sided health pictorial warnings on cigarette packages and the possibility for plain packaging along with health warnings, tracking systems.

Key link: http://ec.europa.eu/health/tobacco/products/
Pricing

The U.S. exporter can usually determine the export price of his/her manufactured product using more or less 70% of the domestic price (after deduction of all local marketing costs). This allows the French importer to price imports from the United States on the same price level as an American counterpart. A simple way to compare U.S. and French retail prices consists of taking the net U.S. retail price and comparing it with the French retail price without the Value Added Tax (V.A.T.), currently 20% for most products; though reduced rates may apply to food products and services.

Key link:


The French consumer is generally willing to pay a maximum of 10-15% over the American retail price. When determining the export price, it is important to consider that if prices are FOB, the French importer will have to pay for transportation, insurance, customs duties, value-added tax, and fixed fees per shipment.

Sales Service/Customer Support

Foreign companies may have to advise their agents and distributors on shelving displays, product location, promotional campaigns and promotional literature. Conscious of the discrepancies among member states in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

French regulation covering after sales services (SAV Service Après-Ventes) is issued by the French Ministry of economy (DGCCRF) and legislatively incorporated in the “Code de la Consommation”. Specific best practices might exist in each industry sector as a result of
the challenging competitive environment. Industry professional associations (see chapter 9 for list of local industry associations) regrouping local industry players are frequently involved at the national level and at the European Union level in discussing and negotiating changes in practices to reflect trends.

Protecting Intellectual Property

France is a strong defender of intellectual property rights. Under the French system, patents and trademarks protect industrial property, while copyrights protect literary/artistic property. By virtue of the Paris Convention and the Washington Treaty regarding industrial property, U.S. nationals have a priority period following filing of an application for a U.S. patent or trademark in which to file a corresponding application in France: twelve months for patents and six months for trademarks.

Counterfeiting is a costly problem for French companies, and the government of France maintains strong legal protections and a robust enforcement mechanism to combat trafficking in counterfeit goods -- from copies of luxury goods to fake medications -- as well as the theft and illegal use of intellectual property. The French Intellectual Property Code has been updated repeatedly over the years to face this challenge. In recent years Parliament passed a law reinforcing France’s anti-counterfeiting law and its implementation of EU directives on intellectual property rights. The new legislation increases the euro amount for damages to companies that are victims of counterfeiting and extends trademark protection to smartcard technology, certain geographic indications, plants, and agricultural seeds. The new legislation also increases the statute of limitations for civil suits from three to ten years and strengthens the powers of customs officials to seize fake goods sent by mail or express freight. The government also reports on seizures of counterfeit goods. France’s top private sector anti-counterfeiting organization, UNIFAB, dedicated its 2016 counterfeiting report to exposing the links between crime, terrorism, and counterfeiting. The report (available at http://www.unifab.com/en/counterfeiting-terrorism/) makes clear that terrorist networks and criminal organizations raise money from selling counterfeit goods (including via both legitimate and illicit e-commerce sites).
France has robust laws against online piracy. The government agency called the High Authority for the Dissemination of Artistic Works and the Protection of Rights on Internet (Haute Autorité pour la Diffusion des Œuvres et la Protection des droits sur Internet - HADOPI) administers a “graduated response” system of warnings and fines. It has taken enforcement action against several online pirate sites, including Megaupload. HADOPI cooperates closely with the U.S. Patent and Trademark Office (USPTO) including pursuing voluntary arrangements that target intermediaries that facilitate or fund pirate sites. (Note that one of HADOPI’s tasks is to ensure that the technical measures used to protect works do not prevent the right of individuals to make private copies of television programs for their private use.) Despite HADOPI’s efforts.

EY global consultancy and accountancy group estimates 13 million people accessed pirated media in France 2016, costing €1.35 billion ($1.42 billion) in lost tax revenue and earnings in 2016.

For additional information about treaty obligations and points of contact at French IP offices, please see the World Intellectual Property Organization’s (WIPO) country profiles at [http://www.wipo.int/directory/en/](http://www.wipo.int/directory/en/)

In any foreign market, companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on Protecting Intellectual Property and also Corruption.

**IP Attaché Contact for European Union**
Susan F. Wilson  
U.S. Mission to the European Union  
Unit 7600  
Box 6100  
United States  
DPO AE 09710-6100  
OFFICE LOCATION  
U.S. Mission to the European Union  
Boulevard du Régent 27  
BE-1000  
Brussels, Belgium  
OFFICE PHONE  
+32 2-811-5308  
EMAIL: susan.wilson@trade.gov
Due Diligence

Product safety testing and certification is mandatory for the French market alike in other EU countries. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory French and EU legislation prior to exporting.

Information on French company profiles can be obtained from the US Commercial Service in Paris:  http://www.export.gov/france/contactus/index.asp

http://www.export.gov/france/servicesforu.s.companies/index.asp

Local Professional Services

Lawyers, consultants and fiscal specialists in both French and U.S. business environment can be found among the members of business organizations such as:

The American chamber of Commerce in France:

http://www.amchamfrance.org/fr/business_center/doing_business_in_france

The European-American Chamber of Commerce in France:  http://www.eaccfrance.com/

(see section: welcome to France)

The French-American Chamber of Commerce in the United-States:


American Embassy France list of attorneys:

http://france.usembassy.gov/living_in_france.html

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at:  http://export.gov/europeanunion/businessserviceproviders/index.asp

Principle Business Associations
American Chamber of Commerce In France
CHAMBRE DE COMMERCE AMERICAINE EN FRANCE
http://www.amchamfrance.org

U.S. Travel & Tourism Promotion Association
VISIT USA COMMITTEE France (OFFICE DU TOURISME - USA)
http://www.office-tourisme-usa.com

European-American Chamber of Commerce
CHAMBRE DE COMMERCE EUROPEENNE-AMERICAINE
http://www.eaccfrance.eu/

Association of French Chambers of Commerce and Industry
ASSEMBLEE DES CHAMBRES FRANCAISES DE COMMERCE ET D’INDUSTRIES
http://www.acfci.cci.fr

Chamber of Commerce and Industry of Paris - Ile de France
CHAMBRE DE COMMERCE ET D’INDUSTRIE DE PARIS ILE DE FRANCE
http://www.cci-paris-idf.fr/

Importers’ Association for Mechanics and Electronics
FEDERATION DES ENTREPRISES INDUSTRIELLES ET COMMERCIALES INTERNATIONALES DE LA MECANIQUE ET DE L’ELECTRONIQUE
http://www.ficime.fr

French Employer’s Association
MEDEF - Mouvement des Entreprises de France
http://www.medef.fr

French Federation of Small and Medium-sized Firms
CGPME - Confédération Générale des Petites et Moyennes Entreprises et du Patronat Réel
http://www.cgpme-pdl.fr/

Association of Large French Firms
AFEP - ASSOCIATION FRANCAISES DES ENTREPRISES PRIVEES
http://www.afep.com/en
French Association of Fast Growing Corporations
CROISSANCE PLUS
http://www.croissanceplus.com/

French Digital Consulting Industry Association
SYNTEC Numérique

French Engineering Industry Association
SYNTEC Ingénierie
http://www.syntec-ingenierie.fr/

French Management Consulting Industry Association
SYNTEC Conseil en Management
http://www.syntec-management.com

French Pools & Market Survey Industry Association
SYNTEC Etudes Marketing et Opinion
http://www.syntec-etudes.com

French Public Relations Industry Association
SYNTEC Conseil en Relations Publics
http://www.syntec-rp.com

French Hiring Consulting Industry Association
Syndicat du Conseil en Recrutement SYNTEC
http://www.syntec-recrutement.org

French Career Development Consulting Industry Association
SYNTEC Conseil en Évolution Professionnelle
http://www.syntec.evolution-professionnelle.com

French Professional Training Consulting Industry Association
FFP Fédération de la Formation Professionnelle
http://www.ffp.org
French Event Organizers Industry Association
UNIMEV Union française des Métiers de l'Événement
http://www.unimev.fr

Appliance Manufacturers’ Association
GROUPEMENT INTERPROFESSIONEL DES FABRICANTS D’APPAREILS D’ÉQUIPEMENT MENAGER
http://www.gifam.fr

Automotive Equipment Industry Association
FEDERATION DES INDUSTRIES ET EQUIPEMENTS POUR VÉHICULES
http://www.fiev.fr

Bakery Equipment Industry Association
UNION DES FABRICANTS FRANÇAIS D’ÉQUIPEMENTS POUR LA BOULANGERIE
http://www.uffeb.com

Chemical Industry Association
UNION INDUSTRIELLE DE LA CHIMIE
http://www.uic.fr

Cycle Manufacturer Association
CONSEIL NATIONAL DE LA PROFESSION DU CYCLE
Website: http://www.tousavelo.com

Federation of Electric and Electronic Industries
FEDERATION DES INDUSTRIES ÉLECTRIQUE ÉLECTRONIQUE ET DE COMMUNICATION
http://www.fieec.fr

French Federation of Jewelry, Gifts, Diamonds, Gems, Pearls and Related Activities
UNION FRANÇAISE DE LA BIJOUTERIE, JOAILLERIE, ORFEVRERIE, DES PIERRES ET DES PERLES
http://www.bjop-france.com/

French Federation of Toy Industries
FEDERATION JOUET ET PUERICULTURE
http://www.fjp.fr
French International Trade Association
CONFEDERATION DU COMMERCE DE GROS ET INTERNATIONAL
http://www.cgi-cf.com

French Aeronautics and Space Industry Association
GROUPEMENT DES INDUSTRIES FRANCAISES AERONAUTIQUES ET SPACIALES
http://www.gifas.asso.fr

French Automobile Manufacturers Committee
COMITE DES CONDUCTEURS FRANCAIS D'AUTOMOBILES
http://www.ccfa.fr

Gas And Petroleum Industry Association
ASSOCIATION FRANCAISE POUR LA PROMOTION DES TECHNOLOGIES D'EQUIPEMENTS ET DE SERVICE DE L'ENERGIE PETROLIERE ET GAZ

Laboratory Equipment Industry Association
FABRILABO
http://www.fabrilabo.com

Measuring and Control Equipment Industry Association
SYNDICAT DE LA MESURE

Mechanical Engineering Industries Association
FEDERATION DES INDUSTRIES MECANIQUES
http://www.fim.net

Medical Industry Association
SYNDICAT NATIONAL DE L'INDUSTRIE DES TECHNOLOGIES MEDICALES
http://www.snitem.fr

Minerals and Non-Ferrous Metals Industry Association
FEDERATION DES CHAMBRES SYNDICALES DES MINERAIS, MINERAUX INDUSTRIELS ET METAUX NON FERREUX
http://www.mineraux-et-metaux.org

National Union of Product Advertising
SYNDICAT NATIONAL DE LA PUBLICITE PAR L’OBJET
http://www.europv.com

National Building Federation
FEDERATION FRANCAISE DU BATIMENT
http://www.ffbatiment.fr

National Federation of Public Works
FEDERATION NATIONALE DES TRAVAUX PUBLIQUES
http://www.fntp.fr

National Confederation Wood Industry for Construction
UNION DES INDUSTRIES DU BOIS
http://www.industriesdubois.com

International Association of D.I.Y. Producers
UNION NATIONALE DES INDUSTRIES DU BRICOLAGE DU JARDINAGE ET DES ACTIVITES MANUELLES DE LOISIR
http://www.ifu-unibal.org/unibal-en-quelques-mots

National Union of French Furniture Industries
UNIFA
http://www.meublefrance.com

National Wood Federation
FEDERATION NATIONALE DU BOIS
http://www.fnbois.com

Nautical Industry Federation
FEDERATION DES INDUSTRIES NAUTIQUES
http://www.france-nautic.com

Optical Industry Association
GROUPEMENT DES INDUSTRIES FRANCAISES DE L’OPTIQUE
http://www.gifo.org

Paints & Inks Industry Association
FEDERATION DES INDUSTRIES DES PEINTURES, ENCRÈVES, COULEURS, COLLES ET ADHESIFS
http://www.fipec.org

Paper, Cardboard, Cellulose Industry Association
CONFEDERATION FRANCAISE DE L’INDUSTRIE DES PAPIERS, CARTONS, ET CELLULOSES
http://www.copacel.fr

Perfume, Beauty and Toiletry Industry Association
FEBEA - FEDERATION DES ENTREPRISES DE LA BEAUTÉ
http://www.febea.fr/

Pharmaceutical Industry Association
LES ENTREPRISES DU MEDICAMENT
http://www.leem.org

PLASTIC TRANSFORMERS FEDERATION
http://www.proplast.org

National Union of Printing and Communication
UNION NATIONALE DE L’IMPRIMERIE ET DE LA COMMUNICATION - UNIC
http://www.com-unic.fr/sites/unic

Professional Union of Plastic Manufacturers
SYNDICAT DES PRODUCTEURS DE MATIERE PLASTIQUE
http://www.lesplastiques.com

Railroad Industry Federation
FEDERATION DE L’INDUSTRIE FERROVIAIRE
http://www.fif.asso.fr
Naval Activity and Construction Industries Group
GROUPEMENT DES INDUSTRIES DE CONSTRUCTION ET ACTIVITES NAVALES- GICAN
http://www.gican.asso.fr/

Sporting Goods Industry Association
FEDERATION FRANCAISE DES INDUSTRIES DE SPORT
http://www.fifas.com

Telecommunication Industry Union
GROUPEMENT DES INDUSTRIES DES TECHNOLOGIES DE L’INFORMATION ET DE LA COMMUNICATION
http://www.gitep.fr

Textile Industry Union
L’UNION DES INDUSTRIES TEXTILES
http://www.textile.fr

Union of Plastic and Rubber Industry Distributors
UNION DES SYNDICATS DES PME DU CAOUTCHOU ET DE LA PLASTURGIE
http://www.ucaplast.fr

Veterinarian Drug Industry Association
SYNDICAT DE L’INDUSTRIE DU MEDICAMENT VETERINAIRE ET REACTIF
http://www.simv.org

Market Research Firms in France:

ALGOE: http://www.algoe.fr
ARTHUR D. LITTLE FRANCE: http://www.adlittle.com or http://www.arthurdlittle.com

AVISO CONSEIL: http://www.aviso.fr
CEGOS: http://www.cegos.com
GROUPE MV2: http://mv2groupe-site.info/
U.S. Banks in France:

BANK OF AMERICA: http://www.bankamerica.com
BANK OF NEW YORK: http://www.bankofny.com
CITIBANK: http://www.citibank.com
JP MORGAN: http://www.jpmorganchase.com

French Banks:

FEDERATION BANQUAIRE FRANCAISE: http://www.afb.fr
SOCIETE GENERALE: http://www.socgen.com
BNP-PARIBAS: http://www.bnpparibas.com
CREDIT AGRICOLE: http://www.credit-agricole.fr/
CREDIT INDUSTRIEL ET COMMERCIAL: http://www.cic.fr/
CREDIT LYONNAIS: http://www.creditlyonnais.com/
NATIXIS: http://www.natixis.fr

Logistics and Transportation Services in France

FEDERATION DES ENTREPRISES DE TRANSPORT ET DE LOGISTIQUE DE FRANCE
http://www.e-tlf.com

ASSOCIATION FRANCAISE DU TRANSPORT ROUTIER INTERNATIONAL
http://www.aftri.com

Providers:

AIR FRANCE CARGO: http://www.airfrance.fr
BRITISH AIRWAYS WORLD CARGO: http://www.britishairways.com
CALBERSON: http://www.calberson.com
DHL INTERNATIONAL: http://www.dhl.fr
EXEL LOGISTICS: http://www.exel.com
EXPEDITORS INTERNATIONAL FRANCE SA: http://www.expeditors.com
FEDEX: http://www.fedex.com
PROLOGIS-GARONOR: http://www.prologis.com
EODIS: http://www.geodis.com
REGUS: http://www.regus.com
SNCF FRET: http://www.sncf.fr
UPS: http://www.ups.com

Limitations on Selling US Products and Services

There is no specific limitation on selling U.S. products and services, as long as the local importers and distributors are conforming to EU and French standards, safety and labeling requirements. However EU and French safety requirements might prohibit from selling specific food items (see FAS report links below).

Web Resources

- Country Government Agencies

PRESIDENT OF FRANCE:
http://www.elysee.fr/

FRENCH GOVERNMENT:
http://www.gouvernement.fr/institutions/composition-du-gouvernement

- Other Country Government Sub-Agencies

Business France Agency:
http://www.businessfrance.fr/

French government investment bank
BPI FRANCE BANQUE PUBLIC D’INVESTISSEMENT
http://www.bpifrance.fr/

French Export Promotion Agency
Business France: http://www.youbuyfrance.com/

French Statistical Institute  
Insee Infos Services INSEE:  
http://www.insee.fr

French Customs  
SERVICE DES DOUANES:  
http://www.douane.gouv.fr/  
https://pro.douane.gouv.fr/prodouane.asp  
French Tariffs nomenclature:  

List of French Customs Offices:  
http://www.douane.gouv.fr/French National Testing Laboratory

LABORATOIRE NATIONAL D’ESSAI - L.N.E.:  
http://www.lne.fr

Official Gazette  
JOURNAL OFFICIEL:  

National French Standards Association:  
ASSOCIATION FRANCAISE DE NORMALISATION - AFNOR :  
http://www.afnor.fr

National Institute Of Industrial Property  
INSTITUT NATIONAL DE LA PROPRIETE INDUSTRIELLE - INPI:  
http://www.inpi.fr

French Accréditation Agency:  
http://www.cofrac.fr/  
http://www.cofrac.fr/fr/contact/index.php?rub_id=6

French Standard Organization  
http://www.afnor.org/en
French label NF
http://www.marque-nf.com

French Ministry of Economy Web page on Labeling:
http://www.economie.gouv.fr/dgccrf/Publications/Vie-pratique/Fiches-pratiques/Le-marquage-CE

AFNOR Resources on CE labelling:
http://www.boutique-certification.afnor.org/

Food products USDA/FAS reports:

• EU websites:
  o Principle Business Associations

Organizations in Brussels focused on representing U.S. business interests and engaging with EU institutions including the European Commission, European Parliament and the Council include:
AmCham EU: http://www.amchameu.eu/

Transatlantic Business Council: https://www.transatlanticbusiness.org/
  o Limitation on Selling U.S. Products and Services, Web Resources


EU-U.S. Privacy Shield: [https://www.privacyshield.gov/](https://www.privacyshield.gov/)


Regulation on Food Information to Consumers:  Regulation 1169/2011


  o U.S. websites:


EU Public Procurement:
Local Professional Services:

http://export.gov/europeanunion/businessserviceproviders/index.asp
Leading Sectors for US Exports & Investments

Telecommunications (SEC)

- Overview

<table>
<thead>
<tr>
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<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017 (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Local Production</td>
<td>66,270</td>
<td>66,752</td>
<td>67,332*</td>
<td>68,140*</td>
</tr>
<tr>
<td>Total Exports</td>
<td>32,230</td>
<td>32,407</td>
<td>32,355*</td>
<td>32,549*</td>
</tr>
<tr>
<td>Total Imports</td>
<td>44,580</td>
<td>45,078</td>
<td>45,257*</td>
<td>45,687</td>
</tr>
<tr>
<td>Imports from the US</td>
<td>9,120</td>
<td>9,126</td>
<td>9,158*</td>
<td>9,213*</td>
</tr>
<tr>
<td><strong>Total Market Size</strong></td>
<td>78,620</td>
<td>79,423</td>
<td>80,234*</td>
<td>81,278*</td>
</tr>
<tr>
<td>Exchange Rate 1 Euro</td>
<td>USD 1.320</td>
<td>USD 1.109</td>
<td>USD 1.107</td>
<td>USD 1.063</td>
</tr>
</tbody>
</table>

(total market size = (total local production + imports) - exports)

(Figures in USD millions; * indicates unofficial estimates.
Year to year figures adjusted for varying exchange rate.)

Total Market Size = (Total Local Production + Total Imports) - (Total Exports)

The Market place for Telecommunications

The most prominent industries in the French telecommunications market are mobile telephone and wireline industries. Both the mobile and wireline sectors are made up by large, competitive, and innovative firms with developed product offerings. The French mobile market is one of the top performing in Western Europe. According to the World Bank, there were approximately 73 million mobile subscriptions in France in 2016. Mobile subscriptions recorded a 1.2% growth rate between 2015 and 2016. The number of users of 4G networks grew in one year by nearly 10 million to 31.9 million by 31 December 2016. At the end of 2016, nearly three out of four SIM cards have been active on 3G networks. The anticipated date for the arrival of 5G networks in France is 2022. 5G networks will provide one 1GB/s of data throughout France. That is almost limitless in terms of data volume, latency, the speed at which one can surf the Internet and watch videos.
France has the third largest broadband subscriber base in Europe. Growth has been bolstered by demand for high bandwidth applications, which has prompted considerable investment in fiber infrastructure among telcos and regional governments. The French regulator has promoted access to Orange’s DSL and fiber networks for new entrants. In early 2017 the regulatory body considered a range of measures to improve access to Orange’s networks.

DSL remains the prominent form of broadband connection in France though it is currently on the decline as other faster connections (i.e. fiber optic cable) become increasingly popular. Fiber deployments have grown substantially in recent years, with all of the major ISPs concentrating their investments in fiber with a view to promoting 1 GB/s services. Although the cable footprint only reaches about 40% of the population SFR Group has upgraded its network to compete with DSL and has itself entered the DSL and fiber markets. Lowering costs and increased connectivity will stimulate further growth in the fiber market. Fiber optic implementation is largely left to the discretion of the private sector with most implementation being spearheaded by Numericable-SFR, Orange, and Free-Iliad. By September 2016 SFR had 1.97 million customers served by its fiber.

Free Mobile’s entrance into the French market has had a lasting effect on France’s competitive landscape, boosting competition amongst the top telecommunications companies. Since its entry into the market Free has boosted its subscriber base to more than 12 million and made 1.7 billion dollars in revenues over that first three quarters of 2016. In the first quarter of 2017 Free reported 6.3 million 4G subscribers. Four French providers make up the French mobile market: Orange with a 35.1% market share, Numericable-SFR with a 21.4% market share, Bouygues with a 16.2% market share, Iliad (Free) with a 17.3% market share. These four major mobile phone providers represent 91% of the mobile phone market in France. However, several Mobile Virtual Network Operators (MVNO) also operate in France, and collectively they represent just over 9% of the market.

- Leading Sub-Sectors
Mobile and broadband services will remain a vibrant market in France. Significant investment opportunities exist for leading and innovative firms in the French market. Such opportunities exist in the continued implementation of various standards and technologies, such as LTE, Fiber optic cabling, and the upcoming introduction of 5G to the French market. Innovative technologies in the process of development will also catalyze new market possibilities with the Internet of Things (IOT) playing an important role in the telecommunications market. IOT’s implementation marks a massive increase in interconnected and communicating devices. Subsequently this will drive a huge demand for increased broadband capabilities to keep up with IOT’s usage.

- **Opportunities**

Strong performance in mobile telephony has driven a steep decline in fixed line connections in France despite moderate growth in broadband voice and digital telephony over cable television. With 28.5 million broadband subscriptions and a 44.3% market penetration rate, broadband subscriptions are expected to increase in the near future. In 2016 Orange implemented VDSL2 upgrades for its subscribers. However, fiber optic offers the most promising market future as increased rollouts and lower prices will catalyze market growth.

In recent years certain events have served to redefine the competitive landscape in France’s market, such as the foreign acquisition of a major French firm, telecommunication equipment giant Alcatel-Lucent, by Nokia. Nokia is now collaborating with Orange on the development of services that will allow industries and consumers to take advantage of the unprecedented efficiencies and business models made possible by 5G.

The IOT market in France is attracting attention and investment. Large scale investments, such as a 115 million USD investment in French IOT startup Sigfox, are becoming increasingly common. The IOT continues to thrive through the growth of machine to machine (M2M) sim card subscriptions, the primary means of communication between objects in the IOT. In France, M2M has experienced an annual growth of +1.2 million M2M SIM card subscriptions compared to 31 December 2015, however, is still impacted by the decline in the number of cards registered in the market in the first quarter of 2016. There are currently over 11.7 million M2M SIMs in France. More importantly, major players in the French telecom market are shifting their focus over to IOT. Even Orange formed a new IT division with the specific focus on machine to
machine technology. US companies looking to invest in the French telecommunications market should find ample opportunity in this constantly evolving economy.

- **Web Resources**

  Regulation Authority for Electronic and Postal Communication (ARCEP) [www.arcep.fr](http://www.arcep.fr)
  French National Frequency Agency (ANF) [www.anfr.fr](http://www.anfr.fr)
  Association of Internet Access and Service Providers (AFA) [www.afa-france.com](http://www.afa-france.com)
  European Telecommunications standards Institute (ETSI) [www.etsi.org](http://www.etsi.org)
  Fédération Française des Télécoms [www.fftelecoms.org](http://www.fftelecoms.org)
  French Association of Mobile Operators (AFOM) [www.afom.fr](http://www.afom.fr)
  Europe Market Analysis and Consulting Firms in the Telecom, Internet and Media Industries (IDATE) [www.idate.org](http://www.idate.org)

- **Contact:**

  U.S. Embassy - U.S. Commercial Service Commercial Specialist:
  [Myrline.Mikal-Goide@trade.gov](mailto:Myrline.Mikal-Goide@trade.gov)
  Phone: +33 (0)1 43 12 70 90
  Website: [http://export.gov/france/](http://export.gov/france/)
Computer Services & Computer Software (CSF, CSV)

- Overview

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016 (Estimated)</th>
<th>2017 (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Local Production</td>
<td>43,001</td>
<td>51,805</td>
<td>52,948</td>
<td>54,534</td>
</tr>
<tr>
<td>Total Exports</td>
<td>10,495</td>
<td>10,609</td>
<td>10,843</td>
<td>11,168</td>
</tr>
<tr>
<td>Total Imports</td>
<td>15,112</td>
<td>15,237</td>
<td>15,570</td>
<td>16,039</td>
</tr>
<tr>
<td>Imports from the US</td>
<td>8,175</td>
<td>8,227</td>
<td>8,425</td>
<td>8,679</td>
</tr>
<tr>
<td><strong>Total Market Size</strong></td>
<td>48,618</td>
<td>56,433</td>
<td>57,675</td>
<td>59,405</td>
</tr>
<tr>
<td>Exchange Rate 1 Euro</td>
<td>USD1.320</td>
<td>USD1.109</td>
<td>USD1.107</td>
<td>USD1.063</td>
</tr>
</tbody>
</table>

\[
\text{Total market size} = (\text{total local production} + \text{imports}) - \text{exports}
\]

(Figures in USD millions; * indicates unofficial estimates.
Year to year figures adjusted for varying exchange rate.)

Total Market Size = (Total Local Production + Total Imports) - (Total Exports)

Valued at $57.67 billion (€52.1 billion) in 2016, France’s market for computer software and services is the third largest in Europe, and it grew by 2.9% in 2016. Growth for 2017 is expected to remain steady at +3%.

In terms of employment, the digital economy is responsible for over 3.3% of France’s jobs. There are currently over 6,000 French firms employing more than 412,000 employees specialized in software services. Two thousand of these firms have ten employees or more. The market is divided among the three following activities: Consulting & Services (61%); Software publishing (22%); and Technology Consulting Services (17%).

The combined revenue of the top 100 French software publishers amounts to roughly $7.4 billion. However, since 2006 this number has declined by 10% as the Software & Services market is becoming increasingly heterogeneous with newcomers entering from telecommunications (Orange, BT, T Systems, OVH), hardware (Xerox), Temp agencies (Adecco, Manpower), computer hardware firms (IBM, Bull, Wincor Nixdorf, Dell, NCR, Unisys, Fujitsu), Defense firms (Thales CIS), and Network Integrators (Spie, Nextiraone, Telindus, Econocom, Computacenter, and Solutions 30). The top ten software services
firms that dominate the French market today are: Capgemini, IBM, ATOS, Sopra Steria, Orange, Accenture, HP, CGI, GFI.

Due to recent high-level cybersecurity breaches and the adoption of new highly-connected network technologies, cybersecurity has become one of the major points of focus for the computer service market, and it is experiencing both large growth and innovation. Moreover, recent legislation has increased both government support and regulation for the cybersecurity market. Both the subsidization of innovative products and the provision of government mandated security labels (most notably the French Network and Information Security Agency’s (ANSSI) recent creation of a label for Cloud service providers) have combined to increase interest in products of the market. In the private sector the gamut of cybersecurity products is expanding.

The cloud computing market in France is a dynamically structured high growth sector worth over $6.5 billion. More than 50% of the market’s value is generated by Small and Medium enterprises. The market is expected to grow by over 18% between 2016 and 2017. Large multinational corporations also flock to the French market and inject over $1 billion in investments annually. These companies are attracted by France’s skilled engineers and technicians as well as by the country’s secure electricity supply (reliable servers) and benevolent federal legislation. There are over 100 data centers in France, with over 40 located in the Paris region alone.

In the computer services sector, the implementation of Software as a Service (SaaS) products has largely influenced growth. The market for these products has grown 24% (€2.1 billion).

The market for operating systems in France has become increasingly diversified over the past five years. A part of this is due to the development of new tablet OS systems such as Android and Apple’s iOS.

- **Leading Sub-Sectors**
  - Big Data
  - Cloud Computing (i.e. SaaS solutions)
  - Mobility
  - Cybersecurity Solutions
  - E-Commerce
- Outsourcing / BPO
- Social business
- “Apps” software applications in smart phones
- Facilities management and Third-Party Maintenance of Applications (TMA)
- Facilities management of infrastructures
- Externalized R&D
- Integration of Information Processing Systems
- Integration of smart phones and tablets into the existing IT infrastructure
- Integration of social networks into the sales/marketing model
- E-health/Tele-Health
- Smart Grid/Smart Metering

- Opportunities

Organizations have started increasing their investment in new services and equipment in order to improve efficiency and generate savings. The continuous development of high-speed Internet (4G) access and wireless connections will maintain demand for systems integration, especially in eCommerce which benefits from its lower prices and increased accessibility through smart-phones. The arrival of innovative and increasingly-interconnected technologies such as those products associated with the Internet of Things (IoT) and the Cloud will further drive significant investment opportunities for related products and services. As such, significant growth is expected in the Software as a Service market in France and the cybersecurity solution market which will be spurred by the adoption of these new technologies.

- Web Resources

International Data Corporation (IDC) http://www.idc.fr
Pierre Audouin Consultants (PAC) http://www.pac-online.fr
BIPE (provider of economic analyses and consulting services) http://www.bipe.fr
Syntec Numérique (French association) http://www.syntec-numerique.fr
Markess International Inc.: www.markess.com
Journal du net: http://www.journaldunet.com
• **Contact:**

U.S. Embassy - U.S. Commercial Service Commercial Specialist

Charles.Defranchi@trade.gov

Phone: +33 (0)1 43 12 71 63

Website: [http://export.gov/france/](http://export.gov/france/)
Civil Aircraft and Parts (AIR)

- **Overview**

<table>
<thead>
<tr>
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<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017 (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Local Production</strong></td>
<td>51,800</td>
<td>49,790</td>
<td>52,150</td>
<td>52,170</td>
</tr>
<tr>
<td><strong>Total Exports</strong></td>
<td>38,840</td>
<td>37,370</td>
<td>44,320</td>
<td>41,740</td>
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<tr>
<td><strong>Total Imports</strong></td>
<td>29,510</td>
<td>30,750</td>
<td>33,630</td>
<td>34,000</td>
</tr>
<tr>
<td><strong>Imports from the US</strong></td>
<td>5,500</td>
<td>5,980</td>
<td>7,660</td>
<td>7,700</td>
</tr>
<tr>
<td><strong>Total Market Size</strong></td>
<td>42,470</td>
<td>43,170</td>
<td>41,460</td>
<td>44,430</td>
</tr>
<tr>
<td><strong>Exchange Rate 1 Euro</strong></td>
<td>USD 1.320</td>
<td>USD 1.109</td>
<td>USD 1.107</td>
<td>USD 1.063</td>
</tr>
</tbody>
</table>

(total market size = (total local production + imports) - exports)

Figures in USD billions. Sources: GIFAS, USDoC, French Customs. Note: French Customs figures are quoted in CIF (HS 8802 + 8803), USDoC figures are quoted in FAS. * indicates unofficial estimates based on various industry sources. Year to year figures are adjusted for currency fluctuations.

The total non-consolidated aerospace and defense aerospace revenue in 2016 was €60.4 billion which amounted to a 4.1% increase from 2015. The French civil aerospace industry comprised a huge proportion of that total with reported revenue of €47.1 billion (GIFAS - $52.15 billion) in 2016. The aerospace and defense aerospace industry exported approximately 86% of its consolidated turnover, a new record. The civil sector accounted for 78% of revenues and 69% of orders. Orders in 2016 totaled €50.4 billion in the civil sector, which was only a slight decrease from the previous year. These strong results benefitted not just the primary contractors, but the supply chain as a whole, including SMEs; sales turnover for French supply chain companies was up +4.7% in 2016.

- **Leading Sub-Sectors**

The global demand for new aircraft production in the next 20 years is estimated to be about 32,600 aircraft. This ramp-up in civil aircraft production will affect nearly every sector of the industry. For the best-selling Airbus A320 airplane, production rates will increase to 60 aircraft per month in 2019 from its current monthly production rate of 46. The Airbus A350 airplane will be produced at a rate of 120 per year in 2018. The increase
in demand will not only be for more airplanes, but for an even more fuel-efficient aircraft, promising that this will be a continued strong and innovative industry for years to come. By March 2017, there was a backlog of 6,744 Airbus aircraft, or the equivalent of about 10 years of production. Airbus hit a new delivery record in 2016 by completing 688 aircraft, and the company also recorded 730 net orders in the year. This sector as a whole comes in stark contrast to the business aircraft and heavy helicopter sectors which continue to experience a decrease in business.

These rates of production drive employment and job creation, making aerospace one of the most dynamic sectors of the French economy. This is also driving investment, which has led to such advancements as the introduction of new technologies in robotization, new methods of collaborative work, and digital sharing platforms.

There are five aircraft manufacturers that account for the majority of the French market: Airbus (large commercial aircraft), Airbus Helicopters (formerly Eurocopter, light-to-heavy helicopters), Dassault Falcon Jet (high-end business jets), ATR (passenger and cargo turboprop aircraft for regional transport), and Daher (SOCATA light aircraft and business turboprops). With the exception of Daher, these manufacturers are owned either in part or entirely by the same parent company, Airbus Group. Founded in 2000 and called EADS until 2014, this consortium dominates the civil aviation market in France.

Selling to these aircraft manufacturers entails undergoing a vendor/product qualification and assessment process. In 2017, the Safran Group announced its plan to purchase the Zodiac Group. Both of these firms separately were among Europe’s major equipment suppliers. Working through one of their many North American entities is a way to make the process of vendor/product qualification and assessment easier. Other major players include Thales, Liebherr Aerospace, Daher Group, Latécoère, Stelia Aerospace, AFI E&M, Sabena Technics, etc. (this list is very extensive).

It is important to note that AS9100 and NADCAP would be considered minimum requirements for doing business in the aerospace supply chain in France.

Due to the wide variety and depth of the aerospace industry in France, U.S. manufacturers often choose to use the services of a distributor or agent to reach out to the many potential customers doing business here. It is generally considered difficult to break into the market (with some exceptions based on product type) without local representation that can interface with the various layers of engineers, purchasers, and supply chain quality managers. It is a normal business practice in France for manufacturers’ representatives to work on retainer only or a mixed retainer/commission fee; rarely will
an agent accept a commission-only contract to develop new business. Due to this practice, U.S. firms must be prepared to invest significantly in their business development process over a sometimes extended period of time before generating any orders.

Over three-quarters of aerospace industry manufacturers’ revenue in France comes from sector programs, and the majority of this money is then destined for exporting. This large export market is due to sustained interest in Dassault Falcon Jet, Airbus Helicopters, and Airbus commercial aircraft. All of these companies have products that have successfully captured global market share. Airbus, however, continues to decrease its number of overall suppliers as it prefers to work directly with a handful of major tier 1 partners and in turn refers all other potential suppliers to its supply chain at the appropriate level.

France has been the United States’ largest customer in the aerospace market as well as the single largest supplier to the U.S. aerospace market for some time, with about a quarter of aerospace imports originating in France.

Due to the proximity of Airbus, Dassault, Airbus Helicopters, and other aircraft manufacturers, France has a long-established and sophisticated aircraft supplier network. The French government encourages prime contractors to support local SMEs to maintain jobs and technical know-how in France. Though France would like to maintain a local source of labor and products, aerospace is a truly globalized industry. While major assembly lines are maintained in France, there are some additional parts that come from the world, meaning that these major aerospace companies operate many international sourcing offices.

- **Opportunities**

There are strong opportunities ongoing for US suppliers of parts, components, and the assembly of civil aircraft. Airbus spends billions of dollars every year in the US on its supply base. The best prospects for American firms in this market continues to be those associated with the manufacturing of new aircraft or engine models, or those involved with very technical products such as composites. It is important to keep in mind that beyond French-made aircraft, French equipment suppliers are also working globally (on Bombardier, Embraer, Suhkhoi, Avic, Agusta Bell aircraft, etc.), as well as all the major U.S. aircraft manufacturers. However, entering the French market requires patience, investment, innovative products and competitive pricing.

- **Web Resources**

Aeromart Toulouse - December 4-6, 2018
Supply Chain Business to Business Meetings [http://www.bciaerospace.com/toulouse/]

Paris Air Show - June 19-25, 2017
[http://www.paris-air-show.com/en]

French Aerospace Industries Association
[https://www.gifas.asso.fr/en/]

- **Contact:**

U.S. Embassy - U.S. Commercial Service Commercial Specialist:
[Cara.Boulesteix@trade.gov]
Phone: +33 (0)1 43 12 70 79
Website: [http://export.gov/france/]
Medical Devices (MED)

- **Overview**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017 (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Local Production</strong></td>
<td>26,300</td>
<td>27,400</td>
<td>28,500</td>
<td>29,700</td>
</tr>
<tr>
<td><strong>Total Exports</strong></td>
<td>7,500</td>
<td>7,800</td>
<td>8,200</td>
<td>8,500</td>
</tr>
<tr>
<td><strong>Total Imports</strong></td>
<td>10,300</td>
<td>10,700</td>
<td>11,100</td>
<td>11,600</td>
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<tr>
<td><strong>Imports from the US</strong></td>
<td>3,400</td>
<td>3,600</td>
<td>3,700</td>
<td>3,900</td>
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<tr>
<td><strong>Total Market Size</strong></td>
<td>29,100</td>
<td>30,300</td>
<td>31,400</td>
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</tr>
<tr>
<td><strong>Exchange Rate 1 Euro</strong></td>
<td>USD1.320</td>
<td>USD1.109</td>
<td>USD1.107</td>
<td>USD1.063</td>
</tr>
</tbody>
</table>

*(total market size = (total local production + imports) - exports)*

data source: SNITEM “Panorama de la Filière Industrielle des Dispositifs Médicaux en France en 2017 : (Figures in USD millions; * indicates unofficial estimates.

Year to year figures adjusted for varying exchange rate.)

The medical device market in France had an estimated turnover of €29.7 billion for the year 2017. The market turnover for medical devices exported from France is estimated at €8.5 billion, which is 29% of the total market. The market is expected to see an annual growth of about 4% for the next several years.

There are over 1,300 medical device firms in France. One-third of these firms are of foreign origin. Although they only account for one-third of the number of enterprises, foreign enterprises in France bring in two-thirds of the total monetary turnover. American enterprises alone bring in 22% of the total turnover.

As opposed to other medical sectors such as pharmaceuticals where large multi-national corporations often dominate the market, the medical device industry is mostly composed of niche-market producers. Out of the 1,300 enterprises in France, 92% of them are SMEs, of which, 88% exclusively produce medical devices. The medical device sector employs approximately 85,000 people in France.

The best sales prospects for medical equipment can be found in newly-developing sectors like non-invasive surgery, orthopedics, and disposable medical equipment. Healthcare
professionals in France are highly optimistic about the success of new medical technology. One example of such technology is telemedicine, which is expected to have a major impact on medical care institutions in the coming years.

There has been a steady growth of innovative medical procedures in France, such as same-day surgery. This growth is expected to benefit American medical equipment manufacturers who produce highly innovative devices, as well as those who offer products and services focused on reducing healthcare costs.

- **Leading Sub-Sectors**

  - **Diagnosis**

    The diagnostic sub-sector represents approximately 34% of the total medical device market in France. State-of-the-art diagnostic medical imaging systems are in high demand. Uses for diagnostic technology already exist for pediatrics, cardiovascular care, digestion, urology, and spinal/neurological treatment. As these devices use trusted and versatile technology, demand for diagnostic equipment will continue to grow. Health care professionals are very interested in a feature of medical imagery equipment known as "image networking". Image networking allows a healthcare professional to compare an image of a current patient to hundreds of previous cases using an image data bank.

  - **Rehabilitation**

    The rehabilitation sub-sector represents approximately 25% of the total medical device market in France. It includes all types of devices designed to help those recovering from illness or treatment. France has a growing elderly population like many other European nations. These elderly patients typically have a higher need for rehabilitation products. A large portion of this sub-sector is made up of disposable medical equipment such as incontinence products, wound care products, and items designed to prevent bed sores.

  - **Surgery**

    The surgical instrument and supplies sub-sector represents approximately 18% of the total medical device market in France. Recent innovations in the field of non-invasive surgery could potentially have a significant impact on everyday hospital practice. Non-invasive surgery devices offer superior results and also present a significantly reduced risk to patients.
o **Technical aids**

The French market for medical prosthesis accounts for approximately 7% of the total medical device market in France. This market is characterized by a strong growth potential for innovative internal prostheses such as knees, hips, ligaments, and elbows. Innovative technical aids in the fields of audiology, dialysis, and respiration are also in high demand.

o **Intensive care**

Intensive care equipment like respiratory monitors, pumps, and incubators represent about 9% of the total medical device market in France. Demand from both public and private hospitals for cutting-edge intensive care equipment and supplies are increasing. U.S. suppliers of this type of equipment should benefit from the increased demand.

o **Hygiene**

The hygiene sub-sector represents approximately 5% of the total medical device sector in France. Patient and medical personnel safety is a growing concern to medical personnel and to the general public. Best prospects in this sector will revolve around products that make it easier to adhere to stringent personnel safety requirements. Products with a focus on protecting from and preventing the spread AIDS and other contagious diseases are in particularly high demand.

• **Opportunities**

Implementing controls on health care spending is a key objective of the French government. Decreased spending has led to a decline in the demand for traditional hospital-care equipment. At the same time, demand has grown for medical equipment that can help ensure shorter and less-frequent hospital stays. The increasing need for age-related health care equipment will continue to bring new prospects for U.S. suppliers.

Companies that specialize in healthcare IT solutions or electronic medical records are also in high demand. France has developed an electronic card (Carte Vitale) for each patient as a way to process government reimbursement electronically. There are plans to update these cards in the future so that they carry electronic medical records in addition to payment information.

• **Web Resources**
Approval and testing
G-MED (Groupement pour l’évaluation des dispositifs médicaux)
National agency for the evaluation of medical equipment
http://www.gmed.fr

Syndicat National de l’Industrie des Technologies Médicales - S.N.I.T.E.M.
(Medical equipment trade association)
http://www.snitem.fr

- Contact

Alain Levy
U.S. Embassy - U.S. Commercial Service Commercial Specialist:
Alain.Levy@trade.gov
Phone: +33(0)1 43 12 70 14
Website: http://export.gov/france/
Automotive Parts Equipment (APS)

- Overview

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Local Production</td>
<td>22,478</td>
<td>18,667</td>
<td>19,316</td>
<td>19,290</td>
</tr>
<tr>
<td>Total Exports</td>
<td>26,062</td>
<td>22,565</td>
<td>23,424</td>
<td>23,393</td>
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<td>Total Imports</td>
<td>24,020</td>
<td>22,086</td>
<td>22,927</td>
<td>22,897</td>
</tr>
<tr>
<td>Imports from the US</td>
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<td>695</td>
<td>722</td>
<td>720</td>
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<td>20,436</td>
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<td>18,794</td>
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<td>Exchange Rate 1 Euro</td>
<td>USD1.320</td>
<td>USD1.109</td>
<td>USD1.107</td>
<td>USD1.063</td>
</tr>
</tbody>
</table>

(total market size = (total local production + imports) - exports)


With 1.55 million passenger cars produced in 2015, France recorded a 3.6% increase compared to 2014 (1.49 million) and ranked fourth in Europe after Germany, Spain and the U.K. in production numbers. As far as light commercial vehicles are concerned, France produced 416,000 in 2015, a 29.3% increase from 2014 (when 322,000 were produced), and ranked second in Europe after Spain. Approximately 2/3 of vehicles produced in France are either a PSA or Renault. Vehicle production in France was expected to grow 4% in 2016.

This upward trend is true for the entire European market, which increased the production of new vehicles by 3.9% in 2015 compared to 2014 (18.54 million passenger cars and 2.4 million light commercial vehicles in 2015).

France also ranks third in Europe in passenger car registrations after Germany and the U.K. In 2016, approximately 1.97 million passenger cars were registered in France. New light duty vehicle (fewer than 3.5 tons) registrations reached 408,545 in 2016, which corresponds to an increase of 7% compared to 2015 (377,738). As for heavy duty vehicles (at least 16 tons), France recorded an increase in registration of 12.8% in 2016 with 41,600 new registrations (36,855 in 2015).
Automotive suppliers are responsible for nearly 80% of the manufacturing cost of a passenger vehicle produced in France. The remaining 20% is attributed to assembly.

For 2015, OEM auto part sales were valued at $18.2 billion, a 6% increase from 2015.

Europe (particularly Germany, Spain, the U.K., Italy and Spain) remains France’s principal foreign trading partner, accounting for approximately 76% in imports and 74% in exports.

Outside of Europe, France’s main clients are in Asia, NAFTA countries, China, and Africa. France’s main suppliers outside of the E.U. are in Asia, NAFTA countries, Japan, Africa, and the Maghreb region.

Imports from the United States reached a $695 million profit in 2015, a 9% increase from 2014.

Companies within the French Vehicle Equipment Industry are under pressure to achieve productivity gains in order to maintain competitiveness; therefore, significant rescaling of production has resulted in a decrease in workforce to approximately 71,533.

- **Leading Sub-Sectors**

The main categories of automotive parts included in these figures are: powertrain equipment (39.1%), vehicle interiors (27.1%), body components (17.2%), tire-to-road components (12%), and equipment for measurement, diagnostics and repairs (4.5%). This equipment is sold to the OEM market and to the aftermarket, which includes the OES (Original Equipment Suppliers) and the IAM (Independent Market) markets.

- **Opportunities**

France is the number one leading electric car market by volume in Europe with 22,000 registered electric passenger vehicles in 2016. There remains a large cash incentive for buying an EV or Hybrid vehicle in France. The number of registered electric vehicles was expected to continue to increase in 2016. There are more than 100,000 electric passenger vehicles registered, which represents 0.25% of the total number of all registered passenger cars on French roads.

E-Commerce in the auto industry in France has been growing for the past few years. In 2015, the sale of spare auto parts online represented 12% of the total spare auto parts distribution turnover.
Opportunities for U.S. suppliers are for highly technical products or those that are innovative in the context of the environment or safety. OEMs tend not to dedicate time and money for basic technologies for which they already have suppliers. In the OEM’s sphere, R&D focuses on electrical and hybrid technologies to prepare the car market of the future.

The market for remanufactured parts is also a growing sector. In an effort to reduce costs, insurance companies are considering utilizing remanufactured parts over more expensive replacement parts. This market represents 2% of the total aftermarket automotive spare parts market in France.

In order to be successful in the aftermarket parts sector, U.S. suppliers need to propose spare parts lines in accordance with vehicles found on French roads (60% are French brands). The automotive parts market in France is dominated by large multinational firms, many of them American with French or European operations. Large U.S. suppliers are already present in France or in Europe and are doing well. This closed environment (with competitive requirements, transportation costs, etc.) makes it difficult for firms not physically established in the market to sell their products to OEM and OES.

- **Web Resources**

  EquipAuto Trade Show - October 17-21, 2017 - Paris, France  
  Website: [http://www.equipauto.com](http://www.equipauto.com)

  Automechanika Trade Show - September 13-17, 2016 - Frankfurt, Germany  
  Website: [http://www.automechanika.com](http://www.automechanika.com)

  French Vehicle Equipment Industries Association  
  Website: [http://www.fiev.fr](http://www.fiev.fr)

  Federation of Independent Automotive Distribution - FEDA  
  Website: [http://www.feda.fr](http://www.feda.fr)

- **Contact**

  Embassy U.S. Commercial Service Trade Specialist: Stephanie.Pencole@trade.gov / 33 0 43 12 7138  
  Website: [http://export.gov/france](http://export.gov/france)
Plastic Products (PMR)

- **Overview**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017 (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Local Production</td>
<td>33,640</td>
<td>28,379</td>
<td>28,540</td>
<td>27,714</td>
</tr>
<tr>
<td>Total Exports</td>
<td>10,019</td>
<td>8,816</td>
<td>9,400</td>
<td>9,170</td>
</tr>
<tr>
<td>Total Imports</td>
<td>14,862</td>
<td>13,042</td>
<td>13,860</td>
<td>13,500</td>
</tr>
<tr>
<td>Imports from the US</td>
<td>780</td>
<td>644</td>
<td>569</td>
<td>546</td>
</tr>
</tbody>
</table>

**Total Market Size**

|                        | 38,483 | 32,605 | 33,000 | 32,044 |

**Exchange Rate 1 Euro**

|                        | USD1.320 | USD1.109 | USD1.107 | USD1.063 |

\( \text{total market size} = (\text{total local production} + \text{imports}) - \text{exports} \)

Figures in USD millions. Sources: Panorama de la Plasturgie (French Plastics Industry), Global Trade Atlas (GTA) Trade Data, Plastics Europe

The French plastic industry is still recovering from the 2008 downturn. However, in the next couple of years, the growth of the French plastics industry will be 1.3 times higher than that of the overall French GDP. In 2016, the core plastics converting activity industry (finished and semi-finished products) consisted of 125,000 employees, 3,350 companies, and $33 billion in sales turnover.

The majority of the French plastics industry is composed of small and medium sized companies (~37 employees in comparison to 100 in Germany).

France’s plastics industry ranks third in Europe (after Germany and Italy) and sixth in the world (after China, the United States, and Japan). In 2015, the turnover in the EU reached $377 billion (this includes plastics raw material producers, plastics converters, and plastics machinery manufacturers). France currently represents 8.7% of the European plastic industry turnover ($33 billion).

Europe alone produced 58 million tons of plastics in 2015, nearly the same level compared to 2014 (when 59 million tons were produced). Europe currently represents 18.5% of the worldwide plastics production. In 2016, exports to Europe increased by 6.5% compared to
2015 and reached $9.4 billion. The European Union (mainly Germany, Belgium, the U.K., Italy, and Spain) is France’s main trading partner and accounts for 75% of France’s exports. Imports to France mainly come from Germany, Italy, China, Belgium, and Spain, and 78% of imports come from within the European Union.

The U.S. also plays a large role in importing as it sold $514 million in plastics products to France in 2016. In regards to new production capabilities in the United States, the Middle East, and Iran, French companies could diversify sourcing in the coming years. Two thirds of plastics demand in Europe is concentrated in six countries: Germany accounts for 24.6%, Italy for 14.3%, France for 9.6%, Spain for 7.7%, the U.K. for 7.5%, and Poland for 6.3%.

- **Distribution of plastics demand by segment is as follows:**
  - Packaging (39.9%)
  - Consumer & Household good (22.4%)
  - Building & Construction (19.4%)
  - Automotive (8.9%)
  - Electrics & Electronic (5.8%)
  - Agriculture (3.3%)

- **Leading Sub-Sectors**
  1) Technical parts
  2) Packaging products
  3) Construction parts
  4) Semi-finished products (sheets, shapes, tubes)
  5) General consumption parts

- **Opportunities**

Today, France is focusing on intelligent plastics, bio-sourced plastics, and composites. French companies have stopped producing commodity plastics in order to specialize in high tech plastic materials and high performance plastics. More competition is coming from China, the U.S. (schist gas and oil), India, the Middle East, and Brazil (following the development of biofuels). Europe (including France) is starting to focus on plastics using renewable energy sources as well as technologies allowing better plastics recyclability.
The French plastic industry is looking to create new products for technical fabrics, electronics, 3-D printing applications, and the Plastinomics 2020 Challenge (intelligent plastic for connected products). Industry 4.0 products and technologies for applications in the packaging, automotive, construction, and medical sectors are areas of opportunity.

Market access: Prior to exporting, U.S. manufacturers must consider the certification process for the EU market. Certification is a conformity assessment (testing and certification) completed in order to declare a company complies with EU regulatory requirements. For the majority of exported products to France and the EU, compliance with CE marking is necessary. Use of standards is part of the process. Valuable information about the certification process may be found on the following website:


Customs duties: between 5-7% and the standard value-added French tax of 20% must be added to imported goods.

- **Web Resources**

*K Show, major international exhibition for the plastics & rubber:
October 16-23, 2019. Dusseldorf, Germany
http://www.k-online.com/

*Euromold, major international trade show for additive Manufacturing / 3D Printing:
December 24-26, 2017 Munich, Germany
http://euromold.com/en/

French Plastic Industry Association - Fédération de la Plasturgie
Website: http://www.laplasturgie.fr

European Plastics Trade Association
Website: http://www.plasticseurope.org/

Global Trade Atlas (GTA) Trade Data
Contact:

U.S. Embassy - U.S. Commercial Service Commercial Specialist

Stephanie.Pencole@trade.gov
Phone: (33-1) 43 12 71 38 -
Website: http://export.gov/france
Cosmetics (COS)

- **Overview**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017 (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Local Production</td>
<td>29,430</td>
<td>30,018</td>
<td>28,000</td>
<td>28,500</td>
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<tr>
<td>Total Exports</td>
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<td>15,007</td>
<td>11,800</td>
<td>12,000</td>
</tr>
<tr>
<td>Total Imports</td>
<td>2,912</td>
<td>15,007</td>
<td>11,800</td>
<td>12,000</td>
</tr>
<tr>
<td>Imports from the US</td>
<td>306</td>
<td>312</td>
<td>300</td>
<td>310</td>
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<tr>
<td><strong>Total Market Size</strong></td>
<td>17,629</td>
<td>18,040</td>
<td>18,402</td>
<td>19,500</td>
</tr>
<tr>
<td>Exchange Rate 1 Euro</td>
<td>USD1.320</td>
<td>USD1.109</td>
<td>USD1.107</td>
<td>USD1.063</td>
</tr>
</tbody>
</table>

\[(total \text{ market size} = (total \text{ local production} + \text{ imports}) - \text{ exports})\]

(Figures in USD billion; * Estimated figures)

Data source: FEBEA (French trade association for the cosmetics and perfumes companies)

The French cosmetic industry is strong and robust - one of the rare sectors in which France is a global leader. In this sector, the label “Made in France” remains a sign of high quality around the world. French products are sold in over 200 countries and French companies have continued to increase market shares worldwide, especially in emerging countries.

In France there are approximately 430 cosmetics companies made up of small and medium-sized enterprises with a total of 55,000 employees. The cosmetics industry distribution network is comprised of selective distributors including the key players Sephora, Marionnaud, Nocibé, and Douglas, followed by the mass distribution sector (department stores and pharmacies).

Consumers in this sector are becoming very demanding and are constantly expecting products that deliver immediate and tangible results. Because French consumers like to try new and innovative items, companies must launch new products every year. Although this is a very difficult and competitive market due to the dominance of leading French companies (particularly L’Oréal and L.V.M.H.) and very strict government legislation, there are some market opportunities for niche U.S. brands (although there are only a few French distributors interested in sourcing innovative products from the U.S.).
• **Leading Sub-Sectors**
  
  • **Organic cosmetics**

Organic cosmetics are a booming market in France. Initially, many organic cosmetics were designed for people suffering from skin problems, such as eczema or allergies. Increasingly, organic cosmetics are seen as high quality and premium products and are drawing a much wider range of consumers.

• **Ethnic cosmetics**

Ethnic cosmetic products are a best prospect opportunity in France due to an increase in purchasing power of ethnic communities. Well-known brands in cosmetics are beginning to dedicate more resources and time in creating more products for this growing market segment.

• **Spa products**

Spa and wellness products still remain one of the most dynamic market sectors and has demonstrated a significant increase in demand over the past few years.

• **Opportunities**

In order to manage the stiff competition, U.S. companies must invest heavily in marketing and promoting their products in efforts to attract new consumers. It should be kept in mind it may take a long time to build a recognized brand. New brands entering the French market must be prepared to highlight their product’s innovative properties, develop eye-catching packaging and invest heavily in marketing and promotion.

• **Web Resources**

  French Trade Association for Cosmetics and Beauty Products FEBEA  
  [Http://www.febea.fr](http://www.febea.fr)

  ANSM (Agence Nationale de Sécurité du Médicament et des Produits de Sante)Agency for the security of health products and cosmetics:  
  [http://ansm.sante.fr/Produits-de-sante/Produits-cosmetiques](http://ansm.sante.fr/Produits-de-sante/Produits-cosmetiques)  

  European Commission EU Cosmetics Regulation:
http://ec.europa.eu/consumers/sectors/cosmetics/cpnp/

European Commission Scientific Committee for Consumer Safety:
http://ec.europa.eu/health/scientific_committees/consumer_safety/index_en.htm

Cosmetics trade association for Europe: https://www.cosmeticseurope.eu

- Contact:
U.S. Embassy - U.S. Commercial Service Commercial Specialist:
Caroline.de.Villoutreys@trade.gov;
Phone: +33(0)1 43 12 71 98
Website: http://export.gov/france/
Textiles (TXT)

- Overview

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017 (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Local Production</td>
<td>17,869</td>
<td>18,226</td>
<td>18,591</td>
<td>13,000</td>
</tr>
<tr>
<td>Total Exports</td>
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<td>11,950</td>
<td>11,620</td>
<td>8,500</td>
</tr>
<tr>
<td>Total Imports</td>
<td>20,560</td>
<td>20,971</td>
<td>21,390</td>
<td>16,000</td>
</tr>
<tr>
<td>Imports from the US</td>
<td>286</td>
<td>292</td>
<td>298</td>
<td>290</td>
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<tr>
<td><strong>Total Market Size</strong></td>
<td>27,620</td>
<td>27,247</td>
<td>28,361</td>
<td>20,500</td>
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<tr>
<td>Exchange Rate 1 Euro</td>
<td>USD 1.320</td>
<td>USD1.109</td>
<td>USD1.107</td>
<td>USD1.063</td>
</tr>
</tbody>
</table>

\( \text{total market size} = (\text{total local production} + \text{imports}) - \text{exports} \)

Data source: The French trade Association for the Textile Industry - UIT

(Figures in USD billion; * Estimated figures) * Official statistical figures including only textile companies employing at least 20 people. * Statistical import figures including French customs classification N0. 61-62-63.

In 2016, the French textile industry (including apparel) was comprised of approximately 548 companies averaging 20 employees with a total workforce of 57,031 employees.

The French textiles market remains a highly-developed, mature market with many domestic and international players. Apparel accounts for 43.7% of the market’s total value, while fabrics represent about 29.8%. The industry in France, although large, is dominated by a number of small, niche companies selling a small quantity of highly technical and high value products.

In France, the main consumers of technical textiles are industry (21%), transportation (20%), medical (16%), protection (10%), construction (10%), and agro textiles (8%). The main distributors of clothing are specialized chains (23%), independent sellers (13%), and super/hypermarkets (14%). Similarly to previous years, the major textile supplier countries are China, followed by Italy, Bangladesh, Turkey, Germany, India, Belgium, Tunisia, Portugal, and Pakistan. The U.S. textile exports to France are mainly composed of sportswear and technical textiles. In addition, U.S. suppliers have an advantage in terms of technical know-how in this industry.
• **Leading Sub-Sectors**
  - Technical textiles with better comfort and monitoring solutions for sportswear
  - Technical textiles reducing carbon emissions for the transportation industry
  - Technical textiles improving energy efficiency for use in the building industry
  - Textiles with electronic devices and communication systems incorporated in the garments for either the security or sporting industries

• **Opportunities**

The best opportunities in the textile sector are open to those U.S. companies that are able to create new technologies and develop innovative products offering new solutions to a large number of industrial sectors.

• **Web Resources**

The European Apparel and Textile Confederation - EURATEX
European Apparel and Textile Confederation
http://www.euratex.eu

Union des Industries Textiles - U.I.T.
(Textile Trade Association)
http://www.textile.fr

Union Française des Industries de l’Habillement - U F I H
(French Trade Association for apparel industries)
http://www.lamodefrancaise.org/fr/organisations_federations/ufih.html

• **Contact:**

U.S. Embassy - U.S. Commercial Service Commercial Specialist:
Caroline.de.Villoutreys@trade.gov;
Phone: +33(0)1 43 12 71 98
Website: http://export.gov/france/
Travel and Tourism (TRA)

• Overview

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017*(Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>French &amp; foreign tourists in</td>
<td>838</td>
<td>84.5</td>
<td>82.5</td>
<td>N/A</td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>French &amp; foreign tourists</td>
<td>$40,000</td>
<td>$41,400</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>spending in France</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>French tourists in the world</td>
<td>24.9</td>
<td>23.8</td>
<td>27.6</td>
<td>N/A</td>
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<tr>
<td>French tourists spending in</td>
<td>$74,400</td>
<td>$71,100</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>the world</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>French spending in the U.S.</td>
<td>$5,600</td>
<td>$5,650</td>
<td>$5,700</td>
<td>$5,800</td>
</tr>
<tr>
<td>Number of French travelers</td>
<td>1.73</td>
<td>1.74</td>
<td>1.75</td>
<td>1.81</td>
</tr>
<tr>
<td>in the U.S.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange Rate 1 Euro</td>
<td>USD1.320</td>
<td>USD1.109</td>
<td>USD1.107</td>
<td>USD1.063</td>
</tr>
</tbody>
</table>

(*Total market size = (total local production + imports) - exports)
(Figures in USD millions; * Estimated figures)


The United States remains one of the top choices as a long-haul destination for French travelers. In 2015, France ranked third among European markets (after the United Kingdom and Germany) and ninth in the world (after Canada, Mexico, U.K., Japan, China, Germany, Brazil, and South Korea) as an overseas source of income for the United States tourism industry.

• Leading Sub-Sectors

More than 1.75 million travelers from France visited the United States in 2015, an increase of 6% compared to the previous year French tourists spent a record setting amount of $5.7 billion in 2015 - which ranked 10th among overseas visitors. In addition, France accounted for 2.3% of total international arrivals in the United States in 2015.
Opportunities

The U.S. is a very popular destination for French travelers and is ranked number one among long-distance destinations. California, the United States National Parks, New York, and Florida remain the most visited places in the U.S. Other regions such as the Southwest, the Rocky Mountain states, and Louisiana are becoming popular, particularly with second or third-time visitors. French travelers are very fond of cultural and historical sites. They also like to visit cities renowned for their artwork or museums (such as New York City, Washington D.C., Boston, and Chicago). Additionally, images of cowboys and Native Americans surrounded by open spaces as made popular by American TV shows and movies remain vivid in the French imagination. This explains why Western states such as Arizona, Utah, Nevada, Colorado, and New Mexico are also popular destinations for the French.

The French have five weeks of paid vacation per year and the average length of stay in the U.S. is approximately two weeks.

French tourists are very individualistic in their travel behavior which explains why 70% percent choose “Fly and Drive” options. Nevertheless, some travelers (mainly those who are retired) prefer organized trips.

Eight airlines offer non-stop flights from France to the United States. The U.S. carriers include American Airlines, Delta Air Lines, and United and European carriers include Air France, Air Tahiti Nui, La Compagnie, Norwegian Air Shuttle, and XL Airways.

Web Resources

Brand USA: Established by the Travel promotion Act in 2010, Brand USA is a non-profit, private-public partnership that promotes increased inbound international travel to the United States. Brand USA is financed by a fee assessed on international visitors applying for entry into the United States under the Visa Waiver Program and matching resources provided by private sector partners. Brand USA has organized a pavilion with the Visit USA Committee at IFTM, the major travel trade fair in France that will be held in Paris on September 26-29, 2017. (www.thebrandusa.com). Additionally, Brand USA publishes a “Travel USA” Guide in French and a culinary guide in English. The guides are distributed in
all the major trade and consumer fairs organized by the Visit USA Committee in France www.VisittheUSA.com.

The Visit USA Committee France: Following the closing of the United States Travel and Tourism Administration (USTTA) in 1996, the U.S. Commercial Service has supported the establishment of the Visit USA Committee, a private industry association aimed at promoting the United States as a travel and tourism destination. The U.S. Commercial Service in Paris actively supports the Visit USA Committee in France. This French committee, with 147 members, is one of the largest Visit USA chapters in the world.

Visit USA Committee France: www.office-tourisme-usa.com

- **Contact:**
U.S. Embassy - U.S. Commercial Service Commercial Specialist:
Valerie.Ferriere@trade.gov
Phone: +33 (0) 1 43 12 70 77,
Website: http://export.gov/ france/
E-Commerce (ECO)

For information on E-Commerce, please refer to this section of the Country Commercial Guide.

U.S. Embassy - U.S. Commercial Service Commercial Specialist: Rose-Marie.Faria@trade.gov
Phone: +33 (0)1 43 12 71 49
Website: http://export.gov/france/
The number of French students attending school in the United States rose steadily in the 1990s peaking at 7,401 students in 2001/02. After a three-year decline, the number of French students began to rise again in 2005/06. Since then, the number of French students in the U.S. has maintained a slow, steady increase for the last 10 years; the growth rate surpassed 5% in 2014/15 for the first time since 2010/11.

Education and training are the United States’ 5th largest service export, contributing over $32.8 billion in annual revenue to the economy and supported more than 400,000 jobs in the U.S. economy during the 2015/16 academic year.

France is the eighteenth most popular country of origin for students coming to the United States. It is also the fourth leading host country for U.S. students studying abroad. In the 2015/16 academic year, 8,764 students from France studied in the United States. The U.S. is the second-most popular destination (behind the United Kingdom) for French students wishing to study overseas. The undergraduate level is the most popular time for French students to go abroad, but other levels are also represented. In 2015/16, the breakdown of level of education being studied was as follows: 40.9% undergraduate students, 36.8 % graduate students, 8.2 % non-degree students, 14.1% OPT (Optional Practical Training).
• **Leading Sub-Sectors**

Studying abroad has become an increasingly-important factor for French university graduates seeking to stand out in the employment market, especially following the expansion of the European Union. Today, English is effectively the business language of Europe. Best prospects within this sector include intensive “American” English language classes, programs in business administration, a one-year program for French high-school graduates (post baccalaureate) usually between graduation, and entry into French university and work/study programs (internships).

• **Opportunities**

American educational institutions can take advantage of the importance placed on English language abilities as well as the current state of the French labor market. As of January 2017, the unemployment rate in France dropped from 10.1% to 10% with a 23.6% unemployment rate for those under 25 years old. This has led to a “race for diplomas” among French students. Studying abroad has become a great way for graduates to enhance their resume for future positions.

American institutions may also benefit from the following niche opportunities:

- **Second & Third Tier Cities:** Most U.S. colleges and universities focus their recruitment efforts in Paris. Recruitment efforts that include other cities in France in addition to Paris (particularly those with strong universities or a sister city connection) generally yield effective results.

- **Partnerships:** The U.S. and France express their support for the Transatlantic Friendship and Mobility Initiative promoting increased student and junior researcher mobility and exchanges. This initiative aims to double the number of U.S students going to France and the number of French students coming to the United States by 2025, and is endorsed by the Association of American Universities, the Association of Public and Land Grant Universities, the Institute of International Education, and NAFSA.

- **Intensive English Language Programs:** Today, English has become an essential tool for French students seeking employment after graduation, a market which could be further developed by U.S. schools.
• **Web Resources**

EDUCATION USA/FULBRIGHT COMMISSION

http://www.fulbright-france.org

• **Main Educational Trade Shows:**

Study Abroad Fairs
October 2017
http://www.studyrama.fr

Sep/Oct. 2017 Paris College Day
http://www.cois.org/page.cfm?p=2832

January 2018 - High school road show in Paris before the main fair
http://www.letudiant.fr

  - **Contact:**

To learn more about how the U.S. Commercial Service can assist your academic institution with recruitment efforts, introductions to recruitment agents or universities in France, please contact:

U.S. Embassy - U.S. Commercial Service Trade Specialist:
Isabelle.Singletary@trade.gov
Phone: +33 (0) 1 43 12 70 63
Website: http://www.buyusa.gov/france/etudierauxusa/index.asp
Agricultural Sector (AGR)

• Overview
Top six Market Opportunities for Consumer-Oriented Food Products (USD Million).
There are significant market opportunities for consumer food/edible fishery products in a
number of areas such as fruit juices and soft drinks (including flavored spring waters),
dried fruits and nuts, fresh fruits and vegetables (particularly tropical and exotic), frozen
foods (both ready-to-eat meals and specialty products), snack foods, tree nuts, “ethnic”
products, seafood (particularly salmon and surimi), innovative dietetic and health
products, organic products, soups, breakfast cereals, and pet foods. In addition, niche
markets exist for candies, chocolate bars, wild rice, kosher and halal foods. Market
opportunities for U.S. exporters also exist for oilseeds, protein meals and other feeds, as
well as for wood products and grains.

• Leading Sub-Sectors & Web Resources
See the six consumer-oriented food products considered by the Office of Agricultural
Affairs as representing the “best prospects” for U.S. business in France at:
http://www.usda-france.fr/market-information.htm

• Contact:
Laurent J. Journo - Marketing Specialist- U.S. Department of Agriculture | Foreign
Agricultural Service - Embassy of the United States | 2, avenue Gabriel | 75382 Paris
CEDEX 08 | FRANCE - Phone: (+33) 1 43 12 22 45 - Cell: (+33) 6 86 20 46 52 - Website:
www.usda-france.fr - E-mail: Laurent.journo@fas.usda.gov
Trade Regulations, Customs, & Standards

Import Tariff

The Integrated Tariff of the Community, referred to as “TARIC (Tarif Intégré de la Communauté)”, is designed to show the various rules which apply to specific products being imported into the customs territory of the EU or, in some cases, exported from it. To determine if a license is required for a particular product, check the TARIC. The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Key Link:

Key French Links:  https://pro.douane.gouv.fr/prodouane.asp
French Tariffs nomenclature:  http://www.tarif-douanier.com

Trade Barriers

France's regulations and bureaucratic procedures can be a difficult hurdle for companies wishing to enter the market and require close attention by U.S. exporters. Complex safety standards, not normally discriminatory but sometimes rigorously applied, complicate access to the market for many U.S. products. U.S. suppliers are well advised to do their homework thoroughly and make sure they know precisely which standards apply to their product and that they obtain timely testing and certification.

For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website:


Information on agricultural trade barriers can be found at the following website:

http://www.usda-france.fr/market-information.htm
To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at http://www.trade.gov/tcc or the U.S. Mission to the European Union at http://export.gov/europeanunion/

**Import Requirements & Documentation**

The “TARIC” (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a particular product. Many EU member states maintain their own list of goods subject to import licensing. For example, Germany’s “Import List” (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law.

- **Import Documentation**
- **The Single Administrative Document**

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

The person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for the carriage of the goods following such entry; or the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU member states. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.
European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/index_en.htm

Regulation (EC) No 450/2008 laying down the Community Customs Code (so-called the “Modernized Customs Code”) aimed at the adaptation of customs legislation and at introducing the electronic environment for customs and trade. This Regulation entered into force on June 24, 2008 and was due to be applicable once its implementing provisions were in force by June 2013. However, the Modernized Customs Code was recast as a Union Customs Code (UCC) before it became applicable. The Union Customs Code (UCC) Regulation entered into force in October 2013 and repealed the MCC Regulation; its substantive provisions will apply only on May 1st 2016. Until this time, the Community Customs Code and its implementing provisions continue to apply. Key link: http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/index_en.htm

• **EORI**

Since July 1, 2009, all companies established outside of the EU are required to have an Economic Operator Registration and Identification (EORI) number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. An EORI number must be formally requested from the customs of the specific member state to which the company exports. Member state custom authorities may request additional documents to be submitted alongside a formal request for an EORI number. Once a company has received an EORI number, it can use it for exports to any of the 28 EU member states. There is no single format for the EORI number. Once an operator holds an EORI number he can request the Authorized Economic Operator (AEO) status, which can give quicker access to certain simplified customs procedures.

More information about the EORI number can be found at:

- **U.S. - EU Mutual Recognition Arrangement (MRA)**

Since 1997, the U.S. and the EU have had an agreement on customs cooperation and mutual assistance in customs matters. For additional information, please see: http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/usa/index_en.htm

In 2012, the U.S. and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another’s customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the “security amendment”). This is similar to the U.S.’ voluntary Customs-Trade Partnership against Terrorism (C-TPAT) program in which participants receive certification as “trusted” traders. AEO certification issued by a national customs authority is recognized by all member state’s customs agencies. An AEO is entitled to two different types of authorization: “customs simplification” or “security and safety.” The former allows for an AEO to benefit from simplifications related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter’s trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition.

The U.S. and the EU recognize each other’s security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures, and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The agreement is being implemented in two phases. The first commenced in July 2012 with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above):
Additional information on the MRA can be found at:


• **Batteries**

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The 2006 Directive applies to all batteries and accumulators placed on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. The European Commission publishes a FAQ document - last updated in May 2014 - to assist interested parties in interpreting its provisions. For more information, see:

http://ec.europa.eu/environment/waste/batteries/


• **REACH**

REACH, “Registration, Evaluation and Authorization and Restriction of Chemicals”, is the system for controlling chemicals in the EU and it came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by this regulation. REACH imposes a registration requirement on all chemicals manufactured or imported into the EU in volumes above 1 metric ton per year. The European Chemicals Agency (ECHA) is the agency responsible for receiving and ensuring the completeness of submitted registrations. Information on a chemical’s properties, uses and handling are part of the registration process. The next registration deadline is May 31, 2018. U.S.
companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based ‘Only Representative of non-EU manufacturer’. A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU:  http://export.gov/europeanunion/reachclp/index.asp

U.S. companies exporting chemical products to the European Union must update their Material Safety Data Sheets (MSDS) to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets:  https://echa.europa.eu/

U.S. exporters to the EU should carefully consider the REACH ‘Candidate List’ of Substances of Very High Concern (SVHCs) and the ‘Authorization List’. Substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export products containing substances on the ‘Authorization List’ will require an authorization. The Candidate List can be found at:

https://echa.europa.eu/web/guest/candidate-list-table

The Authorization List is available at:


- **WEEE Directive**

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority or arrange for this to be done by a local partner. The WEEE Directive was revised on July 4, 2012 and the scope of products covered was expanded to include all electrical and electronic equipment. This revised scope will apply from August 14, 2018 with a phase-in period that has already begun. U.S. exporters seeking more information on the WEEE Directive should visit:  http://export.gov/europeanunion/weeerohs/index.asp

- **RoHS**

The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork; however
manufacturers must self-certify that their products are compliant. The Directive was revised in 2011 and entered into force on January 2, 2013. One important change is that RoHS is now a CE Marking Directive. The revised Directive expands the scope of products covered during a transition period which ends on July 22, 2019. Once this transition period ends, the Directive will apply to medical devices, monitoring and control equipment in addition to all other electrical and electronic equipment. U.S. exporters seeking more information on the RoHS Directive should visit:

http://export.gov/europeanunion/weeerohs/index.asp

• **Cosmetics Regulation**

On November 30, 2009, the EU adopted a new regulation on cosmetic products which has applied since July 11, 2013. The law introduces an EU-wide system for the notification of cosmetic products and a requirement that companies without a physical presence in the EU appoint an EU-based responsible person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data was obtained from testing required under other EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing.

• **Agricultural Documentation**

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not
complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/.

- **Sanitary Certificates (Fisheries)**

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. The U.S. fishery product sanitary certificate is a combination of Commission Decision 2006/199/EC for the public health attestation and of Regulation 1012/2012 for the general template and animal health attestation. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU’s. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

Since June 2009, the only U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.nmfs.noaa.gov/.
Labeling/Marking Requirements

The use of French is compulsory in the designation, offer, presentation, user manual or the description of the scope and terms of guarantee of a product or service, as well as invoices and receipts. The objective is to provide information and consumer protection to enable the individual to buy and use a product or service and benefit from having a perfect knowledge of their nature, their use and their warranty.

The Act of August 4, 1994 and its implementing regulations have established that the use of French language is a fundamental element of the heritage of France. The purpose of the law is the protection of the French language; the obligations apply without the need to distinguish whether the buyer is an individual or a professional.

These requirements are part of the French Code of Consumption which can be accessed at:  http://www.legifrance.gouv.fr/. A partial list of French language requirements relevant to U.S. businesses operating in France includes:

The use of French is compulsory in trade relations and labor relations, without, however, prohibiting the use of recognized foreign words or phrases.

Contracts which are parts of legal entities under public or private persons performing a public service are written in French regardless of their purpose and form.

Job offers in the press, labor contracts, and other documents relating to social relations within the company are required to be written in French.

Labeling of food, a decree of 1 August 2002 complement Article R. 112-8 indicating that the labeling may be contained in one or more other languages, in addition to French.

Whenever mentions, ads, and inscriptions are supplemented by one or more translations, the French presentation should be as legible, audible, or intelligible as the presentation of foreign languages.

All labeling must be easily understandable, written in French with no abbreviations other than those prescribed by the regulations or international conventions. They must be listed in a conspicuous place and so as to be visible, clearly legible and indelible. They should in no way be hidden, obscured or interrupted by other written or pictorial content.
• **Relevant regulations:**


Regarding Textile Labeling and specifically the care of these labels specified, the Court of Cassation, in a ruling dated November 14, 2000, ruled that the information labels completing the pictograms were warnings essential for the consumer and that they should therefore be written in French. However, so as not to obstruct the free movement of goods called for by European regulations, goods and products which include inscriptions, print or woven, in a foreign language, words and phrases entered in the current language, or resulting from international conventions (i.e. off / on, made in …, copyright, etc.) which are used alongside other means of consumer information, such as symbols or icons, can be accompanied by statements of foreign language not translated into French as long as the drawings, symbols or pictograms, and statements are either of equivalent or complementary subject and are not likely to mislead the consumer.

• **Basic Labeling/Packaging Requirements for Food products:**

Labels should be written in French and include the following information: product definition, shelf life (indicate “used by”, “best before” dates, and other storage requirements), precautionary information or usage instructions, and if applicable statement of contents: ingredients, weights, volumes, etc., in metric units. All additives, preservatives, and color agents must be noted on the label with their specific group name or their “E” number. The product’s country of origin and name of importer or vendor within the EU Manufacturer’s lot or batch number is required with the introduction of Regulation (EC) No 1829/2003 on “Genetically Modified Food and Feed,” and Regulation (EC) No 1830/2003 regarding “The Traceability and Labeling of Genetically Modified Organisms.” The EU sought to create greater coherence in the regulatory framework for authorization, labeling, and traceability. Regulation (EC) No 1829/2003 establishes a “one door, one key” principle, enabling a single application for authorization of release into the environment (according to the criteria set in Directive 2001/18/EC), and the authorization for use as food or feed. The authorization depends on a positive risk assessment by the
European Food Safety Authority (EFSA), and a risk management process involving the European Commission and EU Member States through a regulatory committee procedure. France implemented the EU Novel Food/Novel Feed and Traceability and Labeling Regulations (T&L) on April 18, 2004. According to the T&L regulation, biotech products and biotech-derived products must be identified “from the seed to the fork” at each stage of market release. A unique code is attributed to each genetic event to facilitate communication among operators. The T&L regulation imposes the labeling of any food or feed product derived from biotech, whether biotech DNA is detectable in the final product or not. The threshold under which labeling is not compulsory is set at 0.9% for both human food and animal feed. A threshold on planting seeds has not yet been established. Traces of biotech deregulated for commercial use in food and feed in the United States and other countries, but not yet authorized in the EU were detected in not only U.S. shipments, but also shipments from other foreign countries to the EU. The EU’s policy of zero tolerance implies that shipments containing low level presence (LLP) of EU unapproved events are not allowed into the European Union. However, the European authorities and Member States are currently working on revising their tolerance level of LLP biotech products in imported products from third countries.


### U.S. Export Controls

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including “production” and “development” technology. The items that BIS regulates are often referred to as “dual use” since they have both commercial and military applications. Further information on export controls is available at: [http://www.bis.doc.gov/licensing/exportingbasics.htm](http://www.bis.doc.gov/licensing/exportingbasics.htm).

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at:


Also, BIS has "Know Your Customer" guidance at:
If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at:


The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system. This was created with the goal of strengthening national security and competitiveness of key U.S. manufacturing and technology sectors, by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States’ ability to counter threats such as the proliferation of weapons of mass destruction.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls. Phase III builds on Phase I and II and creates a single control list, single licensing agency, unified information technology system, and enforcement coordination center. For additional information on ECR see: http://export.gov/ecr/index.asp.

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at: https://www.bis.doc.gov/index.php/compliance-a-training/current-seminar-schedule.

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: http://www.bis.doc.gov/.

A list that consolidates eleven export screening lists of the Departments of Commerce, State, and the Treasury into a single search as an aid to industry in conducting electronic
screenings of potential parties in regulated transactions is available here: http://developer.trade.gov/consolidated-screening-list.html.

French Ministry of Foreign Affairs Export control Website:


Temporary Entry

For temporary entry it is usually advisable to purchase an ATA Carnet, which allows for the temporary, duty-free entry of goods into over 50 countries, and is issued by the United States Council for International Business by appointment of the U.S. Customs Service: www.uscib.org

French Customs Temporary Admission Web pages import/export:

http://www.douane.gouv.fr/articles/a10858-admission-temporaire-de-marchandises

http://www.douane.gouv.fr/articles/c808-exportation

http://www.douane.gouv.fr/articles/a10928-fret-maritime-a-destination-des-etats-unis

Prohibited & Restricted Imports

The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

CITES Convention on International Trade of Endangered Species

PROHI Import Suspension

RSTR Import Restriction
For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:


Customs Regulations

France - Customs Regulations “Code des Douanes”:


French customs regional offices for companies:


The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

Electronic Customs Initiative - This initiative deals with EU Customs modernization developments to improve and facilitate trade in the EU member states. The electronic customs initiative is based on the following three pieces of legislation:


The Security and Safety Amendment to the Customs Code, which provides for full computerization of all procedures related to security and safety:

http://ec.europa.eu/ecip/security_amendment/index_en.htm

The Decision on the paperless environment for customs and trade (Electronic Customs Decision) which sets the basic framework and major deadlines for the electronic customs projects;
The Modernized Community Customs Code (recast as Union Customs Code) which provides for the completion of the computerization of customs.


Homepage of Customs and Taxation Union Directorate (TAXUD) Website

Key Link: [http://ec.europa.eu/taxation_customs/customs/index_en.htm](http://ec.europa.eu/taxation_customs/customs/index_en.htm)

Customs Valuation - Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, a standard set of rules for establishing the goods' value, is necessary for the calculation of the customs duty.

Given the magnitude of EU imports every year, it is important that the value of such commerce is accurately measured for the purposes of:

Economic and commercial policy analysis; Application of commercial policy measures; Proper collection of import duties and taxes; and Import and export statistics.

These objectives are met using a single instrument - the rules on customs value. The EU applies an internationally accepted concept of ‘customs value’.

The value of imported goods is one of the three ‘elements of taxation’ that provides the basis for the assessment of the customs debt, which is the technical term for the amount of duty payable, the other being the origin of the goods and the customs tariff.

**Trade Standards**

- **Overview**

Prior to exporting, U.S. manufacturers have to consider certification for the EU market. Certification is about conformity assessment (testing and certification) in order to declare compliance with EU regulatory requirements. For the majority of exported products, compliance is visibly testified by the use of CE marking. Use of standards is part of the process.
Bearing in mind that the testing and certifications of the U.S. market are not sufficient for the exporting to the EU, manufacturers will need to start from scratch in order to determine what it takes to comply with EU requirements. Since EU legislation harmonizes mandatory requirements for product safety throughout the European Union, a manufacturer only needs to go through the process once and can then export to the European Economic Area, covering all 28 EU member states + Iceland, Lichtenstein and Norway. With appropriate certification, goods travel freely within the borders of the Single Market.

Where to start? Key Website link:

http://www.export.gov/europeanunion/eustandardsandcertification/index.asp

- Standards

Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU’s different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU’s General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards created under the New Approach are harmonized across the member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to:

http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main

The concept of new approach legislation is likely to disappear over time as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Existing legislation has been reviewed to bring them in line with the NLF concepts, which means that new requirements and reference numbers will have to be used as of 2016. While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also
function as barriers to trade if U.S. standards are different from those of the European Union.

- **Agricultural Standards**

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law to establish the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service’s website at: [http://www.usda-eu.org](http://www.usda-eu.org).


- **Standards Organizations**

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU Standards is handled by three European standards organizations:


Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" that monitor and delegate experts to participate
in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation. Mandates - or requests for standards - can be checked on line at:


Given the EU’s vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU’s standards regime is wide and deep - extending well beyond the EU’s political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, Israel, and Morocco among others. Another category, called "partner standardization body" includes the standards organization of Mongolia, Kazakhstan and Australia, which are not likely to become a CEN member or affiliate for political and geographical reasons.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN’s "what we do" page provides an overview of standards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. ETSI’s portal:

( http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a “Platform Committee” reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been
encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link:


Key Links to the French Standard Organization AFNOR:  http://www.afnor.org/en

    o  NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that may affect your access to international markets. Register online at Internet URL: http://www.nist.gov/notifyus/.

- Conformity Assessment

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission’s website.

Key Link:  http://ec.europa.eu/enterprise/newapproach/nando/

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN’s certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

French Accreditation Web Portal:  http://www.cofrac.fr/

Key Links to the French Standard Organization AFNOR Certification:

http://www.afnor.org/
Product Certification

To sell products in the EU market of 28 member states as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC or ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity.
(which the manufacturer or authorized agent must be able to provide at any time, together with the product’s technical file), or the documents accompanying the product.

- **Accreditation**

Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

“European Accreditation” ([http://www.european-accreditation.org](http://www.european-accreditation.org)) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.


Key Links to the French Standard Organization AFNOR Certification:

Key Links to the French Standard Organization AFNOR Certification French label NF:

Key Link to French National Testing Laboratories - LABORATOIRE NATIONAL D’ESSAIS LNE

- **Publication of technical regulations**

Manufacturers should be mindful that, in addition to the EU’s mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.
The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers.

Key Link:


- **The Eco-label**

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 13 different product groups, and more than 17000 licenses have been awarded.

Applications to display the eco-label should be directed to the competent body of the member state in which the product is sold. The application fee will be somewhere between €275 and €1600 depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between $480 to $2000), with a 20% reduction for companies registered under the EU Eco-Management and Audit Scheme (EMAS) or certified under the international standard ISO 14001. Discounts are available for small and medium sized enterprises (SMEs).


Key French Links:

French Ministry of Economy Web page on Labeling:


- **Contact Information**
  - **French Contacts:**
French Accreditation Agency
COFRAC
52 rue Jacques Hillairet
75012 PARIS
Phone: +33(0)1 44 68 82 20
Sectorial Contacts at: http://www.cofrac.fr/fr/contact/

French Standard Organization:
Groupe AFNOR:
11, rue Francis de Pressensé
93571 La Plaine Saint-Denis Cedex
France
Contact: Fabienne Bonin-Bree
Tel: +33 1 41 62 62 96
Email: international-network@afnor.org


Key French Links:

French Ministry of Economy Web page on Labeling:
AFNOR Resources on CE labelling: http://www.boutique-certification.afnor.org/

- E.U. Contacts:

U.S. Mission to the EU
Marianne Drain, Standards Attaché and Louis Fredricks, Commercial Assistant
Tel: +32.2.811.5004194
Marianne.Drain@trade.gov and Louis.Fredricks@trade.gov

National Institute of Standards & Technology
Dr. George W. Arnold
Director
Standards Coordination Office
100 Bureau Dr. Mail Stop 2100
Gaithersburg, Maryland 20899
Tel: (301) 975-5627
Website:  http://www.nist.gov/director/sco/index.cfm

CEN - European Committee for Standardization
Avenue Marnix 17
B - 1000 Brussels, Belgium
Tel: 32.2.550.08.11
Fax: +32.2.550.08.19
Website:  http://www.cen.eu

CENELEC - European Committee for Electro technical Standardization
Avenue Marnix 17
B - 1000 Brussels, Belgium
Tel: 32.2.519.68.71
Fax: +32.2.519.69.19
Website: http://www.cenelec.eu

ETSI - European Telecommunications Standards Institute
Route des Lucioles 650
F - 06921 Sophia Antipolis Cedex, France
Tel: +33.4.92.94.42.00
Fax: +33.4.93.65.47.16
Website:  http://www.etsi.org

SBS - Small Business Standards
4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: +32.2.285.07.27
Fax : +32.2.230.78.61
Website:  http://sbs-sme.eu/

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization
Avenue de Tervuren 32, Box 27  
B - 1040 Brussels, Belgium  
Tel: +32.2.743.24.70  
Fax: +32.2.706.54.30  
Website:  http://www.anec.org  

ECOS - European Environmental Citizens Organization for Standardization  
Rue d’Edimbourg 26  
B - 1050 Brussels, Belgium  
Tel: +32.2.894.46.68  
Fax: +32.2.894.46.10  
Website:  http://www.ecostandard.org  

EOTA - European Organization for Technical Assessment (for construction products)  
Avenue des Arts 40  
B - 1040 Brussels, Belgium  
Tel: +32.2.502.69.00  
Fax: +32.2.502.38.14  
Website:  http://www.eota.eu/  

**Trade Agreements**

For a list of trade agreements with the EU and its member states, as well as concise explanations, please see  http://tcc.export.gov/Trade_Agreements/index.asp.

**Licensing Requirements for Professional Services**

Professional services are regulated at EU level with consistent national legislation and regulation. Most non-EU nationals must have an employment permit and or appropriate visa to work in France.

Key Web link to EU Commission:

The complete list of accredited regulated and non-regulated professional services in France can be found on the Website of the French federation of accredited associations, [Union Nationale des Associations Agrées “UNASA”]: http://www.unasa.fr/


Key Web links to French Government websites regulation professional services: http://www.entreprises.gouv.fr/secteurs-professionnels/professions-liberales

**Web Resources**

- **French Websites:**

  French Customs: https://pro.douane.gouv.fr/prodouane.asp

  French Tariffs nomenclature: http://www.tarif-douanier.com/

  French Accreditation Agency: http://www.cofrac.fr/


  French label NF http://www.marque-nf.com/

  French Ministry of Economy Web page on Labeling: http://www.economie.gouv.fr/

  AFNOR Resources on CE labelling: http://www.boutique-certification.afnor.org/

- **EU websites:**

  Online customs tariff database (TARIC):

The Modernized Community Customs Code MCCC):


ECHA:  https://echa.europa.eu

Taxation and Customs Union:  http://ec.europa.eu/taxation_customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:


Modernized Community Customs Code Regulation (EC) 450/2008):


Legislation related to the Electronic Customs Initiative:


- International Level:
- Customs Valuation:

Investment Climate Statement

Executive Summary

France welcomes foreign investment and has a stable business climate that attracts investors from around the world. The French government devotes significant resources to attracting foreign investment through policy incentives, marketing, overseas trade promotion offices, and investor support mechanisms. France has an educated population, first-rate universities, and a talented workforce. It has a modern business culture, sophisticated financial markets, strong intellectual property protections, and innovative business leaders. The country is known for its world-class infrastructure, including high-speed passenger rail, maritime ports, extensive roadway networks and public transportation, and efficient intermodal connections. High speed (3G/4G) telephony is nearly ubiquitous.

Foreign firms directly employ two million individuals, account for one third of France’s manufacturing, 30% of goods and services exports, and have increased corporate R&D expenditures by 32%. France was the seventh largest global market for foreign direct investment (FDI) inflows in 2016. In total, there are more than 22,570 foreign-owned companies doing business in France. It is home to more than 30 of the world’s 500 largest companies. In 2016, France moved up one place to number 21 in the World Economic Forum’s ranking of global competitiveness. The investment regime in France is generally conducive to U.S. investment. Around 4,800 U.S. companies in France, of all sizes, employ over 460,000 French citizens.

The 2016 American Chamber of Commerce in France - Bain Barometer Survey on the attitudes of U.S. investors in France indicates rising optimism about France’s investment climate: 81% of American tech investors surveyed by AmCham-Bain found the climate for development of digital technologies and other innovations to be attractive in France. The Paris region supports the largest concentration of technology engineers outside of Silicon Valley and the latest generation of engineers is turning toward entrepreneurship.

Despite increasing optimism, U.S. investors face some persistent challenges. As a whole, the French economy has been slow to rebound from the global financial crisis of 2008/09. Unemployment, at 9.7% in 2016, remains higher than most other major global economies. The government projects a budget deficit of 2.7% for 2017, down from 3.4% in 2016. American companies continue to point to the need for reform of France’s complex and
rigid labor laws and tax code, ranking France well below many other investment destinations in Europe in these areas. Despite major terror attacks in France and Europe in 2015/16, 80% of American businesses in France reported to Bain that they were not changing their investment plans for this reason.

Key issues to watch in coming months include: 1) results of French presidential and parliamentary elections scheduled for spring 2017, which will determine the direction of France’s economic reform agenda, and 2) opportunities and challenges resulting from the launch of negotiations of British departure from the EU in 2019.

• Table 1

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<td>$78,282 Amount</td>
<td><a href="http://www.bea.gov/international/factsheet/">http://www.bea.gov/international/factsheet/</a></td>
</tr>
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</table>

Openness to and Restrictions upon Foreign Investment Policies towards Foreign Direct Investment

• Attitude toward Foreign Direct Investment

France is committed to encouraging foreign investment. In the current economic climate, the French government sees foreign investment as a way to create jobs and stimulate
growth. Investment regulations are simple, and a range of financial incentives are available to foreign investors, who report they find France’s skilled and productive labor force, good infrastructure, technology, and central location in Europe attractive. France’s membership in the European Union (EU) and the Eurozone facilitates the efficient movement of people, services, capital, and goods. However, notwithstanding French efforts at economic reform, market liberalization, and attracting foreign investment, perceived disincentives to investing in France include the tax environment, the high cost of labor (with the minimum wage at €1,4480.27 per month), rigid labor markets, and occasional strong negative reactions toward foreign investors planning to restructure, downsize or close.

Laws or practices that discriminate against foreign investors, or limit or condition foreign investment in a sector of the economy:

The French investment regime is said to be among the least restrictive in the world. With a few exceptions in certain specified sectors, there are no statutory limits on foreign ownership of companies. Foreign entities have the right to establish and own business enterprises, and engage in all forms of remunerative activity.

- **Investment promotion agency**

Business France is the government agency established to promote new foreign investment, expansion, takeovers, acquisitions, technology partnerships and financial investment. Business France provides complementary services to help investors understand the regulatory, tax, employment issues as well as state and local investment incentives and government support programs. Business France also helps companies to find project finance, potential equity acquisitions and buyouts.

In addition, France updated the New Industrial France program (La nouvelle France industrielle) in 2016 targeting 47 priority industrial sectors, such as developing the next generation TGV (high speed train); an affordable fully electric car for all; the first fully electric passenger airplane; efficient, low-emissions ships; more powerful and longer-lasting batteries; electricity charging stations; “intelligent” fabrics; thermally-efficient building renovation; nano-electronics; augmented reality; connected objects; robotics; electrically propelled satellites; cloud computing; and cyber security.

The Government’s Direction Generale des Entreprises launched the second phase of Innovation 2030 program in December 2016 via a global contest called the “Worldwide Innovation Challenge,” open to all entrepreneurs investing in France regardless of
nationality. Up to 30 projects will be selected for the 2017 theme “Risk Reduction” and will receive between €1 million and €3 million in start-up funding.

Business France and other government agencies are particularly nurturing of foreign investment in tech sectors. The French government has developed a brand “French Tech” to promote the development of France’s tech sector and promote France as a location for start-ups and high-growth digital companies, with the goal of turning France into a “Start-Up Republic.” The French Tech initiative includes an “acceleration” investment by the French government of €200 million to foster start-up ecosystems in and outside France. In addition to offices in 17 French cities, French Tech hubs are established in 22 cities globally including New York, San Francisco, Los Angeles, Shanghai, Hong Kong, Vietnam, Moscow and Berlin.

- **Limits on Foreign Control and Right to Private Ownership and Establishment**

With a few exceptions, there are no statutory limits on foreign ownership or control of companies. Foreign entities have the right to establish and own business enterprises, and engage in all forms of remunerative activity.

However, French law stipulates that acquisitions in certain sectors deemed crucial to France’s national interests relating to public order, public security and national defense are subject to prior notification, screening, and approval by the Economy and Finance Minister. Other sectors requiring approval include energy infrastructure; transportation networks; public water supplies; electronic communication networks; public health protection; and installations vital to national security. As a recent example of how France’s government remains engaged in strategic sectors, in January 2017, the government sold 100 million shares in Engie. The French government now owns 28.7% of the energy utility and controls 32.6% of the voting rights. The French state owns 83.1% of Electricite de France (EDF) and has reserved the right to retain a golden share in any restructuring of Areva, the French nuclear and renewable energy company.

National security and defense are the reasons given for why the French government must review any investment in the aforementioned specified sectors that acquires control of a French firm, surpasses a 33.33-percent ownership threshold, or involves any part of such a firm that has established headquarters in France.

- **Other Investment Policy Reviews**
Given the relative development and stability of the investment climate, France not recently been the subject of international organizations’ investment policy reviews. The Organization for Economic Cooperation and Development (OECD) has not conducted a review of the French investment climate since 1996. The World Trade Organization (WTO) does not provide trade policy reviews for the individual member states of the European Union, but does provide one for the European Union as a whole. The United Nations Committee on Trade and Development (UNCTAD) does not have a public report on the investment climate in France, though UNCTAD provides a statistical fact sheet on French FDI (inward and outward) at:


- **Business Facilitation**

Companies, including foreign companies, may use the online business process which has been created to simplify business registration formalities: https://www.guichet-entreprises.fr/. A government organ called “Agence France Entrepreneur” (France Business Entrepreneur) also has information on creating a business: https://www.apce.com/pid224/8-les-formalites-de-creation.html. The World Bank’s “Investing Across Borders” webpage on France, (http://iab.worldbank.org/data/exploreeconomies.france) provides quantitative indicators on the country’s laws, regulations and practices affecting how foreign companies invest across sectors, start businesses, access industrial land, and arbitrate disputes. “Centre de formalités des entreprises” (CFE or “business formalities center”), which are generally Chambers of Commerce and similar organizations located throughout France, are equipped to accept registration applications. Note some required formalities are not handled by a CFE, notably related to the domiciliation of business, the protection of the name of the business, and business insurance. In the best case, registration may take as little as one week to complete.

- **Outward Investment**

French firms invest more in the United States than in any other country and support approximately 574,000 American jobs. Total French investment in the U.S. reached $234 billion in 2015. France was our eighth-largest trading partner with nearly $115 billion in bilateral trade. The business promotion agency Business France also assists French firms with outward investment. There is no restriction on outward investment.
• **Bilateral Investment Agreements and Taxation Treaties**

Investments in France by other EU member states are governed by the provisions of the Treaty of Rome and by European Union Law. France has Bilateral Investment Treaties (BITs) with 96 countries: Albania, Algeria, Argentina, Armenia, Azerbaijan, Bahrain, Bangladesh, Bosnia and Herzegovina, Bulgaria, Cambodia, Chile, China, the Democratic Republic of the Congo, Costa Rica, Croatia, Cuba, Czech Republic, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Estonia, Ethiopia, Georgia, Guatemala, Haiti, Honduras, Hong Kong, Hungary, India, Iran, Israel, Jamaica, Jordan, Kazakhstan, Korea (South), Kuwait, Kyrgyz Republic, Laos, Latvia, Lebanon, Liberia, Libya, Lithuania, Macedonia (FYRM), Madagascar, Malaysia, Malta, Mexico, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Namibia, Nepal, Nicaragua, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Qatar, Romania, Russian Federation, Saudi Arabia, Senegal, Serbia, Seychelles, Singapore, Slovakia, Slovenia, Sri Lanka, Sudan, Tajikistan, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Venezuela, Vietnam, Yemen, and Zambia.

Bilateral Investment Treaties between France and the following countries have been signed but are not in force: Belarus, Brazil, Chad, Colombia, Ghana, Iraq, Kenya, and Zimbabwe. France previously had BITs with Mauritius and Syria; new BITs with these two countries have been signed but have not yet entered into force. The list of ratified and non-ratified BITs is on the UNCTAD website:

http://investmentpolicyhub.unctad.org/IIA/CountryBits/72#iiaInnerMenu

The United States and France have enjoyed a Navigation and Commerce Treaty since 1822, which guarantees national tax treatment of U.S. citizens.

• **Transparency of the Regulatory System**

France’s government has made considerable progress in the last decade on the transparency and accessibility of its regulatory system. The French government generally engages in industry and public consultation before drafting legislation or rulemaking through a regular but variable process directed by the relevant ministry. However, the text of draft legislation is not always publicly available before parliamentary approval. The French government has experimented with new procedures such as online industry consultations for input related to the EU-Japan FTA, the fourth round for which began in September 2016, as well as mandatory impact assessments.
To increase transparency in the French legislative process, all ministries are required to attach an impact assessment to their draft bills. The Prime Minister's Secretariat General (SGG for Secrétariat Général du Gouvernement) is responsible for ensuring that impact studies are undertaken in the early stages of the drafting process. The State Council (Conseil d'Etat), which must be consulted on all draft laws and regulations, may reject a draft bill if the impact assessment is inadequate.

U.S. firms may also find it useful to become members of industry associations, which can play an influential role in developing government policies. Even “observer” status can offer insight into new investment opportunities and greater access to government-sponsored projects.

The government has a position of State Secretary for State Reform and Simplification tasked with making French regulations simpler. The State Secretary consults with companies prior to the drafting of legislation that may affect them, working in close cooperation with two other agencies under the Prime Minister: the Prime Minister's Secretariat General and the Secretariat General for European Affairs. (This policy is part of a wider effort by the European Union to reduce regulatory burdens under the European Commission's REFIT program.) More than 400 proposed simplification measures have been presented so far, including the “tell us once” initiative for e-government-related services and the provision on “zero additional cost” for all new measures. This means that the impact on businesses of any change in regulations or legislation will be quantified by independent experts, or representatives of the business community, and any new cost should be offset by a “reduction at least equivalent to it.” The State Secretary for Simplification is also charged with promoting open access to public data.

Major reforms extended the investigative and decision-making powers of France's Competition Authority. The Authority publishes its methodology for calculating fines imposed on companies charged with abuse of a dominant position. It issues specific guidance on competition law compliance, and government ministers, companies, consumer organizations and trade associations now have the right to petition the authority to investigate anti-competitive practices. While the Authority alone examines the impact of mergers on competition, the Minister of the Economy retains the power to request a new investigation or reverse a merger transaction decision for reasons of industrial development, competitiveness, or saving jobs.
• **International Regulatory Considerations**

France incorporates EU regulatory norms. While developing new draft regulations, the French government submits a copy to the World Trade Organization for review to ensure the prospective legislation is not inconsistent with its WTO obligations.

The United States and the EU have negotiated mutual recognition agreements covering the testing and certification of some products; French standards apply where EU-wide standards do not exist. Rigorous testing and approval procedures are sometimes required before goods approved in the United States are cleared for sale in France. Some foreign companies have expressed concern regarding France’s standard-setting procedures.

• **Legal System and Judicial Independence**

French law is codified into what is sometimes referred to as the Napoleonic Code, but is officially the Code Civil des Français, or French Civil Code. Private law governs interactions between individuals (e.g., civil, commercial, and employment law) and public law governs the relationship between the government and the people (e.g., criminal, administrative, and constitutional law).

France also has an administrative court system to challenge a decision by local governments and the national government; the State Council (Conseil d’Etat) is the appellate court. France enforces foreign legal decisions such as judgments, rulings and arbitral awards through the procedure of exequatur introduced before the Tribunal de Grande Instance (TGI), which is the court of original jurisdiction in the French legal system.

France has a distinctive system of protection of intellectual and industrial property rights, applicable not only to artistic or creative rights approximately equivalent to copyright, but also to designs, drawings, patents and trademarks. Firms can register and protect innovation on French territory with the centralized authority for registering industrial property rights, the INPI (Institut National de la Propriété Industrielle, http://www.inpi.fr). French attorneys are qualified and specialized in the specific field of intellectual property. No French commercial court has a monopoly on intellectual property rights. The French Courts are frequently called upon to decide claims from holders of intellectual property rights.

With regard to French patents, actions are generally brought before the High Court (Tribunal de Grande Instance), however questions of jurisdiction may arise concerning foreign patents. The French judicial system is independent, competent, and substantively
fair and reliable. Firms can also protect their rights on the European territory or in foreign countries. Cases related to intellectual property rights on a European community brand can be brought to the European courts or the European Court of Justice. French courts must recognize and enforce judgments of foreign courts.

France’s Commercial Tribunal (Tribunal de Commerce or TDC) specializes in commercial litigation. Magistrates of the commercial tribunals are lay judges, who are well-known in the business community and have experience in the sectors they represent. Decisions by the commercial courts can be appealed before the Court of Appeals. France’s judicial system is procedurally competent, fair, and reliable and is independent of the government. Regulatory decisions may be appealed administratively, or in the court of first instance.

- Laws and Regulations on Foreign Direct Investment
  - The legal system as it relates to foreign investment

Foreign and domestic private entities have the right to establish and own business enterprises and engage in all sorts of remunerative activities. U.S. investment in France is subject to the provisions of the Convention on Establishment between the United States of America and France, which was signed in 1959 and remains in force. The rights it provides U.S. nationals and companies include: Rights equivalent to those of French nationals in all commercial activities (excluding communications, air transportation, water transportation, banking, the exploitation of natural resources, the production of electricity, and professions of a scientific, literary, artistic and educational nature as well as certain regulated professions like doctors and lawyers);

Treatment equivalent to that of French or third-country nationals with respect to transfer of funds between France and the United States; property is protected from expropriation except for public purposes, accompanied by payment that is just, realizable and prompt.

Potential investors can provide relevant investment information and links to laws and investment regulations at [http://www.businessfrance.fr/](http://www.businessfrance.fr/).

- Competition and Anti-Trust Laws

Major reforms extended the investigative and decision-making powers of France’s Competition Authority. The Authority publishes its methodology for calculating fines imposed on companies charged with abuse of a dominant position. It issues specific guidance on competition law compliance, and government ministers, companies, consumer organizations and trade associations now have the right to petition the authority
to investigate anti-competitive practices. While the Authority alone examines the impact of mergers on competition, the Minister of the Economy retains the power to request a new investigation or reverse a merger transaction decision for reasons of industrial development, competitiveness, or saving jobs.

A new law on Economic Growth, Activity and Equal Opportunities (known as the “Macron Law”), adopted in August 2016, vested the Competition Authority with the power to review mergers and alliances between retailers ex-ante (beforehand). The law provides that all contracts binding a retail business to a distribution network shall expire at the same time. This enables the retailer to switch to another distribution network more easily. Furthermore, distributors are prohibited from restricting a retailer’s commercial activity via post-contract terms. The civil fine incurred for restrictive practices can now amount to up to 5% of the business's revenue earned in France.

The Competition Authority is also active in highly regulated industries such as energy. Together with the energy regulator CRE (Commission de Régulation de l’Énergie), the Authority submits a report every five years to the government on the implementation and effects of the Regulated Access to Incumbent Nuclear Electricity (ARENH) mechanism, particularly regarding its impact on the wholesale and retail markets, as well as investments in electricity production facilities. The ARENH mechanism entitles suppliers to purchase electricity from EDF at a regulated price, in volumes determined by the CRE. In its opinion published on February 16, 2016, the Authority urged the government to give a clear indication that it would start progressively phasing out this mechanism. The Authority has deemed the current system not conducive to “effective competition in France’s basic energy production market.”

**Expropriation and Compensation**

Government cannot legally expropriate property to build public infrastructure without fair market compensation. There have been no expropriations of note during the reporting period.

**Dispute Settlement**

- ICSID Convention and New York Convention
France is a member of both the International Centre for Settlement of Investment Disputes (ICSID) Convention and a signatory to the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York Convention) which means local courts are obligated to enforce international arbitral awards under this system.

France was one of the first countries to enact a modern arbitration law in 1980-1981. In 2011, the French Ministry of Justice issued Decree 2011- 48 which introduced further international best practices into French arbitration procedural law. As a result of that decree, parties are free to agree orally to settle their disputes through arbitration, and the arbitrators to apply their chosen procedure, subject only to minimum standards of due process and a newly enacted principle of procedural efficiency and fairness. The President of the Tribunal de Grande Instance (High Civil Court of First Instance) of Paris has the authority to issue orders related to ad-hoc international arbitration (i.e., not institutional arbitration). Paris is the seat of the International Chamber of Commerce’s International Court of Arbitration, composed of representatives from 90 countries, that handles investment as well as commercial disputes.

- **International Commercial Arbitration and Foreign Courts**

As part of France’s arbitration law parties are free to agree orally to settle their disputes through arbitration, and the arbitrators to apply their chosen procedure, subject only to minimum standards of due process and a newly enacted principle of procedural efficiency and fairness.

The timeframe for dispute resolution varies considerably -- up to two years (all forms of appeal included). For emergency situations, a so-called référé procedure is available provided there is a danger of irreparable harm; this expedited procedure takes just a few days.

- **Bankruptcy Regulations**

France has extensive and detailed bankruptcy regulations. Any creditor, regardless of the amount owed, may file suit in bankruptcy court against a debtor. Foreign creditors, equity shareholders and foreign contract holders have the same rights as their French counterparts. Monetary judgments by French courts on firms established in France are generally made in euros. Not bankruptcy itself, but bankruptcy fraud -- the misstatement by a debtor of his financial position in the context of a bankruptcy -- is criminalized. Under France’s bankruptcy managers and other entities responsible for the bankruptcy of a French company are prevented from escaping liability by shielding their assets (Law
France adopted a law that enables debtors to implement a restructuring plan with financial creditors only, without affecting trade creditors. In the World Bank’s 2017 Doing Business rankings, France remained in 24th of 189 on ease of resolving insolvency.

Performance Requirements and Investment Incentives

Industrial Policies

- **Investment Incentives**

France offers a range of financial incentives, generally equally available to both French and foreign investors. The French government continued a competitiveness and employment tax credit (Crédit d’Impôt pour la Compétitivité et l’Emploi - CICE) in 2017 that reduces payroll taxes paid by businesses, and temporarily exempts some firms based on geographic location (urban tax-free zones, rural regeneration zones, etc.) or status as an innovative start-up. The Responsibility and Solidarity Pact provides firms established in France cuts in payroll taxes totaling EUR 41 billion through 2017, and a gradual reduction in the rate of corporate tax on SMEs.

Recognizing that French corporate taxes are higher compared to those in other leading industrial countries, the government plans to gradually reduce the nominal corporate tax rate from 33% to 28% by 2020 and to further decrease corporate tax on SMEs to 15%, on top of tax credits already in place.

The government provides corporate investors incentives for capital investment in small companies. Under the plan, a French company or French subsidiary of a foreign company that invests in a minority shareholding (less than 20%) in a small, innovative SME, either directly or indirectly (i.e., through a fund), would benefit from a five year, linear amortization of their investment. To qualify, SMEs must allocate at least 15% of their spending on research.

- **Research and Development**

Incentivizing research and development (R&D) and innovation is a priority for the French government with Business France reporting that the percentage of foreign investment projects in R&D rose to 32% in 2016, accounting for 10% of all foreign investment decisions in 2016, and resulting in 37% of all jobs created by foreign investors. New innovation outlays from foreign firms created an estimated 2,700 R&D jobs in France in 2016. Inward
R&D investments increased 5% in 2016 in key sectors such as pharmaceutical and biotechnologies, electronics, agriculture, alternative energy, and software. R&D continues to be a major component that attracts foreign investment. International companies may join France’s 71 innovation clusters increasing access to both production inputs and technical benefits of geographical proximity. The Research Tax Credit (Crédit Impôt Recherche), innovative new company status (Jeune Enterprise Innovante), National Investment Program, and La French Tech form part of this innovation policy. Additional programs include La French Tech Ticket and the French Young Entrepreneurs Initiative.

The Research Tax Credit (Crédit Impôt Recherche - CIR) offsets R&D expenditures undertaken by both domestic and foreign firms operating in France, regardless of size or business sector, covering both R&D spending and innovation expenses incurred by small and medium-sized enterprises. The French government provides tax credits to support up to 30% of a firm’s first €100 million in R&D costs, and an additional 5% in credits above this threshold. Additionally an “innovation tax credit” is available that reduces the cost of innovation expenditure by 20% up to €400,000. The research tax credit and innovation schemes are set through 2017.

La French Tech initiative supports the growth of startups and digital companies by providing funding under the umbrella of the National Investment Program. La French Tech accelerates the growth of startups throughout France, accrediting 17 French Tech cities in 2017, and investing €200 million in acceleration programs for digital companies. Additionally, La French Tech aids in the internationalization of startups and aims to attract foreign investors, corporations, startups, and talent. French Tech Hubs in foreign cities help French companies to expand to the global marketplace. La French Tech Ticket is a Paris-based program that focuses on bringing international startups to France by offering benefits which include a residence permit, a grant of €25,000 and free mentoring in a Parisian startup incubator. Following the first selection of winners in March 2016, the program was expanded to cover 200 selected startups in 17 French cities.

- Performance and Data Localization Requirements

While there are no mandatory performance requirements established by law, the French government will generally require commitments regarding employment or R&D from both foreign and domestic investors seeking government financial incentives. Incentives like PAT regional planning grants (Prime d’Aménagement du Territoire pour l’Industrie et les Services) and related R&D subsidies are based on the number of jobs created, and authorities have occasionally sought commitments as part of the approval process for
acquisitions by foreign investors. PAT has been revised to benefit SMEs with the objective of promoting the development of businesses in priority regional zones, including €30 million in direct government subsidies.

The French government imposes the same conditions on domestic and foreign investors in cultural industries: all purveyors of movies and television programs (i.e., television broadcasters, telecoms operators, internet service providers and video services) must invest a percentage of their revenues to finance French film and television productions. They must also abide by broadcasting content quotas (minimum 40% French, 20% EU).

Protection of Property Rights

• Real Property

Real property rights are regulated by the French civil code and are enforced. In the World Bank’s Doing Business Report (DBR), France is ranked 100 of 190 on registering property. French civil-law notaries (notaires) -- highly specialized lawyers in private practice appointed as public officers by the Justice Ministry -- handle residential and commercial conveyancing and registration, contract drafting, company formation, successions and estate planning. The official system of land registration, the “cadastre” is maintained by the French public land registry under the auspices of the French tax authority (Direction Générale des Finances Publiques - DGFiP); available online at

http://www.cadastre.gouv.fr

Mortgages are widely available, usually for a 15-year period.

• Intellectual Property Rights

France is a strong defender of intellectual property rights. Under the French system, patents and trademarks protect industrial property, while copyrights protect literary/artistic property. By virtue of the Paris Convention and the Washington Treaty regarding industrial property, U.S. nationals have a priority period following filing of an application for a U.S. patent or trademark in which to file a corresponding application in France: twelve months for patents and six months for trademarks.
Counterfeiting is a costly problem for French companies, and the government of France maintains strong legal protections and a robust enforcement mechanism to combat trafficking in counterfeit goods -- from copies of luxury goods to fake medications -- as well as the theft and illegal use of intellectual property. The French Intellectual Property Code has been updated repeatedly over the years to face this challenge. In recent years Parliament passed a law reinforcing France’s anti-counterfeiting law and its implementation of EU directives on intellectual property rights. The new legislation increases the euro amount for damages to companies that are victims of counterfeiting and extends trademark protection to smartcard technology, certain geographic indications, plants, and agricultural seeds. The new legislation also increases the statute of limitations for civil suits from three to ten years and strengthens the powers of customs officials to seize fake goods sent by mail or express freight. The government also reports on seizures of counterfeit goods. France’s top private sector anti-counterfeiting organization, UNIFAB, dedicated its 2016 counterfeiting report to exposing the links between crime, terrorism, and counterfeiting. The report (available at http://www.unifab.com/en/counterfeiting-terrorism/) makes clear that terrorist networks and criminal organizations raise money from selling counterfeit goods (including via both legitimate and illicit e-commerce sites).

France has robust laws against online piracy. The government agency called the High Authority for the Dissemination of Artistic Works and the Protection of Rights on Internet (Haute Autorité pour la Diffusion des Œuvres et la Protection des droits sur Internet - HADOPI) administers a “graduated response” system of warnings and fines. It has taken enforcement action against several online pirate sites, including Megaupload. HADOPI cooperates closely with the U.S. Patent and Trademark Office (USPTO) including pursuing voluntary arrangements that target intermediaries that facilitate or fund pirate sites. (Note that one of HADOPI’s tasks is to ensure that the technical measures used to protect works do not prevent the right of individuals to make private copies of television programs for their private use.) Despite HADOPI’s efforts.

EY global consultancy and accountancy group estimates 13 million people accessed pirated media in France 2016, costing €1.35b ($1.42b) in lost tax revenue and earnings in 2016.

For additional information about treaty obligations and points of contact at French IP offices, please see the World Intellectual Property Organization’s (WIPO) country profiles at http://www.wipo.int/directory/en/
Transparency of the Regulatory System

The “Transparency, Anti-corruption, and Economic Modernization” law adopted in 2016 (Sapin 2 law) established a High Authority for Transparency in Public Life (HATVP). The HATVP promotes transparency in public life by publishing the declarations of assets and interests it is legally authorized to share publicly. After review, declarations of assets and statements of interests of members of the Government are published on the High Authority’s website under open license. The declarations of interests of members of Parliament and mayors of big cities and towns, but also of regions are also available on the website. In addition, the declarations of assets of parliamentarians can be accessed in certain governmental buildings, though not published on the internet.

France has played an active role in negotiating the ISO 26000 standards, the International Finance Corporation Performance Standards, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. France was one of the first European countries to support the Extractive Industries Transparency Initiative (EITI) launched at the Evian G7 Summit in 2003 although it has not yet implemented it. All large companies in France are required to publish an annual report on CSR activities.

Efficient Capital Markets and Portfolio Investment

- Capital Markets and Portfolio Investment

There are no administrative restrictions on portfolio investment in France, and there is an effective regulatory system in place to facilitate portfolio investment. France’s open financial market allows foreign firms easy access to a variety of financial products both in France and internationally. France continues to modernize its marketplace; as markets expand, foreign and domestic portfolio investment has become increasingly important. As in most EU countries, French listed companies are required to meet international accounting standards. Some aspects of French legal, regulatory and accounting regimes are less transparent than U.S. systems, but they are consistent with international norms.

Euronext Paris (also known as Paris Bourse), the primary French stock exchange, created Alternext, a 21st century alternative for small and medium-sized companies to list on an unregulated market (based on the legal definition of the European investment services directive), with more consumer protection than the Marché Libre still used by a couple
hundred small businesses for their first stock listing. A company seeking a listing on Alternext must have a sponsor with status granted by NYSE-Euronext, and prepare a French language prospectus for a permit from the Autorité des Marchés Financiers (AMF or Financial Markets Authority), the French equivalent of the U.S. Securities and Exchange Commission. Small and medium-size enterprises (SMEs) may also list on EnterNext, a new subsidiary of the Euronext Group.

France continues to modernize its marketplace; as markets expand, foreign and domestic portfolio investment has become increasingly important. As in most EU countries, French listed companies are required to meet international accounting standards. Some aspects of French legal, regulatory and accounting regimes are less transparent than U.S. systems, but they are consistent with international norms. Foreign banks are allowed to establish branches and operations in France and are subject to international prudential measures.

France’s banking system recovered gradually from the 2008-2009 global financial crises. French banks are now largely healthy. The assets of France’s largest banks totaled €6.3 trillion ($8.5 trillion) in 2015. Foreign investors have access to all classic financing instruments, including short-, medium-, and long-term loans, short- and medium-term credit facilities, and secured and non-secured overdrafts offered by commercial banks. They assist in public offerings of shares and corporate debt, as well as mergers, acquisitions and takeovers, and offer hedging services against interest rate and currency fluctuations. Foreign companies have access to all banking services. Although subsidies are available for home mortgages and small business financing, most loans are provided at market rates.

- **Foreign Exchange and Remittances**
  - **Foreign Exchange**
    
    A. There are no restrictions or limitations placed on foreign investors in converting, transferring, or repatriating funds associated with an investment.
    
    B. Funds associated with any investment may be freely converted from euro into U.S. dollars or any other world currency.
    
    C. France is one of nineteen countries (known collectively as the Eurozone) that use the euro currency. Exchange rate policy for the euro is handled by the European Central Bank, located in Frankfurt, Germany. The euro has been trading in a range from U$1.2 to $1.067 between January 1, 2015 and March 31, 2017.
    
    - **Remittance Policies**
France’s investment remittance policies are stable and transparent. All inward and outward payments must be made through approved banking intermediaries by bank transfers. There is no restriction on the repatriation of capital. Similarly, there are no restrictions on transfers of profits, interest, royalties, or service fees. Foreign-controlled French businesses are required to have a resident French bank account and are subject to the same regulations as other French legal entities. The use of foreign bank accounts by residents is permitted.

For purposes of controlling exchange, the French government considers foreigners as residents from the time they arrive in France. French and foreign residents are subject to the same rules; they are entitled to open an account in a foreign currency with a bank established in France, and to establish accounts abroad. They must report all foreign accounts on their annual income tax returns, and money earned in France may be transferred abroad.

France is a founding member of the OECD-based Financial Action Task Force (FATF, a 34-nation intergovernmental body). As reported in the Department of State’s France Report on Terrorism, the French government has a comprehensive anti-money laundering/counterterrorist financing (AML/CTF) regime and is an active partner in international efforts to control money laundering and terrorist financing. Tracfin, the French government’s financial intelligence unit, is active within international organizations, and has signed new bilateral agreements with foreign countries.

- **Sovereign Wealth Funds**

France has no sovereign wealth fund per se (none that use that nomenclature), but does operate funds with similar intent. The Public Investment Bank (Banque Publique d’Investissement – BPI, now known as Bpifrance). Bpifrance’s role is to support small and medium term enterprises (SMEs), larger enterprises (Entreprises de Taille Intermediaire) and innovating businesses. The government strategy is defined at the national level and aims to fit with local strategies. Bpifrance also provides export insurance. All investment made by Bpifrance is domestic. Bpifrance may hold direct stakes in companies, hold indirect stakes via generalist or sectorial funds, venture capital, development or transfer capital. It has taken minority stakes in firms and 250 investment funds, including 90 local investment funds that invest in businesses.
Competition from State-Owned Enterprises

- State-Owned Enterprises

The 13 listed entities in which the French State maintains stakes are Aéroports de Paris (50.63%), Airbus Group (10.94%), Air France-KLM (17.58%), Areva (holds 28.83%; controls 86.52%), CNP Assurances (holds 1.11%; controls 66%), Dexia (5.73%), EDF (84.94%), Engie (28.7%), Orange (a direct 13.45% stake and a 9.60% stake through BPI France), PSA (13.68%), Renault (19.74%), Safran (14% of shares and 21.9% of voting rights), and Thalès (25.97%). Unlisted companies owned by the State include SNCF (rail), RATP (public transport), CDC (Caisse des dépôts et consignations) and La Banque Postale (bank). The government also has majority and minority stakes in small firms in a variety of sectors.

Private enterprises have the same access to financing as SOEs, including from state-owned banks or other state-owned investment vehicle. SOEs are subject to the same tax burden and tax rebate policies as their private sector competitors. SOEs may get subsidies and other financial resources from the government.

France, as a member of the European Union, is a party to the Agreement on Government Procurement (GPA) within the framework of the World Trade Organization. Companies owned or controlled by the state behave largely like other companies in France and are subject to the same laws and tax code. The Boards of SOEs operate according to accepted French corporate governance principles as set out in the (private sector) AFEP-MEDEF Code of Corporate Governance. SOEs are required by law to publish an annual report, and the French Court of Audit conducts financial audits on all entities in which the state holds a majority interest. The French government appoints representatives to the Boards of Directors of all companies in which it holds significant numbers of shares, and manages its portfolio through a special unit attached to the Economics Ministry, the shareholding agency APE (Agence de Participations de l’Etat). A recent APE annual report highlighted the government’s strategy to keep a sufficient level of control in strategically important companies while scaling back its shareholdings in traditional industrial sectors to invest in growth companies in key sectors for economic growth. In 2015 and 2016, the government sold some of its holdings in Engie, and jet engine firm Safran, with proceeds used to reduce public debt and invest in its Public Investment Bank (BPI).
• Privatization Program

The government has partially or fully privatized many large companies, including Air France, France Telecom, Renault, and Thales. However, the government maintains a strong presence in some sectors, particularly power, public transport, and defense industries. The government sold its stakes in the Nice and Lyon airports in November 2016.

Responsible Business Conduct

There is general awareness of standards for responsible business conduct (RBC) in France. The country has established a National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises, coordinated and chaired by the Directorate General of the Treasury in the Ministry for the Economy and Finance. Its members represent State Administrations (Ministries in charge of Economy and Finance, Labor and Employment, Foreign Affairs, Ecology, Sustainable Development and Energy), six French Trade Unions (CFDT, CGT, FO, CFE-CGC, CFTC, UNSA) and one employers’ organization, MEDEF. The NCP promotes the Guidelines and ensures their application. It provides relevant information and handles enquiries. It examines the specific instances referred to it, offers its good offices to the parties (discussion, exchange of information) and may acts as a mediator in disputes, if appropriate.

The 2013 Rana Plaza building collapse in Bangladesh was a trigger for the French Office of the NCP to think about responsible conduct guidelines in the textile industry specifically, and to promote the OECD Guidelines in a manner that is relevant to specific sectors. In specific instances, the NCP conducts fact-finding to assist the parties in resolving disputes, and posts final statements on any recommendations for future action with regards to the Guidelines. The NCP may also monitor the follow-up of its recommendations, which are made by consensus while ensuring that confidentiality incumbent to its activities is respected.

In France, corporate governance standards are the product of a combination of legislative provisions and the recommendations of the AFEP-MEDEF code (two employers’ organizations). The code meets the expectations of shareholders and various stakeholders, as well as of the European Commission. Specifically on the subject of compensation, the recommendations set out compensation principles based on demanding performance
criteria, on the director’s involvement in the undertaking’s risk and even on the prohibition of any severance pay in the event of failure. The code’s recommendations, which operate according to the “comply or explain” principle, are applied extensively, as indicated by both the Autorité des marchés financiers (Financial Markets Authority) and the annual report published by AFEP and MEDEF.

Worker unions and business associations are part of the French NCP. The OECD Guidelines are available on the treasury website. There are similar measures requiring supply chain due diligence at EU level. The EU is expected to pass a new regulation in May 2017 to stem the trade in conflict minerals and to stop conflict minerals and metals from being exported to the EU, global and EU smelters and refiners from using conflict minerals, and mine workers from being abused. This will then apply directly to French law.

**Political Violence**

- **Political and Security Environment**

France is a politically stable country and political violence is uncommon. Occasionally, large demonstrations and protests occur (sometimes organized to occur simultaneously in multiple French cities), and they normally don’t result in violence. When faced with imminent business closures, on rare occasions French trade unions have resorted to confrontational techniques such as setting plants on fire, planting bombs or kidnapping executives or managers -- as was the case in 2014 at a Goodyear plant in northern France. (The now-former Goodyear employees received jail sentences in January 2016.) A labor dispute in October 2015 between Air France management and unionists resulted in assault of an Air France executive, but with no serious injuries. To remedy the situation and switch from a confrontational approach on labor disputes to a more conciliatory, compromise-oriented one, the current government introduced a labor law in 2014 that aimed to encourage negotiated settlements over conflicts.

**Corruption**

In November 2016, France’s parliament adopted the “Transparency, Anti-corruption, and Economic Modernization Law” which is also known as the “Loi Sapin II”. Key aspects of
the law include: creating a new anti-corruption agency; establishing “deferred prosecution” for defendants in corruption cases and prosecuting companies (French and foreign) suspected of bribing foreign public officials abroad; requiring lobbyists to register with national institutions; and expanding legal protections for whistleblowers. The U.S. embassy in Paris has received no specific complaints from U.S. firms of unfair competition in France in recent years. France ranked 23rd of 168 on Transparency International’s (TI) 2016 corruption perceptions index; TI maintains that France continues to face corruption challenges in certain areas, see https://www.transparency.org/country/FRA. According to TI’s chapter in France, the sectors most affected by corrupt practices are public works and the defense industry. TI France works with French companies of all sizes to discourage and avoid corruption when investing in foreign countries.

- **Resources to Report Corruption**

The Central Office for the Prevention of Corruption (Service Central de Prévention de la Corruption or SCPC) will be replaced in 2017 by the new national anti-corruption agency - Corruption, Detection and Prevention Agency (CDPA). The CDPA will be charged with preventing corruption by establishing anti-corruption programs, making recommendations, and centralizing and disseminating information to prevent and detect corrupt officials and company executives. The CDPA will work under the supervision of both the Ministry for Justice and the Ministry for Finances.

- **Contact information for Transparency International’s French affiliate:**

Transparency International France
14, passage Dubail
75010 Paris
Tel: +33 1 84 16 95 65; Email: contact@transparency-france.org
OPIC and Other Investment Insurance Programs

Given France's high per capita income, investments in France do not qualify for investment insurance or guarantees offered by the Overseas Private Investment Corporation (OPIC). Further information can be found on the OPIC website (http://www.opic.gov).

Labor Policies and Practices

France's private sector labor force is a major asset in attracting foreign investment, despite the relatively high cost of labor and rigid labor regulations.

Unemployment rose sharply after the 2008 economic crisis. The number of unemployed rose to an all-time high in 2015 with 3.84 million unemployed (3.59 million in Metropolitan France), up from 3.5 million in 2014. The rate of unemployment remains high, but is improved at 9.7% in Metropolitan France and 10% overall (including overseas territories). Regional disparities are significant, with unemployment rates ranging from 8.8% to 14%.

Youth unemployment is 25.1% (the unemployment rate among those aged 20 to 24 has been at or above 22% since 2009). Many educated youth in the 20 to 24 age bracket take up internships or short-term employment contracts, but cannot find a permanent job that gets them on the path to the taxpaying, property-owning French ideal that was the norm for decades. The number of job-seekers over age 50 has nearly doubled since 2008 to reach 592,000. The underemployment ratio (defined as part-time workers unable to find full-time positions) was 6.3% in 2016.

- Labor-Management Relations

While the rate of union membership in France (around 8% overall; 5% in the private sector and 14% in the public sector) has steadily declined to just over half the rate of union membership in the United States, French labor law provides an extensive institutional role for employee representatives and organized labor. This is due in part to the fact that union delegates represent all employees (nonmembers and members alike). In addition, at companies with 50 or more employees, management is required to establish and meet regularly with a workers’ council and employees’ health-and-safety council on an array of managerial decisions. As a result, many SMEs hover at employing no more than 49 employees; when they do cross the trip-wire, French unions continue to play a significant
(even outsized) role in labor-management relations. Indeed, the top five unions and the top three employer associations (collectively known as the partenaires sociaux or social partners) have a statutory role in national-level negotiations. Strikes are common and are part of the social fabric of France but strikes do not pose a serious commercial risk to foreign or local investors. Labor tribunals (playing a role largely equivalent to the U.S. National Labor Relations Board in resolving labor disputes) are comprised of equal numbers of union and employer representatives. Appeals are possible to the level of the Cour de Cassation, France’s highest civil court.

France adopted an important labor reform commonly referred to as the ‘El Khomri law’ after the French Minister of Labor, Myriam El Khomri, in August 2016. The legislation was designed to revise France’s Labor Code with the aim of making the country’s labor market more flexible, which the government claimed would reduce unemployment. Within the law are limited provisions for companies to lay off workers, reductions to overtime payments for hours worked beyond France’s statutory 35-hour workweek, and reductions to severance payments that workers are entitled to if their company has made them redundant.

- **Labor rights:**

Working conditions are generally excellent in France and workers are well-protected. The labor code sets minimum standards for working conditions including the workweek, layoffs, overtime, vacation and personal leave. The 35-hour work week (beyond which overtime compensation must be paid) is standard. Most French retire at age 62. Work contracts follow requirements stipulated in industry-wide collective bargaining agreements. For example, an employee of a large company who is laid off for economic reasons may benefit from training, short-term contracts, or transfer to another company. Other labor standards are contained in collective agreements, usually negotiated by sector (at a national or regional level) by various trade union federations and employers’ associations. Additionally, occupational health and safety committees are mandatory under French law in medium and large companies. When a company grows beyond 10 employees, it must begin to meet a wider range of administrative requirements; companies with 50 or more employees face a larger number of administrative and health regulations.
## Foreign Direct Investment and Foreign Portfolio Investment Statistics

**Table 2: Key Macroeconomic Data, U.S. FDI in France (US Dollars/Millions)**

<table>
<thead>
<tr>
<th>Economic Data</th>
<th>Year / Amount</th>
<th>Year / Amount</th>
<th>Website</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Foreign Direct Investment</th>
<th>Host Country Statistical source</th>
<th>USG or international statistical source</th>
<th>USG or international Source of Data: BEA; IMF; Eurostat; UNCTAD, Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. FDI in partner country ($M USD, stock positions)</td>
<td>2015 / $83,200</td>
<td>2015 / $78,282</td>
<td>BEA data available at <a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a></td>
</tr>
<tr>
<td>Host country’s FDI in the United States ($M USD, stock positions)</td>
<td>2014 / $250,800</td>
<td>2015 / $251,375</td>
<td>BEA data available at <a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a></td>
</tr>
<tr>
<td>Total inbound stock of FDI as % host GDP</td>
<td>2015 / 1.78%</td>
<td>2015 / 1.77%</td>
<td>UNCTAD</td>
</tr>
</tbody>
</table>
### Table 3: Sources and Destination of FDI

| Direct Investment from/in Counterpart Economy Data |  
| Inward Direct Investment | Outward Direct Investment |  
| Total Inward | 660,107 | 100% | Total Outward | 1,198,770 | 100% |  
| Luxembourg | 128,919 | 20% | United States | 216,481 | 18% |  
| Netherlands | 80,190 | 12% | Belgium | 157,369 | 13% |  
| Switzerland | 76,958 | 12% | United Kingdom | 132,143 | 11% |  
| United Kingdom | 71,696 | 11% | Netherlands | 122,919 | 10% |  
| United States | 71,504 | 11% | Germany | 59,923 | 5% |  

"0" reflects amounts rounded to +/- USD 500,000.

### Table 4: Sources of Portfolio Investment

| Portfolio Investment Assets |  
| Top Five Partners in 2015 (Millions, US Dollars) |  
| Total | Equity Securities | Total Debt Securities |  
| All Countries | 2,530,937 | 100% | All Countries | 721,386 | 100% | All Countries | 1,808,651 | 100% |  
| Luxembourg | 314,328 | 12% | Luxembourg | 191,870 | 27% | Italy | 231,342 | 13% |  
| Italy | 263,328 | 10% | Germany | 93,236 | 13% | Netherlands | 214,676 | 12% |  
| Netherlands | 259,375 | 10% | U.S. | 77,490 | 11% | U.K. | 190,418 | 11% |  
| U.S. | 245,894 | 10% | U.K. | 49,426 | 7% | U.S. | 168,405 | 9% |  
| UK | 239,845 | 9% | Ireland | 47,404 | 7% | Spain | 166,611 | 9% |  

Contact for More Information on the Investment Climate Statement

Peter Chisholm, Economic Affairs Officer, U.S. Department of State
U.S. Embassy in Paris
Tel: +33-1-4312-2433; e mail: FranceICSeditor@state.gov
https://fr.usembassy.gov/business/

John Howell, Commercial Officer, U.S. Department of Commerce
U.S. Commercial Service in Paris
Tel: +33-1-4312-7083; e mail: office.paris@trade.gov
http://export.gov/france

From within France or by international courier, mail may be sent to:
U.S. Commercial Service
Embassy of the United States of America in Paris
2, avenue Gabriel
75382 Paris Cedex 08
France
Trade & Project Financing

Methods of Payment

For U.S. exporters, financing export sales is basically the same as financing domestic sales. The fundamental concern in both cases is that one is paid in a timely manner for the goods and/or services delivered.

France’s modern banking system offers a full range of payment methods, the most significant of which are:

Commercial letters of credit including, sight and time drafts, Bank transfers, Certified checks, and Electronic payments including electronic payment orders, pre-formatted inter-bank payment orders, electronic commercial trade bills, and electronically processed promissory notes for use in the Single Euro Payments Area (SEPA).

Cross-border payment services are becoming faster, cheaper and safer in Europe. As of January 28, 2008, businesses are able to make faster euro credit transfers. Since November 1, 2010, payments with direct debit are available, and businesses are able to set up cross-border direct debits in euros between two SEPA countries. On February 14, 2012 the European Parliament set February 1, 2014 as the deadline for banks to ensure that their payment schemes comply with the SEPA Regulation. The EU commission did not change the formal deadline for migration, but extended the SEPA changeover by six months to provide German banks more time to transfer to the SEPA payment system and ensure minimal disruption for consumers and businesses. The deadline will be October 31, 2016 for banks established in non-Eurozone Member States.

More information can be found about the SEPA Program at:


Banking Systems

The French banking system underwent a fundamental structural reform in 1984, which removed most of the distinction between commercial banks and merchant banks and grouped most financial institutions under a single supervisory system. The largest commercial banks, such as Crédit Agricole - LCL, BPCE (Banque Populaire Caisse d’Épargne), Société Générale, BNP Paribas, Natixis, Crédit Mutuel - CIC group, and HSBC
France rank among the largest banks in the world. These commercial banks offer all classic Financing instruments, including short, medium, and long-term loans, short-and medium-term credit facilities, and secured and non-secured overdrafts. Commercial banks also assist in public offerings of shares and corporate debt, as well as mergers, acquisitions and takeovers. Banks also offer hedging against interest rate and currency fluctuations. France also has 132 foreign banks; some with sizeable branch networks.

The Bank of France (Banque de France) is a member of the European Central Bank (ECB) system and the Banque de France’s governor sits on the executive board of the European Central Bank. The Banque de France introduced Euro-denominated banknotes and coins in January 2002, completing the transition to the Euro, and eliminating the French franc.

The Banque de France participates in the regulation and supervision of the French banking and financial system. Its governor is also president of the Prudential Control Authority, which grants or withdraws banking licenses, ensures that banks adhere to banking regulations, and supervises insurance companies. In July 2013, France passed a reform of the banking law which separates customer services from the proprietary trading activities in order to reduce the risks incurred by the depositors. The Prudential Control Authority was renamed the Prudential Supervisory and Resolution Authority as it is supervising the preparation and implementation of measures to prevent and resolve bank crisis.

The French government has sold its majority equity stakes in major banks and insurance companies. However, it retains ownership of the “Caisse des Dépôts et Consignations” and minority stakes in several major financial institutions. The French postal service, La Poste, an independent public entity, holds 10% of the French financial services market. La Poste has created its own bank, “La Banque Postale”, which in 2006 acquired the status of a regular bank.

**Foreign Exchange Controls**

As part of the international effort to combat money laundering and the financing of terrorism, France’s banking regulations have undergone several changes, which affect the handling of checks, as recommended by the Financial Action Task Force [http://www.fatf-gafi.org](http://www.fatf-gafi.org). New policy steps aim to reduce anonymity in financial transactions and reinforce the oversight mechanisms required of the financial community. In addition to implementing EU Common Positions regarding terrorists or arms proliferators, France sometimes uses its powers under national law to execute asset freeze orders against
terrorists. In general, all inward and outward payments must be made through approved banking intermediaries by bank transfers.

- **Repatriation of Capital and Earnings:**

There is no restriction on repatriation of capital provided this is carried out through an approved bank and the investment in question was authorized. Similarly, there is no restriction on transfers of profits, interest, royalties, or service fees, provided the investment was authorized and made through approved banks.

- **Businesses:**

Foreign-controlled French businesses are required to have a resident French bank account and are subject to the same regulations as other French legal entities. The use of foreign bank accounts by residents is permitted.

- **Individuals:**

France has few controls on the use of foreign exchange. For exchange control purposes, foreigners are considered to be residents from the time they arrive in France. French and foreign citizens are subject to the same rules. Residents are entitled to open an account in a foreign currency with a bank established in France and to establish accounts abroad. Residents must report the account number for all foreign accounts on their annual income tax returns. French-source earnings may be transferred abroad, without limitations if carried out through an approved bank.

**US Banks & Local Correspondent Banks**

All large French banks have correspondent U.S. banking arrangements.

Many French banks also have subsidiaries or branch offices in the United States; the following non-exhaustive list is based on information from individual banks and from the Federal Reserve.

BNP Paribas: Bank of the West (Bank of the West and First Hawaiian Bank in twenty West and Mid-west States); BNP Paribas (Addison, Chicago, Dallas, New York, Houston, King of Prussia, Miami, San Francisco); Banque Privée Miami; Cardif Etats-Unis; CIB États-Unis; Investment partners; Securities services; Real Estate; Fischer Francis Trees & Watts; L’Atelier; PRH Arval; [http://www.bnpparibas.com](http://www.bnpparibas.com); Société Générale: Société Générale (Chicago, Dallas, Houston and New York);, SG Equipment (Jersey City): SG CIB (New York);

- Major American banks and financial institutions present in Paris:

  American Express Cartes France
  Tel: +33(0) 1 47 77 77 07
  Website: http://www.americanexpress.fr

  Bank of America Merrill Lynch
  Tel: +33(0) 1 53 65 55 55
  Website: http://www.bankofamerica.com

  The Bank of New York Mellon (representative office)
  Tel: +33(0) 1 42 97 90 20
  Website: http://www.bankofnewyork.com

  Banque AIG (subsidiary)
  Tel: +33(0) 1 56 90 09 36
  Website: http://www.aig.com

  Goldman Sachs (subsidiary)
  Tel: +33(0) 1 42 12 10 00
  Website: http://www.gs.com

  Citigroup Global Markets Limited
  Tel: +33(0)1 70 75 50 00
  Website: http://www.citibank.fr

  JP Morgan Chase Bank (subsidiary)
  Tel: +33(0) 1 40 15 45 00
Project Financing

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions. From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors.

The EU supports projects within its member states, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to accession countries in Eastern and Southern Europe, Iceland and Turkey, as well as some of the former Soviet republics.

The EU provides project financing through grants from the European Commission and loans from the European Investment Bank.

Grants from the Structural Funds program are distributed through the member states’ national and regional authorities, and are only available for projects in the 28 EU member states. All grants for projects in non-EU countries are managed through the Directorate-General Europe Aid in conjunction with various European Commission departments, such as DG Regional Development.

- EU Structural Funds:

EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. From 2007-2013, the EU earmarked €308 billion for projects under the Structural Funds and the Cohesion Fund programs. In addition to funding economic development projects proposed by member states or local authorities, EU
Structural Funds also support specialized projects promoting EU socioeconomic objectives. The reformed cohesion policy for 2014-2020 will make available up to €351.8 billion to invest in Europe’s regions, cities and the real economy. It will be the EU’s principle investment tool for delivering the Europe 2020 goals: creating growth and jobs, tackling climate change and energy dependence, and reducing poverty and social exclusion. This will be helped through targeting the European Regional Development Fund at key priorities such as support for small and medium-sized enterprises where the objective is to double support from €70 to 140 billion over the 7 years.

There will be stronger result-orientation and a new performance reserve in all European Structural and Investment Funds that incentivizes good projects. Finally, efficiency in cohesion policy, rural development and the fisheries fund will also be linked to economic governance to encourage compliance of member states with the EU’s recommendations under the European Semester. Twelve European Grants Structural Funds are available. For information on approved programs that will result in future project proposals, please visit:  http://europa.eu/index_en.htm.

For projects financed through the Structural Funds, member state officials and regional authorities are the key decision-makers. They assess the needs of their country; investigate projects; evaluate bids; and award contracts. To become familiar with available financial support programs in the member states, it is advisable for would-be contractors to meet with DG Regional Development officials and local officials in member states to discuss local needs.

Tenders issued by member states’ public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation if they meet the EU minimum contract value requirement for the eligible sector. Below this threshold, tender procedures are subject to national procurement legislation and EU Treaty rules. There are no overt prohibitions against the participation of U.S. companies, either as developers or concessionaires of projects supported partially by the Structural Funds, or as bidders on subsequent public tenders related to such projects, but it is highly advisable to team up with a local partner to gain credibility and demonstrate references. All Structural Fund projects are co-financed by national authorities and most may also qualify for a loan from the European Investment Bank. The private sector is also involved in project financing. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU:  http://export.gov

- **The Cohesion Fund:**
The Cohesion Fund is another instrument of EU structural policy. Its €61.5 billion (2007-2013) budget sought to improve cohesion within the EU by funding transport infrastructure and environmental projects in Portugal, Spain, Greece and the twelve new (since 2004) EU member states from Central and Eastern Europe. These projects are generally co-financed by national authorities, the European Investment Bank, and the private sector. New financing occurred since 2013.

Key Link:  http://europa.eu/index_en.htm

- **Other EU Grants for Member States:**

Another set of sector-specific grants offers assistance to EU member states in the fields of science, technology, communications, energy, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found on: http://ec.europa.eu

- **External Assistance Grants:**

“Development and Cooperation - EuropeAid” is a new Directorate-General (DG) responsible for designing EU development policies and delivering aid through programs and projects across the world. It incorporates the former Development and EuropeAid DGs. Its website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation in these calls for tender is reserved for enterprises located in the EU member states or in the beneficiary country and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of U.S. nationality employed by a European firm are allowed to form part of a bidding team. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

Key Link:  http://ec.europa.eu/europeaid/index_en.htm

The EU also provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the “Instrument for Pre-accession Assistance” (IPA). Also, the European Neighborhood and Partnership Instrument (ENPI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.
IPA focuses on priorities linked to the adoption of the “acquis communautaire” (the body of European Union law that must be adopted by accession candidate countries as a precondition to accession), i.e., building up the administrative and institutional capacities and financing investments designed to help them comply with European Commission law. IPA will also finance projects destined for countries that are potential candidate countries, especially in the Balkans. The budget of IPA for 2007-2013 was €11.4 billion. Its successor, IPA II, will build on the results already achieved by dedicating €11.7 billion for the period 2014-2020.

Key Link: [http://ec.europa.eu/enlargement/instruments/overview/index_en.htm](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm)

The European Neighborhood Policy program (ENPI) covers the EU’s neighbors to the east and along the southern and eastern shores of the Mediterranean i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine. The ENPI budget was €11.9 billion for 2007-2013. Progress reports for 2014 are available. Key Link:


- Loans from the European Investment Bank:

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As the EIB’s lending practices evolved over the years, it became highly competent in assessing, reviewing and monitoring projects. As a non-profit banking institution, the EIB offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all sectors of the economy, such as telecommunications, transport, energy infrastructure and environment.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Central, Eastern and Southeastern Europe; Latin America; and Pacific and Caribbean states). In 2014, the EIB lent €77 billion for projects. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership.

Projects financed by the EIB must contribute to the socioeconomic objectives set out by the European Union, such as fostering the development of less favored regions; improving European transport and telecommunication infrastructure; protecting the environment;
supporting the activities of SMEs; assisting urban renewal; and, generally promoting growth, competitiveness and employment in Europe. Presently EIB activities focus on four priority areas: innovation and skills, access to finance small businesses, climate action and strategic infrastructure.

The EIB created a list of projects to be considered for approval and posted the list on its website. As such, the EIB website is a source of information on upcoming tenders related to EIB-financed projects: http://www.eib.org

The EIB presents attractive business opportunities to U.S. businesses. EIB lending rates are lower than most other commercial rates. Like all EIB customers, however, U.S. firms must apply the loan proceeds to a project that contributes to the European objectives cited above.

**Financing Web Resources**

- **U.S. websites:**
  
  Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration’s Industry & Analysis team:

  http://www.export.gov/tradefinanceguide/index.asp


  Trade and Development Agency: http://www.ustda.gov/

  SBA's Office of International Trade: http://www.sba.gov/oit/

  USDA Commodity Credit Corporation: http://www.fsa.usda.gov/about-fsa/structure-and-organization/commodity-credit-corporation/index


- **EU websites:**

  The EU regional policies, the EU Structural and Cohesion Funds:


EuropeAid Co-operation Office:  http://ec.europa.eu/europeaid/index_en.htm


The European Investment Bank:  http://www.eib.org
Business Travel

Business Customs

The most important characteristic of French business behavior is its emphasis on courtesy and a certain formality. Appointment schedules and hierarchical titles are to be respected and correspondence, whether by mail or by fax, should be acknowledged promptly. A handshake is customary upon initiating and closing a business meeting, accompanied by an appropriate greeting. Professional attire is expected. Today, many French executives put less emphasis on long, heavy business lunches for reasons of health and time. Nevertheless, informal business discussions in restaurants where everyone appreciates a good meal are one of the best ways to promote good working relations.

Travel Advisory

Please visit the State Department Travel Website:  www.travel.state.gov

Visa Requirements

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website:  https://www.state.gov/travel/

Consular Section of the U.S. Embassy Paris: https://fr.usembassy.gov/

Currency

Currency used in France is the euro:  http://www.ecb.europa.eu/euro/html/index.en.html

Telecommunications/Electric

Telecommunications to and from Paris compare favorably with those of any large U.S. city. A direct-dial telephone system links France to the United States and most of the world. Calls to the United States may be charged to international telephone cards such as AT&T, MCI and Sprint. The contact for AT&T Direct U.S. operator is: +33 1 41 88 46 00
Although most French pay phones were conveniently equipped with smart card slots, their use has been dramatically decreasing because of the use of smart phones with attractive subscriptions.

**Transportation**

Frequent direct air service is available to many U.S. and French cities. The two airports serving Paris, Charles De Gaulle Roissy and Orly, are easily accessible by excellent bus (Air France) and rail service. The French railway system is among the best in the world; its efficient network ties in conveniently with public transportation in most French cities.

Buses and the Metro (subway) may be crowded during rush hours, but they provide fast and efficient service; however, a word to the wise: as in many large cities worldwide, one should be alert to the dangers of pickpockets while in public places.

**Language**

While French is the official language in France, many business people speak English. Product literature, correspondence and negotiations in the French language provide a distinct advantage over competitors who use only English. It should be noted that other EU suppliers are accustomed to dealing in the French language.

**Health**

Consular Section of the U.S. Embassy Paris: [https://fr.usembassy.gov/](https://fr.usembassy.gov/)

American Hospital in Paris  
63, boulevard Victor Hugo  
92200 Neuilly sur Seine  
Telephone: +33 1.46.41.25.25  
(24-hour English-speaking medical and dental emergency service; credit cards accepted.)

Emergency Medical Team and Ambulance (SAMU)  
Telephone: 15 or +33 1.45.67.50.50
Local Time, Business Hours and Holidays

The working days abutting the French holidays and vacation periods are not prime time for business meetings; this includes the month of August and the several vacation periods between Christmas and Easter. Business hours in France are generally 9:00 AM to 6:00 PM (banking hours 9:00- 5:00) Monday through Friday, while stores are generally open 10:00 AM to 7:00 PM, Monday through Saturday. To ensure availability, advance appointments are recommended.

Holidays 2017:

January 1, 2017 New Year’s Day
April 17, 2017 Easter Monday
May 1, 2017 Labor Day
May 8, 2017 Veterans’ Day (WWII)
May 25, 2017 Ascension Day
June 5, 2017 Whit Monday
July 14, 2017 French National Day
August 15, 2017 Assumption Day
November 1, 2017 All Saints’ Day
November 11, 2017 Veterans’ Day (WWI)
December 25, 2017 Christmas (Noël)

Holidays 2018:

January 1, 2018 New Year’s Day
April 2, 2018 Easter Monday
May 1, 2018 Labor Day
May 8, 2018 Veterans’ Day (WWII)
May 10, 2018 Ascension Day
May 21, 2018 Whit Monday
July 14, 2018 French National Day
August 15, 2018 Assumption Day
November 1, 2018 All Saints’ Day
November 11, 2018 Veterans’ Day (WWI)
December 25, 2018 Christmas (Noël)
Temporary Entry of Materials or Personal Belongings

Every U.S. citizen entering France must present a valid American passport; for stays of less than three months there is no requirement for visas, entry permits or health certificates.

Bona fide personal effects in a visitor’s luggage (or hand-carried) are not normally subject to customs duties. Items to be declared, however, include those intended to be left in France, goods for professional/commercial use as well as any prohibited items. Goods imported for exhibition may enter under bond, deposit or an ATA carnet.

Professional equipment may be temporarily imported into France free of duty and tax under the Customs Convention on Temporary Importation of Professional Equipment; the appropriate carnet may be obtained from the U.S. Council of the International Chamber of Commerce.

Travel Related Web Resources

State Department Travel Website: http://travel.state.gov

State Department Visa Website: https://www.state.gov/travel/

Consular Section of the U.S. Embassy Paris: https://fr.usembassy.gov/