Doing Business in France:

2015 Country Commercial Guide for U.S. Companies


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Chapter 1: Doing Business In France

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Market Overview

The U.S.-French commercial and economic alliance is one of the United States’ oldest and closest bilateral relationships. 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 also signed in 1778. Relations between the United States and France have remained active and friendly. The two countries share common values and have parallel 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 the 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, take 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 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 $2.84 trillion, France is the world’s sixth-largest economy and EU’s third largest economy after Germany and the U.K. It has substantial agricultural resources but its manufacturing base has declined from 15.8 percent of GDP in 1999 to 11.3 percent in 2014. A dynamic services sector accounts for an increasingly large share of economic activity and is responsible for most job creation in recent years.

As a result of the stagnant GDP growth (0.2 percent in 2014, after 0.7 percent in 2013) the unemployment rate (Metropolitan France) is now in double digits, up from 9.6 percent in 2013 to 10.4 percent at the end of 2014. GDP is expected to slowly rebound in 2015 with growth above 1.0 percent and around 1.7-1.8 percent in 2016. GDP per capita in France was USD 42,813 in 2014.

France is the third largest trading nation in Western Europe (after Germany and the U.K.). In 2014, the country ran a $71 billion trade deficit of goods based on total trade of $1.2 trillion. The majority of this trade (60 percent) was with EU-28 countries. France is
a member of the G-8 (and initiator of the G-20), the European Union, the World Trade Organization and the OECD, confirming its status as a leading economic player in the world.

France welcomes foreign investment and has a reliable business climate that attracts investors from around the world. The government devotes significant resources to attracting foreign investment and has launched the “French Tech Ticket” to attract foreign start-ups to France. That being said, France is struggling to revitalize its economy and implement reforms to improve the legal and regulatory environment including deregulation of some sectors. France continues to support innovation in small and medium enterprises (SMEs).

Foreign investors say 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 (as the 19 countries that use the Euro currency are known) facilitates the movement of people, services, capital, and goods.

France has strong investment relations with the United States. The U.S. FDI stock in France ($78 billion in 2013) includes more than 1,240 affiliates of U.S. firms supporting an estimated 440,000 jobs. The activities of these U.S. affiliates can be viewed as the backbone of the commercial relationship between France and the United States. The trade balance on all bilateral transactions and investment flows between the United States and France can be viewed at: http://www.bea.gov/.

**Market Challenges**

- Disincentives to investing in France include high taxes, a complicated tax and administrative environment, the high cost of labor (with the minimum wage, called the SMIC for “Salaires Minimum Interprofessionnel de Croissance”, at €1,457 per month, rigid labor markets despite efforts to introduce some flexibility, and occasional strong negative reactions toward foreign investors planning to restructure, downsize or close.

- 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, in some cases, French global manufacturers/suppliers that have a strong control over their retail networks. Many of these large retail networks have extremely well-organized buying offices that have put in place very stringent selection processes for new suppliers, products and services. High retail mark-up, ongoing competitive market innovation and creativity combined with a constantly changing theme designs approach are prerequisites to keep up with retail trends.

**Market Opportunities**

- Key sectors of the French economy include aerospace, food products, pharmaceuticals, microelectronics, logistics, and healthcare equipment. Call centers, biotechnology, telecommunications, information and communication
technology, and environment are other sectors with high potential. The government may further reduce its stakes in electricity, gas, rail transport, and postal services, opening them up to domestic and foreign investors.

- France is an economically developed nation with a large, diverse and sophisticated consumer base. It has a strong manufacturing sector that seeks out quality components from foreign suppliers. Finally, its comparatively affluent populace is a leading consumer of services, particularly in the educational and travel sectors. It should be noted that while the overall French market can be viewed as essentially similar to the U.S. market, the individual French consumer of products and services is very discriminating.

- There are significant market opportunities for consumer food/edible fishery products in a number of areas: 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 & surimi), innovative dietetic and health products, organic products, soups, breakfast cereals, and pet foods. In addition, niche markets exist for organic foods, 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. Socio-economic and demographic changes continued to alter food trends in France. French consumers desire innovative and more convenient foods offering quality, image, better taste, and increased health benefits. France offers market opportunities for U.S. suppliers in a number of areas such as fish and seafood, processed fruits and vegetables (including fruit juices), beverages (including wine and spirits), and dried fruits and nuts. A full report, prepared by the USDA’s Foreign Agricultural Service for U.S. exporters of food products can be viewed at: http://gain.fas.usda.gov.

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 differences in cultural factors and certain legal and regulatory restrictions. However, because the French market is sophisticated with the entrenched bias of a conservative market that sticks to known suppliers and therefore requires sustained market development, entry should be well planned. Competition can be fierce, but local partners are readily available in most sectors and product lines.

- In addition to this Country Commercial Guide, the 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 export experience in France. For a detailed description of these services please visit: http://export.gov/france/. 

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For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

http://www.state.gov/r/pa/ei/bgn/3842.htm
http://www.state.gov/p/eur/ci/fr/

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Using an Agent or Distributor

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

Another good source of information is the document prepared by the Business France Agency on Doing Business in France:


U.S. firms developing or terminating trade relationships with French firms 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

and also among the members of business organizations such as The American Chamber of Commerce in France, The European-American Chamber of Commerce in France, and The French-American Chamber of Commerce in the United States.
France being a member state of the European Union, EU directives must be transposed into French legislation and implemented locally.

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.

Key Link:

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).

Key Link:

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 within the EU, whether in the public or private sector, 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 Euro 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.

Key Link:

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.

Key Links:
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 and other Chambers throughout the country, 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

### Data Privacy and Protection

Data Privacy and protection in France is regulated and implemented according to the EU’s general data protection Directive (95/46/EC) by the French governmental body CNIL (Commission Nationale de l'Informatique et des Libertés) which provides information on the rights and obligations, following official French and EU regulatory texts.

**Current Situation**

The EU’s general data protection Directive (95/46/EC) 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. While the EU institutions are considering new legislation (GDPR), the 1995 Directive remains in force.
Transferring Customer Data to Countries outside the EU

The EU's current data protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. In 2000 the Department of Commerce and the European Commission negotiated the U.S.-EU Safe Harbor Framework to provide U.S. companies with simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the current Directive), and that publicly state that commitment by annually "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding on those who do. Commerce and the European Commission are currently discussing improvements to the Framework. U.S. exporters are urged to stay in touch with Commerce's Safe Harbor office for any update.

Key links: U.S.-EU Safe Harbor Overviews

http://export.gov/safeharbor/eu/eg_main_018476.asp
http://export.gov/static/Safe%20Harbor%20and%20Cloud%20Computing%20Clarification_April%202012%202013_Latest_eg_main_060351.pdf

EU-based exporters or U.S.-based importers of personal data can also satisfy the adequacy requirement by using appropriate safeguards, for instance by including data privacy clauses in the contracts they sign with each other. To fast track this procedure the European Commission has approved sets of model clauses for personal data transfers that can be inserted into contracts between data importers and exporters. The most recent were published at the beginning of 2005, and were complemented in 2010 by contractual clauses on "sub-processing" (outsourcing by an EU based exporter of its processing activities to other sub-processors outside the EU). Companies must bear in mind that the transfer of personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

EU countries' Data Protection Authorities (DPAs) and large multinational companies have also developed "binding corporate rules" (BCRs). A BCR is the international code of practice that a multinational corporation follows for transfers of personal data between the companies belonging to that corporation (worldwide intra-group transfer). BCRs are suitable for closely-knit, highly hierarchically structured multinational companies but not for loose conglomerates. The process of negotiation and approval of the BCRs is currently lengthy and complex, and has not been attempted by small or medium-sized companies.

Proposed New Regulation

The EU's current data privacy legislation is undergoing review. A new commercial data protection regulation (GDPR) was proposed by the Commission in January 2012. While the European Parliament adopted its amended version on March 12, 2014, the 2012 proposal is still being revised by the EU Council of Ministers. Both institutions will then negotiate a common position. If the EP's March 2014 version of the regulation was adopted, it would impose significant requirements on European and U.S. businesses on the way they are able to gather and utilize user data. It would sunset all adequacy decisions after five years as well as transfers by way of appropriate safeguards after two
years, and would introduce substantial fines for offending companies (up to 5% of global revenue). For over two years, industry representatives have voiced their concerns to EU Institutions and member state officials. In a Position Paper published in July 2012, the American Chamber of Commerce to the EU identified 10 key concerns with the proposed regulation including:

- data breach notification
- consent
- definition of personal data, a child, and of public interest
- technical feasibility of the “right to be forgotten” provision
- extra-territoriality element that would hamper international data transfers.

The implications of this proposed regulation go well beyond its immediate scope; in particular data privacy is an integral part of other current EU regulatory initiatives in ICT sectors such as cloud computing and cyber-security.

Key Links:
European Commission’s Justice Directorate-General:
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

AmChamEU position paper on the proposed regulation:
http://www.amchameu.eu/DesktopModules/Bring2mind/DMX/Download.aspx?TabId=165&Command=Core_Download&EntryId=7914&PortalId=0&TabId=165

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. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally, do not constrain the competitive position of U.S. businesses. The potential franchiser 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?rubrique21

The French franchise sector ranks first in Europe in terms of sales and has doubled over the last ten years. Although very competitive, it offers many opportunities for innovative U.S. franchises. Fifteen percent of franchises operating in France are foreign, of which 23 percent are American. In 2014, total franchising sales were estimated at 80 billion dollars (60 billion euros). 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.
French direct marketing for consumer products and services is one of the largest markets in the world and one of the fastest growing in Europe, ranking third in Europe and sixth in the world in online consumption as of 2014. This market was valued at USD 75.4 billion in 2014 and registered a total of 700 million of online transactions.

There has been a rapid expansion in internet sales in the past ten years; this trend is expected to continue at a slower pace of around 10 percent growth per year. In 2014, 34.7 million French people shopped on-line which represents 79 percent of internet users. The average online transaction in 2013 was $112 (Euros 84.5) and on-line shoppers tend to shop more often, approximately 18 times a year, for a total amount spent of $2,012 (1515 Euro) in 2013.

There is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest 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 on-line commerce.

**Processing Customer Data**
The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

**Distance Selling Rules**
In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - “the Consumer Rights Directive”. The provisions of this Directive have been in force since June 13, 2014, and replaced EU rules on distance selling to consumers and doorstep selling along with unfair contract terms and consumer goods and associated guarantees. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes. Companies are advised to consult the relevant sections of EU Member States’ Country Commercial Guides and to contact the
In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation will set up an EU-wide online platform to handle consumer disputes that arise from online transactions. The platform will be operational at the end of 2015.

Key Links:
Consumer Affairs Homepage:
http://ec.europa.eu/consumers/index_en.htm

Consumer Rights:
http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

Distance Selling of Financial Services
Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amended three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link:

Direct Marketing over the Internet
The 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.
The French Government generally follows EU procurement regulations that are translated into French regulations:


French government Tenders Gazette: http://www.boamp.fr/

French Legislative Code of Public Tenders: http://www.legifrance.gouv.fr/

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 euros. 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”:
With over 730,000 firms, 3.3 million employees and a consolidated turnover of over USD 200 million, retail and distribution is an important, dynamic and highly sophisticated and competitive sector of activity in France with a versatile array of cutting-edge marketing and selling concepts. The retail industry interests are well represented by a federation of industry specific retail associations, Conseil du Commerce de France, that issues every year, in close cooperation with the French statistical agency INSEE, an Extensive Survey of Retail Trade in France.

One of the challenges for U.S. SMEs interested in breaking into the French market is to deal with highly concentrated retail distribution chains and networks, as well as, in some cases, 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 in place very stringent selection process products and services distributed. High retail mark-up, ongoing competitive market innovation and creativity combined with a constantly changing theme designs approach 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. In 2011, sales within the first five categories represented 77 percent of the country’s retail food sector. The sixth category, traditional outlets, which includes neighborhood and specialized food stores,
represented 23 percent of the market. Hyper- and supermarkets are the leading retailers, with 68 percent total food sales in 2011.

Hotels/Restaurants/Institutions/Food Service Sector:

The HRI/food service sector is an open, yet highly competitive market. Entry through this sector must be carefully planned. Successful products or food systems are innovative and price competitive. Best prospects for U.S. suppliers targeting the HRI sector are fish and seafood, hormone-free high quality beef, frozen foods including desserts, fruit juices and sodas, quality wines, salad dressings, sauces, spices, rice, and dried vegetables.

For those wishing to enter this market sector, it is recommended to contact the U.S. Department of Agriculture (USDA)/Foreign Agricultural Service (FAS) trade and marketing specialists for advice.

Hypermarkets (Hypermarchés):

Hypermarkets 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 10.4 million square meters. As of 2012 there were 1,941 hypermarkets, employing over 321,837 people. The top five hypermarket companies are Auchan, Leclerc, Intermarché, Casino, and Carrefour.

Supermarkets (Supermarchés):

Supermarkets 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 7.3 million square meters. As of 2012, there were 5,678 supermarkets, employing over 161,500 people. The top four supermarket companies are Intermarché, Carrefour, Casino and Systeme U.

Click & Drive:

Click and Drive has become popular among consumers over the past few years. Thanks to increasing internet accessibility, stores such as Auchan, Carrefour, Chronodrive, Leclerc, and Metro 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 2012, there were 803 click and drive services –775 more than 2008. Leclerc Drive dominates the market with a total of 204 click and drive centers, followed by Carrefour Drive with126. Over the past four years, the number of click and drive centers has increased at an average of 86 percent. As such, the market is expected to continue increasing of the coming years.

City-Center Stores & Department Stores (Grands magasins):

Defined as high-quality supermarkets and dating back to the turn of the century, these are smaller than regular supermarkets, are usually located in town centers and offer a wide selection of food and non-food products. They total fewer than 100 and tend to be
grouped under major leading companies such as Monoprix/Prisunic. City-center stores seem to be declining: their numbers have dropped five percent in the last five years. Currently, the nearly 100 department stores employ over 24,171 people. Paris has the most department stores of any French city; six of the ten top-selling stores are there.

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 twenty percent 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.

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 1,988 outlets representing no more than three percent of total food sales. Beginning 2009, there was a revival for convenience stores. The opening of these new outlets has enlarged this segment up to 32 percent from 2009 to 2012. Hypermarket/supermarket chains understood that there was a demand from the consumers for convenience stores. Carrefour City, Carrefour Contact, U Express, and Monop'/DailyMonop’ are their brands.

Hard Discounters (Magasins discount):

Compared to hyper/supermarkets, hard discount stores offer a smaller range of goods for lower prices. At the end of 2012, there were 4,717 hard discount stores in France. The top five hard-discount companies are Lidl, Dia (former Ed), Aldi, Casino and Intermarché. Despite the economic crisis, the hard discount stores did not gain substantive market shares. 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/health 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 17 percent of the country’s total retail food distribution and represent a total of about 50,000 stores. To survive, these outlets must have flexible store hours, product variety, and special services such as home delivery. Small neighborhood store chains offer U.S. suppliers entry into the French market.

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

Gasoline companies, having lost about 60 percent 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 one percent 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 GSI)
Tel: (33) 1.77.92.99.14 or (Fax: (33) 1.77.92.98.15
Website: http://www.lsa-conso.fr/

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


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:

The e-commerce sector in France continues to expand with about 30 million digital buyers with average yearly expenditure per individual buyer of over $2,500 in 2013.

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 indicating contact details on their website, clearly identifying advertising and protecting 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

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. From 1 January 2015, all supplies of telecommunications, broadcasting and electronic services are taxable at the place where the customer belongs. In the case of businesses this means either the country where it is registered or the country where it has fixed premises receiving the service. In the case of consumers, it is where they are registered, have their permanent address, or usually live.

As part of the legislative changes of 2015, the Commission has launched the Mini One Stop Shop (MOSS) scheme, 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.

This scheme allows taxable persons (sellers) to avoid registering in each Member State of consumption. A taxable person who is registered for the mini One Stop Shop in a Member State (the Member State of Identification) can electronically submit quarterly mini One Stop Shop VAT returns detailing supplies of ESS to non-taxable persons in other Member States (the Member State(s) of consumption), along with the VAT due.

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.htm#onestopshop
For many consumer products and services, trade promotion and advertising is taking a growing share of the value added process of the goods and services sold on the French market, as a direct result of ongoing concentrations of firms to keep up with competition, maintain high profit margins, and outsource lower cost supplies from cheaper market places while boosting sales volume. French legislation covering trade promotion and advertising is covered under the specifics of several codes: civil law, Code Civil, commercial and anti-trust law, Code de Commerce, consumer law, Code de la Consommation, government tenders law, Code des Marchés Publics, criminal law, Code Penal, intellectual property law, Code de la Propriété Intellectuelle and tax law, Code Général des Impots.

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 from member state to member state 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.

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 warranties 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 Link: 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.

Key Link: http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm

Nutrition & Health Claims: On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets 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: http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/nutrition-health-claims/ and in the USDA Food and Agricultural Import Regulations and Standards EU 28 2014

Key Link: 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 http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/eu-labeling-requirements/ and in the USDA Food and Agricultural Import Regulations and Standards EU 28 2014

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.

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 must now be transposed into national legislation by member states by 2016. The new legislation will include bigger, double-sided health pictorial warnings on cigarette packages and the possibility for plain packaging along with health warnings, tracking systems.

Pricing

The U.S. exporter can usually determine the export price of his/her manufactured product using 70 percent 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 percent for most products, though reduced rates may apply to food products and services (Key link: http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf ). The French consumer is generally willing to pay a maximum of 10-15 percent 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

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 sectors 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.

Product Liability: Under the 1985 Directive on Liability of Defective Products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.


Product Safety: The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.


Legal Warranties and After-sales Service: Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Key link: http://ec.europa.eu/consumers/consumer_rights/rights-contracts/sales-guarantee/index_en.htm

Other issues pertaining to consumers’ rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

Protecting Your Intellectual Property

Protecting Your Intellectual Property in France:

Several general principles are important for effective management of intellectual property (“IP”) rights in France. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in France than in the United States. Third, rights must be registered and enforced in France, under local laws. For example, your U.S. trademark and patent registrations will not protect you in France. There is no such thing as an “international copyright” that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Granting patents registration are generally based on a first-to-file [or first-to-invent, depending on the country], first-in-right basis. Similarly, registering trademarks is based on a first-to-file [or first-to-use, depending on the country], first-in-right basis, so you should consider how to obtain patent and trademark protection before introducing your products or services to the French market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in France. It is the responsibility of the rights’ holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in French law. The U.S. Commercial Service can provide a list of local lawyers upon request: List is available on American embassy in France website, hyperlink here: http://photos.state.gov/libraries/france/45994/acs/usc_paris-attorneys.pdf.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the responsibility of a rights holder to promptly pursue its case.
It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in France require constant attention. Work with legal counsel familiar with French laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both France or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

**IP Resources**

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: 1-866-999-HALT or visit [www.STOPfakes.gov](http://www.STOPfakes.gov).

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: 1-800-786-9199, or visit [http://www.uspto.gov/](http://www.uspto.gov/).

- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: 1-202-707-5959, or visit [http://www.copyright.gov/](http://www.copyright.gov/).

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the “Resources” section of the STOPfakes website at [http://www.stopfakes.gov/resources](http://www.stopfakes.gov/resources).

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.stopfakes.gov/businesss-tools/country-ipr-toolkits](http://www.stopfakes.gov/businesss-tools/country-ipr-toolkits). The toolkits contain detailed information on protecting and enforcing IP
in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

The U.S. Department of Commerce has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers France by contacting: Bijou Mgbojikwe at the U.S. Department of Commerce US Patent & Trade Mark Office: Bijou.Mgbojikwe@uspto.gov

Due Diligence

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

Local Professional Services

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.

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:
http://www.faccnyc.org/

American Embassy France list of attorneys:
http://photos.state.gov/libraries/france/45994/acs/usc_paris-attorneys.pdf

Web Resources

EU websites:


Agreements of Minor importance which do not appreciably restrict Competition under Article 101(1) of the Treaty establishing the European Community:
Directive on Late Payment:  

European Ombudsman:  

EU’s General Data Protection Directive (95/46/EC):  

Safe Harbor:  
http://export.gov/safeharbor/eg Hague/018476.asp

Information on contracts for transferring data outside the EU:  

EU Data Protection Homepage:  
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Consumer Rights Directive  

Distance Selling of Financial Services:  

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

VAT on Electronic Service:  
http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

The Unfair Commercial Practices Directive:  
http://ec.europa.eu/consumers/rights/

Nutrition and health claims made on foods - Regulation 1924/2006  

Regulation on Food Information to Consumers:  
Regulation 1169/2011

EU-28 FAIRS EU Country Report on Food and Labeling requirements:  
USDA Food and Agricultural Import Regulations and Standards EU 28 2014

Guidance document on how companies can apply for health claim authorizations:

Health & Nutrition Claims
http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco

Product Liability:

Product Safety

Legal Warranties and After-Sales Service:

Copyright: http://ec.europa.eu/internal_market/copyright/index_en.htm

http://ec.europa.eu/internal_market/copyright/copyright-infso/index_en.htm

European Patent Office (EPO)
http://www.european-patent-office.org/

Office for Harmonization in the Internal Market (OHIM)
http://oami.europa.eu/

World Intellectual Property Organization (WIPO) Madrid
http://www.wipo.int/madrid/en

U.S. websites:


EU Public Procurement:

Local Professional Services:
http://export.gov/europeanunion/businessserviceproviders/index.asp

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

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- TELECOMMUNICATIONS (SEC)
- CIVIL AIRCRAFTS AND PARTS (AIR)
- TRAVEL & TOURISM (TRA)
- COMPUTERS & PERIPHERALS (CPT)
- MEDICAL EQUIPMENT (MED)
- AUTOMOTIVE PARTS & EQUIPMENT (APS)
- PLASTICS (PMR)
- COSMETICS (COS)
- TEXTILE (TXT)
- EDUCATIONAL SERVICES (EDS)
- E COMMERCE BtoC
- E-LEARNING (EDS)

Agricultural Sectors

- FISH AND CRUSTACEANS
- BEVERAGES: MINERAL WATER, BEER, WINE AND SPIRITS
- FRESH AND DRIED FRUITS INCLUDING NUTS
- FRESH AND DRIED VEGETABLES
- MEAT AND OFFALS
- ORGANICS
As a whole, the digital economy (comprising Computer Services and Software) in France contributed to 5.2% of France’s GDP; 16% of productive investments; 7.9% of total private sector added-value; and more than a quarter of private sector R&D. In terms of employment, the digital economy produced over 3.7% of France’s jobs. There are over 6,000 French firms employing more than 363,000 employees specialized in software services. Two thousand of these firms have ten employees or more. The market is divided among the three following activities: Software publishing (21%); Technology Consulting Services (17%); and Consulting & Services (62%).

The combined revenue of the top 100 French software publishers amounts to roughly $6.12 billion, making up an 87% share of the market with a 55% market share for the top five publishers in France. However, since 2006 this concentration 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 are: IBM Global Services ($3.3 billion); Capgemini Holding ($2.9 billion); ATOS ($2.0 billion); Accenture ($1.6 billion); HP Services & Software ($1.5 billion); CGI France ($1.4 billion); Sopra Group ($1.1 billion); Altran Technologies ($1.03 billion); Groupe Alten ($1.005 billion); Groupe Steria ($781 million). Also, the digital services economy in France is boosted by a series of innovative industry clusters, the most notable being: Cap Digital, Images et Reseaux, Minalogic, Secure Communication Solution, and Systematic.

Due to recent high level cybersecurity breaches and the adoption of new highly connected network technologies, cybersecurity has become one of the points of focus for the computer service market, with both high growth and innovation. Moreover, recent legislation has increased both government support and regulation for the cyber security market. 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, has combined to increase interest in products on the market. In the private sector the gamut of cybersecurity products is expanding. Just recently Gras Savoy (a French insurance company) and Bull collaborated to implement the first cybersecurity and insurance hybrid, broadening the scope of cybersecurity products.

The cloud computing market in France is a dynamically structured high growth sector worth over $2.1 billion. More than 50% of the markets value is generated by small- and medium-sized enterprises. The market is expected to grow by over 20% between 2013 and 2015. Large multinational corporations flock to the French market, injecting over $1 billion in investments annually. These companies are attracted by France’s skillful engineers and technicians as well as by the country’s secure electricity supply (reliable servers) and relevant national legislation. There are over 100 data centers in France, with over 40 located in the Paris region.

In the computer services sector, the implementation of Software as a Service (SaaS) products has largely influenced growth. This market is anticipated to reach $1.61 Billion in 2015. France’s SaaS market presents an especially significant investment opportunity, as only 12% of French non-financial firms have adopted some sort of cloud-based services as of 2014. The small and medium-sized enterprise market presents the most favorable opportunities as it maintains a low penetration level and a favorable cost structure for cloud implementation. In 2013 alone, SaaS revenues in the SME market were up by 31.7 percent. Customer relationship management (CRM) software has contributed to growth in the software market with a 13.7% y-o-y growth rate in 2013. The French packaged software market, valued at $12 billion, grew by 2.5% in 2014, with 85 percent of the business related to B2B applications. The five largest French software publishers in the market are (with 2014 revenues): Dassault Systèmes, ($2.5 billion), Cegedim ($590 million), Sopra Steria ($571 million), Murex ($471 million) and Axway ($335 million).

The market for operating systems in France has become increasingly diversified over the past five years. A part of this is due to the entrance of new tablet OS systems such as Android and Apple’s iOS. However, France remains centered on Microsoft products, with Windows 8.8 experiencing the most growth in Western Europe in the French market. The anticipated free offering of Windows 10 may also drive further concentration on the windows OS in the country.

<table>
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<th>Sub-Sector Best Prospects</th>
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<td>Big Data</td>
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<td>- Cloud Computing (i.e. Saas solutions)</td>
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<td>- Mobility</td>
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<td>- “Apps” software applications in smart phones</td>
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<td>- Facilities management and Third-Party Maintenance of Applications (TMA)</td>
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<td>- Externalized R&amp;D</td>
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<td>- Integration of Information Processing Systems</td>
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<tr>
<td>- Integration of smart phones and tablets into the existing IT infrastructure</td>
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<tr>
<td>- Integration of social networks in the sales/marketing model</td>
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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 access and wireless connections will maintain demand for systems integration, especially in the field of E-commerce, which is benefitting 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 Audio 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/
Overview

The Market place for Telecommunications

The most prominent sectors within the French telecommunications market are the mobile telephone and wireline industries. Both the mobile and wireline sectors are composed of large competitive and innovative firms with developed product offerings. The French mobile market is one of the top performing in Western Europe. Mobile subscriptions recorded a 5.0% y-o-y growth rate in 2013 with even more impressive growth in specific sectors. There are an estimated 78 million mobile subscriptions in France. 3G or 4G subscriptions make up 48.3% of this total. Broadband has also experienced continued growth despite its high penetration rate in France. In 2013 the broadband subscription market reached 28.5 million, reaching a 44.3% penetration rate and increasing 4.1% on the previous year. Likewise 2014 marked 25.7 million broadband connection points in France, a 4.0% y-o-y growth rate. Orange leads the broadband market with 40% of subscriptions.

DSL remains the prominent form of broadband connection in France though it is being challenged by faster connections through fiber optic cable. During 2014, DSL subscriptions increased by 2.0% while high speed connections (coaxial and FTTx) increased by 34% y-o-y. The largest growth rates were experienced by fiber optic connections, which increased by 67% y-o-y. Lowering costs and increased connectivity will catalyze 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.

Free-Iliad’s entrance into the French market has had a lasting effect on France’s competitive landscape boosting competition amongst the top telecommunications companies. Four primary providers make up the French market: Orange with a 34.7% market share, Numericable-SFR with a 27.4% market share, Bouygues with a 14.1% market share, Free with a 12.3% market share and a series of MVNOs making up the remaining 11.5% of the market.

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014 (estimated)</th>
<th>2015 (estimated)</th>
<th>2016 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Market Size</td>
<td>77,143</td>
<td>77,790</td>
<td>78,620*</td>
<td>78,830*</td>
</tr>
<tr>
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<td>64,981</td>
<td>65,585</td>
<td>66,270*</td>
<td>66,420*</td>
</tr>
<tr>
<td>Total Exports</td>
<td>31,740</td>
<td>31,927</td>
<td>32,230*</td>
<td>32,310*</td>
</tr>
<tr>
<td>Total Imports</td>
<td>43,902</td>
<td>44,132</td>
<td>44,580*</td>
<td>44,720*</td>
</tr>
<tr>
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<td>9,780</td>
<td>9,015</td>
<td>9,120*</td>
<td>9,090*</td>
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<tr>
<td>Exchange Rate: 1 USD / Euro</td>
<td>Euro 0.753</td>
<td>Euro 0.753</td>
<td>Euro 0.751</td>
<td>Euro 0.751</td>
</tr>
</tbody>
</table>

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

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Sub-Sector Best Prospects

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 implementation of various standards and technologies, such as LTE and fiber optic cabling. Smart Phone technology and increasing network capabilities with increased 3G and 4G implementation will drive continued growth in the market. Innovative technologies in the process of development will also catalyze new market possibilities with the Internet of Things playing an important role in the telecommunications market. IOT’s implementation will mark 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

The French market maintains one of the lowest mobile penetration rates in Western Europe, a factor which is anticipated to cause continued growth in the near future. Mobile operators in France have been focusing on the promotion of wireless data services with planned 4G rollouts and 3G network extensions in progress. By the end of 2014 SFR increased 4G coverage to 22 French cities with populations over 50,000. Orange and SFR’s release of LTE services in late 2012 has allowed for the possibility of offering higher value wireless data services. In early 2015 SFR initiated 4G LTE-Advanced Networks in Lyon, the third city after Toulouse and Toulon to receive this infrastructure. Moreover, French companies have been continuing the expansion of 4G infrastructure within the country.

In late 2015, France is expected to release a tender for auction of Long Term Evolution (LTE) suitable frequencies. These frequencies, previously in use by Digital Terrestrial Television Broadcast, will likely benefit the incumbent telecom operators in France, Orange, Bouygues, Numericable-SFR and Iliad, who are all expected to participate in the auction. Moreover, in the mobile sector a recently signed network sharing agreement between France’s main firms may lead to a faster penetration of network coverage with lower expansion costs.

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 especially considering Orange’s proposed plan to implement VDSL2 upgrades to its subscribers. However, fiber optic offers the most promising market future as increased rollouts and lower prices will catalyze market growth.

Recent events have served to redefine the competitive landscape in France’s market. In 2014 Numericable successfully completed its acquisition of SFR, effectively combining SFR’s mobile and wireline broadcast business with Numericable’s pay-tv and broadband operations. This acquisition has put pressure on the market leader Orange as well as Bouygues and Free. This acquisition is anticipated to challenge Orange’s stranglehold over France’s wireless market, boosting competition and market growth. Another recent event, Nokia’s acquisition of French telecommunications giant Alcatel-Lucent, will also have an effect in France, marking a foreign acquisition of a major French firm. Lastly, though nothing tangible has yet occurred, Bouygues has experienced a lull in its operations which has led it to become the focus of potential acquisition by other firms.
The IOT market in France is attracting attention and investment worldwide, with large scale investments, such as a 115 million USD investment in French IOT startup Sigfox, are becoming increasingly common. One manner in which to determine IOT market growth is 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 a 22% y-o-y growth rate in 2014 and there are currently over 7.9 million M2M SIMs in France. Moreover, major players in the French telecom market are shifting their focus over to IOT. Recently Orange formed a new IT division with the specific focus on machine to machine technology.

Web Resources

Regulation Authority for Electronic and Postal Communication (ARCEP)  www.arcep.fr
Association of Internet Service Providers (AFA)  www.afa-france.com
French Association of Network & Telecom Service Operators (AFORS)
European Telecommunications standards Institute (ETSI)  www.etsi.org
Trade Association for the IT and Communications Sector (TICS)
Professional Association for Office Services and Telecommunications companies (EBEN)  www.federation-eben.com
French Association of Mobile Operators (AFOM)  www.afom.fr
Europe Market Analysis and Consulting Firms in the Telecom, Internet and Media Industries (IDATE)  www.idate.org

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Phone: +33 (0)1 43 12 70 90
Website: http://export.gov/france/
CIVIL AIRCRAFTS AND PARTS (AIR)

Overview

<table>
<thead>
<tr>
<th></th>
<th>2013 (estimated)</th>
<th>2014 estimated</th>
<th>2015 (estimated)</th>
<th>2016 (estimated)</th>
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<td>54,530</td>
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</table>

Figures in USD Millions. 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.

Reported revenue for the French civil aerospace industry in 2014 grew to €39 billion (GIFAS), out of total non-consolidated aerospace and defense aerospace revenues of €50.7 billion, a 5.5% increase over 2013. The aerospace and defense aerospace industry exported approximately 82% of its consolidated turnover. The civil sector represents 77% of revenues and 84% of orders. These strong results benefitted not just the prime contractors, but profited the whole supply chain including SMEs.

Orders in 2014 in the civil sector totaled €61.3 billion, notably from recent programs such as the A320 Neo and A330 Neo and the Leap engine.

Aerospace is one of the most dynamic areas of the French economy, and one of the few creating new jobs in an otherwise morose economy. Other than the United States, France is the only country to have the full range of industry and technical knowledge needed to design and build an aircraft or satellite from start to finish.

By the end of 2014, the number of Airbus aircraft on backlog stood at 6,386, valued at USD 919.3 billion (list price) and representing about eight years of output.

Five aircraft manufacturers 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 in part or entirely by the same parent company, Airbus Group. Created in 2000 and called EADS until very recently, this consortium dominates the civil aviation market in France.

Selling to these aircraft manufacturers entails undergoing a vendor/product qualification and assessment process. The Safran and Zodiac Groups are among Europe’s major equipment
suppliers; working through one of their many North American entities is one way of making the process easier. Other major players include Thales, Liebherr Aerospace, Daher Group, Latécoère, Stelia Aerospace (fusion of Aerolia and Sogerma), AFI E&M, Sabena Technics, etc. The list is very long.

AS9100 and NADCAP would be considered minimum requirements for doing business in the aerospace supply chain in France.

Because of the breadth and depth of the aerospace industry in France, U.S. manufacturers often opt 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 business (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 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. U.S. firms must thus be prepared to invest significantly in their business development process over a sometimes extended period before generating any orders.

France’s aerospace industry manufacturers derive nearly three-quarters of their revenues from civilian sector programs, the majority of which are destined for export. This large export market is due to the sustained interest in Dassault Falcon Jet, Airbus Helicopters and Airbus commercial aircraft, all of which have products that have successfully captured global market share. However, Airbus continues to decrease its number of suppliers overall, preferring to work directly with a handful of major tier 1 partners and referring all other potential suppliers to its supply chain at the appropriate level.

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

The Airbus Group Global Sourcing Network alone spent USD 14 billion in 2014 for sourcing turnover in the U.S., most of which was for Airbus commercial aircraft. Airbus Group aims to increase sourcing spending to 40% outside of Europe by 2020. Airbus Group currently has several hundred suppliers in more than forty States. Their U.S. sourcing office in Herndon, VA should be a first stop for potential American suppliers; send them an email at EADS.NAsupplier@airbus.com in order to get their “request for information” form.

Because of 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. However, aerospace is a truly globalized industry and while major assembly lines are maintained in France, parts and components come from around the world and these companies operate sourcing offices internationally.

**Sub-Sector Best Prospects**

There are strong ongoing opportunities for U.S. suppliers of parts, components and assemblies of civil aircraft. Airbus spends billions of dollars every year in the United States 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 in very technical products such as
composites. ATR, Airbus Helicopters and Dassault are all launching (or considering launching) new aircraft models. 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 as well as all the major U.S. aircraft manufacturers.

**Opportunities**

French aerospace companies are seeking to subcontract in order to manage costs and because the ramp-up in production has left many of them needing to find extra capacity to meet obligations. With new projects in various stages of development, the French market provides opportunity to the most competitive U.S. aerospace firms. However, entering the French market requires patience, investment, innovative products and competitive pricing.

**Web Resources**

Aeromart Toulouse – December 6-8, 2016  
Supply Chain Business to Business Meetings  

Paris Air Show – June, 2017  

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

**Contact:**  
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[Cara.Boulesteix@trade.gov](mailto:Cara.Boulesteix@trade.gov)  
Phone: +33 (0)1 43 12 70 79  
Website: [http://export.gov/france/](http://export.gov/france/)
TRAVEL & TOURISM (TRA)

Overview

<table>
<thead>
<tr>
<th></th>
<th>2013 (estimated)</th>
<th>2014 (estimated)</th>
<th>2015 (estimated)</th>
<th>2016 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Market Size</td>
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<td>50,220</td>
<td>51,000</td>
</tr>
<tr>
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<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Total Imports</td>
<td>27,230</td>
<td>27,770</td>
<td>28,320</td>
<td>29,000</td>
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<tr>
<td>French spending in the U.S.</td>
<td>5,900</td>
<td>6,070</td>
<td>6,250</td>
<td>6,500</td>
</tr>
<tr>
<td>Number of French travelers to the U.S., in Million</td>
<td>1.5</td>
<td>1.6</td>
<td>1.68</td>
<td>1.70</td>
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<tr>
<td>Exchange rate: USD1.00</td>
<td>Euro 0.753</td>
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<td>Euro 0.751</td>
<td>Euro 0.751</td>
</tr>
</tbody>
</table>

Figures in USD Millions. Indicates unofficial estimates based on various industry sources. Year to year figures are adjusted for currency fluctuations.

The United States remains one of the top choices among long-haul destinations for French travelers. In 2014, France ranked third among European markets after the United Kingdom and Germany, and eighth in the world after Canada, Mexico, U.K., Japan, Brazil, China and Germany, as an overseas source of income for the tourism industry in the U.S.

Sub-Sector Best Prospects

The French market is a dynamic and stable market. More than 1.6 million travelers from France visited the United States, an increase of 8% when compared to the previous year; and while France didn’t make the top 10 in terms of spending, they did however, spend a record-setting $5.7 billion in 2014. France accounted for 2.2% of total international arrivals in the United States in 2014.

Opportunities

The United States is a popular destination for the French travelers, ranked number one among long-distance destinations.

California, the U.S. National Parks, New York and Florida remain the favorite destinations. Other regions such as the Southwest, Rocky Mountain states and Louisiana are becoming popular, particularly with second or third-time visitors. French are highly fond of culture and history. Many French travelers choose cities renowned for their artwork or museums (New York, Washington D.C., Boston, Chicago). Additionally, images of cowboys and Native Americans along with open spaces, forested by American TV shows and movies, remain vivid in the French imagination, which explains why Western states are also popular in France (Arizona, Utah, Nevada, Colorado, New Mexico).
The French have five weeks of paid vacation per week. The average length of stay in the United States is approximately two weeks. The French are very individualistic in their travel behavior, which explains why 70% percent choose "fly and drive" options. Nevertheless, some travelers, mainly retired people, prefer organized trips.

Seven carriers offer non-stop flights to the United States: Air France, Air Tahiti Nui, American Airlines, Delta Air Lines, United, XL Airways and La Compagnie.

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 France. The Visit USA Committee is one of the biggest Visit USA in the world, with 136 members.

The Visit USA Committee is organizing a wide range of promotional actions: travel trade fairs, consumer fairs, workshops and e-learning programs for travel agents, video clips, monthly newsletters dedicated to the trade, press and consumers. They are publishing travel planners, maps and posters. They have a very dynamic website and they are in all the major social media, Facebook and Twitter.

**Trade Fair**

**Major travel trade fair: IFTM Top Resa**
Location: Paris – Expo Porte de Versailles  
Dates: September 29 to October 2, 2015  
Number of visitors: 40,000  
Show Organizer: Reed Exhibitions France  
Contact: Armelle Guillot, Sales Manager  
E-mail: armelle.guillot@reedexpo.fr  
Website: www.iftm.fr

Brand USA will organize a Brand USA pavilion at IFTM Top Resa 2015 with the collaboration of the Visit USA Committee France and the U.S. Commercial Service at the American Embassy Paris. The Brand USA pavilion will host 25 U.S. exhibitors. The pavilion will be sponsored by Visit California, SDV Products, Hard Rock Café, Le Routard and Le Guide Michelin.

For Registration: B-For / Exhibitpro, partner of Brand USA  
Contact: Michael Walsh, mwalsh@exhibitpro.com  
Website: www.brandusapavilion.com

**Web Resources**

Visit USA Committee France: www.office-tourisme-usa.com  
American Embassy – U.S. Commercial Service Commercial Specialist:  
Valerie.Ferriere@trade.gov  
Phone: (33) 1 43 12 70 77 -  
IFTM Top Resa, the major travel trade event in France: www.iftm.fr
The Computer & Peripherals market is driven by the sale of consumer electronics, including smart phones, 4G, and tablets. Penetration levels of these products are incredibly high in French households, which are some of the most technologically advanced in the world. According to market consulting firm GfK, the French market for ICT hardware products was estimated at $19.5 Billion in 2014, with PC sales alone estimated at $15.6 Billion. Tablet growth is expected to continue in 2015, but at a much slower rate than previous years. The most extensive growth is expected in Hybrid/convertible market with success anticipated in Microsoft Surface technology. There is a strong upward trend in the development of connected objects, as the French market averages six electronic items per household. There is also a strong growth in 3D printers, whose sales are expected to increase as they become increasingly accessible to consumers.

Servers: France has become a European hub of investment in datacenter facilities in response to the demand for cloud computing services. UNIX and RISC/Itanium servers remain the most successful servers in this market. HP continues to lead the market ahead of IBM, Dell and Oracle. This market is competitive but offers only low margins. The French server market is generally mature, but new opportunities with High-Versatile-Disk (HVD) and Low-Power-Consumption Servers are anticipated lead to continued growth. Revenue from x86 servers has grown by 28 percent while non-x86 systems have dropped by 18 percent. The standardization towards x86 servers makes it challenging for competitors to stand out.

PCs: The French PC market is one of the most advanced in the world with a household penetration rate of 82%, desktop penetration levels of 68% and laptop levels of 76%. Revenue in the PC market dropped by twenty percent in 2013, but seemed to stabilize by year-end. A drop of five percent is anticipated for towers and portable PCs while sales of hybrid PCs should double. HP remains the leader in PC sales, with a one-quarter share of the overall market. However it experienced a lull in sales in 2013 and a 20.5% decline in 2013 to $2.164 million. The other top firms in the market are Acer, Lenovo, Dell, Asus and Apple.
There has also been a strong demand for mobile devices that are fast and very well-connected.

**Tablets**: Three trends are to be noticed on the tablet market: sustained volume growth since 2010 is coming to an end, prices dropped sharply and it is estimated that penetration rates reached 30% by the end of 2013. There was a contraction in market growth in 2014 following the roughly 6.2mn units sold in 2013, up from around 3.6mn in 2012 and 1.4mn in 2011. The market is gradually maturing with 7.5 million units anticipated to be sold in 2014. The tablet is definitely positioned as a third screen behind PCs and smartphones. Competition in this area is expected to increase, with the average sale of a tablet standing around $300 because of a corresponding increase in offers and products. Competition between Apple and Android Vendors has come to define the competitive landscape of this market in France.

Most important developments favor 8-inch screens, while demand for hybrid versions is anticipated to double. Android dominated in 2013, which caused sales of Apple products to drop sharply by year-end, leaving the company with only one third of the total market. Samsung, Lenovo, FNAC, Parrot, Arches, Asus, Acer and Amazon are the leading brands.

**Smartphones**: The market witnessed the arrival of smartphone below $200. The sector is stimulated by the coming to market of “Phablets” or screens over 5”, as well as by the availability of 4G bandwidth. The sector is growing by 10 to 11 percent. Smartphones now cover forty percent of the French population, for a total of 17.5 million units, three times more than conventional units. As with the tablet market, Samsung and Apple dominate. However, other manufacturers are now growing and gaining in importance, especially in light of new distribution channels: one smartphone out of five is sold in non-specialized retail outlets.

### Sub-Sector Best Prospects

- Smartphones
- Tablet PC’s
- Wireless solutions
- I-mode related products
- Connected objects
- 3D Printers
- Hybrid solutions

### Opportunities

The ATAWAD (i.e. “anytime, anywhere, any device”) era causes the French to increasingly seek portable solutions that provide them with permanent access to data across the Internet, whether personal or professional. The market for smartphones is expected to dominate all the other devices – with the exception of tablets – largely due to the number of applications available through that medium, coupled with 4G high-speed bandwidth.

A very strong growth in demand for connected objects makes it possible to envision innovation in all fields of daily life. This hyper-connectivity is all-the-more enhanced by the development of Cloud solutions, the Internet of Things as well as that of mobile applications.
**Web Resources**

European Information Technology Observatory (EITO): [http://www.eito.com](http://www.eito.com)
BIPE (leading provider of economic analyses and consulting services): [http://www.bipe.fr](http://www.bipe.fr)
European Information technology observatory (EITO): [http://www.eito.com](http://www.eito.com)
Gartner: [www.gartner.com/technology/home.jsp](http://www.gartner.com/technology/home.jsp)
Pierre Audoin Consultants (PAC): [http://www.pac-online.fr](http://www.pac-online.fr)

**Contact:**
U.S. Embassy - U.S. Commercial Service Commercial Specialist:
[Charles.defranchi@trade.gov](mailto:Charles.defranchi@trade.gov)
Phone: +33 (0)1 43 12 71 63
Website: [http://export.gov/france/](http://export.gov/france/)
Total market demand in France for medical equipment was estimated at $7.1 billion in 2014, with imports accounting for $3.7 billion. Imports from the United States were forecast at $1.22 billion or 33 percent of total imports. This percentage is expected to remain steady over the next three years, with overall demand growing at three percent annually.

The best sales prospects for medical equipment include newly developed areas such as non-invasive surgery, orthopedics, and disposable medical equipment. Healthcare professionals are highly optimistic about new technologies such as telemedicine, which is expected to have a major impact on medical care institutions. The recent growth of American medical procedures and techniques in France such as (outpatient) same-day surgery should benefit American medical product manufacturers.

**Sub-Sector Best Prospects**

**Diagnosis:**
The diagnostic sub-sector represents 34 percent of the total medical equipment market. State-of-the-art diagnostic medical imaging systems are in great demand. Applications for this technology already exist for pediatrics, cardio-vascular care, digestion, urology, and spinal/nerve treatment. As it is well accepted and effective, the demand for this type of technology will continue to grow. Health care professionals are very optimistic about a feature of medical imagery equipment known as "image networking". This will dramatically improve diagnostics by providing an image data bank that would enable a specialist to compare the image of a current case to hundreds of previous cases.

**Rehabilitation:**
This sub-sector represents 25 percent of the total medical equipment market. It includes all types of disposable medical products. The increasing elderly population reinforces the
demand for all kinds of disposable equipment and supplies such as incontinence products and care kits used by nurses and families for home-care.

**Surgery:**
The surgery instrument and supplies sub-sectors represent approximately 18 percent of the total sector. Recent developments in the non-invasive surgery field could have a strong impact on everyday hospital practice. These latest advances offer superior results and also present a significantly reduced risk to patients.

**Technical aids:**
The French market for medical prosthesis, seven percent of the total medical equipment market, is characterized by a strong potential for innovative internal prosthesis such as knees, hips, ligaments, and elbows, and with a slightly decreasing market for external prosthesis. Technological evolution, especially in the field of anesthesia, offers the potential for rapid changes in this market.

**Intensive care:**
Intensive care equipment such as respiratory monitoring, pumps and incubators represent about nine percent of the total medical equipment market. Intensive care equipment includes the latest technological advances. Both public and private hospitals show a rising demand for intensive care equipment and supplies.

**Hygiene:**
The hygiene sub-sector represents approximately five percent of the total medical equipment sector. Patient and medical personnel safety is of growing concern to both members of the medical profession and the public. Best sales prospects will certainly focus around assuring stringent personnel safety requirements. This is especially due to the concern regarding AIDS and other contagious diseases. In the future, prevention should receive similar emphasis considering the present focus on protection.

**Opportunities**

Although the idea of implementing controls on health expenditures is not foreign to developed countries, the expansion of such alternatives has caused a decline in the market for hospital-care equipment. This decline has created a demand for a whole new range of medical equipment that will facilitate fewer and shorter hospital stays. The need for medical home-care and long-stay hospitalization for the increasing elderly population will bring new prospects for the American medical equipment market. Consequently, the demand for medical equipment and products that will assist new French health care controls will continue to increase.

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

Overview

<table>
<thead>
<tr>
<th>Total Market Size</th>
<th>2013</th>
<th>2014 (estimated)</th>
<th>2015 (estimated)</th>
<th>2016 (estimated)</th>
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<td></td>
<td>24,024</td>
<td>24,860</td>
<td>25,924</td>
<td>26,961</td>
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<tr>
<td>Total Local Production</td>
<td>26,813</td>
<td>28,949</td>
<td>31,113</td>
<td>33,245</td>
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<tr>
<td>Total Exports</td>
<td>26,560</td>
<td>27,171</td>
<td>27,869</td>
<td>28,510</td>
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<tr>
<td>Total Imports</td>
<td>23,771</td>
<td>23,082</td>
<td>22,680</td>
<td>22,226</td>
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<tr>
<td>Imports from the U.S.</td>
<td>817</td>
<td>939 *</td>
<td>941</td>
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</tr>
<tr>
<td>Exchange rate: 1 USD</td>
<td>Euro 0.753</td>
<td>Euro 0.753</td>
<td>Euro 0.751</td>
<td>Euro 0.751</td>
</tr>
</tbody>
</table>

(Figures in USD millions:
Indicates unofficial estimates based on various industry sources. Year to year figures are adjusted for currency fluctuations.
Source FIEV (French Vehicle Suppliers Association)
Source CCFA (Comité des Constructeurs Français d’Automobile)

With 1,795,000 registrations in 2014, France recorded a 0.3% increase in overall new passenger vehicle registrations compared to 2013 (1,790,000). New light duty vehicle registration reached 370,362 in 2014, a decrease of 1.5% compared with 2013. As for heavy duty vehicles (≥ 16 t), France recorded a decrease of 13.1% in 2014 with 32,698 new registrations.

This trend is generally less positive that the entire European market with a registration increase of 5.7% in 2014 compared to 2013 (12,550,000 light vehicle registrations in 2014). France maintains third position in Europe after Germany and the U.K in terms of registrations.

France is also the third production country in Europe after Germany and Spain. In 2014, approximately 1,940,000 vehicles (light, heavy and light duty vehicles) were produced in France out of 16,900,000 produced in the E.U. This represents an increase in French production of approximately 4.4% compared with 2013. Approximately 2/3 of vehicles manufactured in France are either PSA or Renault brands. Production in France is expected to grow by +1.5% in 2015.

On a global scale, French car manufacturers are very successful. French automotive parts manufacturers accompanying OEMs in their global development also benefit from the high potential of emerging countries, allowing them to stabilize their turnover despite negative results in Europe. This tendency will continue in the future.

Fiscal year 2014 ended with French automotive equipment manufacturers posting sales of EUR 18.72 billion (VAT included), or USD 24.8 billion. This represents a 4.2% year-on-year increase in sales from French plants.
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.

In 2014, Original Equipment Manufacturers (OEM) auto part sales were valued at approximately EUR 15.9 billion, a 4.5% increase compared to 2013. Sales to the aftermarket (Original Equipment Suppliers + Independent Automotive Market) increased by 2.6%, to total approximately EUR 2.76 billion in 2014.

The 2014 French trade balance for automotive equipment ended with a EUR 1.55 billion surplus, representing a 28% decrease from 2013. As Europe (mainly Germany, Spain, U.K. Italy and Spain) remains France’s principal foreign trade partner, accounting for 82% in imports and 78% in exports, this is a decline of 2.9% and an increase of 2.3%, respectively.

Outside of Europe, France’s main clients are in Central/South America, China, and North African countries. France’s main suppliers outside of the E.U. are in North Africa, Japan and the United States.

Exports to the United States were USD 787 million in 2013, a 3.9% fall from 2012. Imports from the United States account for USD 789 million, a 16.2% increase.

The main categories of automotive parts included in these figures are: powertrain equipment (42%), vehicle interiors (26%), body components (16%), tire-to-road components (11%) and equipment for measurement, diagnostics and repairs (5%). This equipment is sold to the OEM market and the aftermarket, which includes the OES (Original Equipment Suppliers) and the IAM (Independent Market) markets.

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 by 3.5% to 73,700 as of December 31, 2014.

**Best Prospects/Services/Opportunities**

The automotive parts market in France is dominated by big multinational firms, many of them American with French or European operations. The FIEV (The French Vehicle Equipment Industries Association) regroups the main parts and equipment suppliers in France. Large U.S. suppliers are already present in France and are doing well. There is little or no room for mid-sized exporters in this very closed environment, where competitive requirements, transportation costs, etc., make it very difficult for firms not physically established here to sell their products to OEM and OES. U.S. industry generally supplies the French market from European subsidiaries or via local joint ventures.

France is the leading electric & hybrid car market by volume in Europe after Norway, with 7,277 registered vehicles in 2014. There remains a large cash incentive for buying an EV or hybrid vehicle in France.

Opportunities for U.S. suppliers will be for highly technological products or those that are innovative in the context of the environment, security and 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 of remanufactured parts is also a potential growth sector. In an effort to reduce costs, insurance companies are considering utilizing remanufactured parts over more expensive replacement parts.

In the aftermarket parts sectors, in order to be successful, U.S. suppliers need to propose spare parts lines in accordance with vehicles found on French roads (60% being French branded vehicles).

**Web Resources**

EquipAuto Trade Show –October 13-17, 2015  
Website: [http://www.equipauto.com](http://www.equipauto.com)

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

Federation of the Independent automotive distribution FEDA  
Website: [http://www.feda.fr](http://www.feda.fr)

Embassy U.S. Commercial Service Trade Specialist: Stephanie.Pencole@trade.gov / Website: [http://export.gov/france](http://export.gov/france)
In 2013, the French plastics industry ranked third in Europe after Germany and Italy, and sixth in the world after China, the United States and Japan. In 2013, turnover in the EU-27 reached 195.6 billion euros (259.8 billion dollars), which represents 24% of the worldwide plastic industry turnover (815 billion euros/1,082 billion dollars). France represents less than 4% of the worldwide plastic industry turnover, (28.5 billion euros / 37.8 billion dollars).

This turnover of $37.8 billion is broken down as follows:
- 29% technical parts sector
- 26% packaging applications
- 18% construction sector
- 17% semi-finished products (sheets, shapes, tubes)
- 10% general consumption products

In 2013, 130,000 French individuals worked for the 3,550 sub-contracting companies whose main activity is the manufacturing of semi-plastic parts, products & plastic packaging. The slight decrease in the market in 2013 compared to 2012 (-1.6%) is due to the ongoing recession in Southern European countries as well as to significant declines in manufacturing production in Europe. Estimates for the future are nevertheless optimistic with small increases expected in the midterm leading to economic recovery in 2017. At that time, turnover should again reach 30 billion euros/40 billion dollars; similar to what is was in 2008.

The French Plastics Industry Federation is now taking into account companies that have integrated plastic processing into their global/final products manufacturing process. Therefore, the enlarged French plastic market is represented by 215,150 employees, working for 4,150 companies for a turnover of 51 billion euros (67.7 billion dollars). Composites are part of this enlarged plastic industry activity. They represent a turnover of 2 billion euros (2.6 billion dollars), for an annual production of 300 kilo tons. The composites segment is represented by 550 companies and 22,000 workers in France.
The French plastic industry is mainly composed of small and medium sized companies (~36 employees) / (100 in Germany by comparison). Europe produced 57 million tons of plastics in 2013 (including plastics materials such as thermoplastics and polyurethanes, other plastics including thermosets, adhesives, coatings and sealants and PP-fibers) and stabilized its position compared with 2012 (58 million tons were produced in 2012). In comparison, 299 million tons were produced worldwide in 2013, a 3.9% increase compared to 2012.

French plastics production represents just four percent of the worldwide production of plastics. For 2016, Asia’s production level will continue to increase to 43% of the worldwide plastic production, Europe will lose four percent and the United States will stabilize its production level thanks to its massive exploitation of shale gas. This shift in the market combined with a stricter European regulatory framework adds to the challenge the European plastics industry faces to maintain its level of competitiveness.

In 2013, the export rate of French companies reached 26%, totaling 7.4 billion euros (9.8 billion dollars), a 3.1% increase. Imports increased more slowly with an import rate of 69% reaching approximately 11 billion euros (14.6 billion dollars) in 2013. The European Union (mainly Germany, U.K., Belgium, Italy & Spain) is France’s main trading partner (73% of French exports). Two thirds of plastics demand in Europe is concentrated in five countries: In 2013, the demand for plastics in Europe reached 46.3 million tons.

As far as imports are concerned, 77% come from the European Union with Germany, Belgium, Netherlands & Italy as France’s main trade partners.

Outside of Europe, France’s main clients are: Switzerland, the United States, Turkey, Tunisia and China. France’s main suppliers outside of the E.U. are China, the United States, Middle East and Africa.

The United States sold 555 million dollars in plastic products to France in 2013, a small decrease compared with 2012 (586 million dollars). Nevertheless, due to new production capabilities in the Middle East and in the United States, French companies could diversify sourcing in the next coming years.

**Sub-Sector Best Prospects**

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 United States (shale gas and oil), India, Middle-Eastern countries and Brazil (development of biofuels). Europe (including France) will focus on plastics using renewable energy sources as well as technologies allowing better plastics recyclability.

**Market access:**
Prior to exporting, U.S. manufacturers have to consider certification for the EU market. Certification includes a conformity assessment (testing and certification) in order to declare compliance with EU regulatory requirements. For the majority of exported products, compliance is visible via the use of CE marking. The application of standards is part of the process. Valuable information is available at the following website:
Customs duties: between 5 % and 7% and the standard value-added French tax of 20% must be added.

Opportunities

*K Show, major international exhibition for the plastics & rubber:
October 19-26, 2016. Dusseldorf, Germany
http://www.k-online.de

*Euromold, major international trade show for additive Manufacturing / 3D Printing:
September 22-25, 2015. Dusseldorf, Germany

Web Resources

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

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

Embassy U.S. Commercial Service Trade 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>2013 (estimated)</th>
<th>2014 (estimated)</th>
<th>2015 (estimated)</th>
<th>2016 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Market Size</strong></td>
<td>17,320</td>
<td>17,340</td>
<td>17,686</td>
<td>18,039</td>
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<td><strong>Total Local Production</strong></td>
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<td>28,853</td>
<td>29,430</td>
<td>30,018</td>
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<td><strong>Total Exports</strong></td>
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<td>14,425</td>
<td>14,714</td>
<td>15,008</td>
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<td><strong>Total Imports</strong></td>
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<td>2,912</td>
<td>2,970</td>
<td>3,029</td>
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<td>300</td>
<td>306</td>
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<tr>
<td><strong>Exchange Rate: 1 USD</strong></td>
<td>Euro 0.753</td>
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</tbody>
</table>

(Figures in USD millions).

Indicates unofficial estimates based on various industry sources. Year to year figures are adjusted for currency fluctuations.

With around 430 mostly small and medium-sized companies totaling about 42,000 employees, the French market for cosmetics remains a prospering industry in the French economy. The label “Made in France” is still considered a sign of quality on the worldwide scene.

The cosmetic industry is one of the rare sectors in which France is a global leader since French products are sold in around 200 countries and French companies have continued to gain market shares worldwide, particularly in emerging countries Brazil, India, and China. Exports to Russia have diminished due to the fall of the ruble.

The anti-aging market has continued to resist the effects of the economic downturn, despite the relatively high cost of its products. The eye makeup sector was particularly dynamic in 2014. Beyond makeup classics such as mascaras, sales growth actually concerns all types of eye makeup products such as eye shadows and even smaller segments such as eyebrow pencils/sets, and sophisticated eyeliners.

The high level of demand is matched by constant innovation in the French cosmetics market. New trends and brands are continuously entering the French market aiming to attract and acquire new consumers. Therefore, companies should put enormous importance on product updates and presentations with a high level of quality.

Cosmetics distribution is primarily through the selective key players Sephora, Marionnaud, Nocibé, Douglas, followed by the mass distribution market, department stores and pharmacies.

Consumers are becoming very demanding and are constantly expecting more and more efficient products. Because consumers like to try new and innovative products, companies need to adapt themselves to the wants and needs of these consumers by launching new products every year.

Although this is a very difficult and competitive market – due to the dominance of French leading companies, particularly L’Oréal and L.V.M.H., and due to very strict government legislation – there are some market opportunities for U.S. niche brands. However, there are only a few French
distributors interested in sourcing innovative products from the U.S., so new companies must draw extreme attention to a product’s innovation, promotion, and packaging.

**Sub-Sector Best Prospects**

According to market specialists, the following sectors are in a high demand in France:

- Organic cosmetics are a booming market in France. Initially, many organic cosmetics were designed for people suffering from skin problems like eczema or allergies. Increasingly, organic cosmetics are positioned as high quality and premium products and draw a wide range of consumers.

- The ethnic cosmetic market appears to be a great opportunity in France due to an increase in the purchasing power of ethnic communities. The well-known brands do not actually dedicate enough of their products to this growing market and specialized businesses are emerging too slowly.

- Men’s products: more men are purchasing beauty products and anti-aging treatments. The male grooming market has experienced double digit growth rates in several segments over the past decade.

- The spa and wellness products are still remaining one of the most dynamic markets with a significant increase over the past few years.

**Opportunities**

The best opportunities will be offered to U.S. companies which:

- Invest heavily in promoting (i.e. through advertising and marketing) their products, in efforts to attract new consumers, keeping in mind it may take a long time to build a powerful image.

- Bring something new and exciting to the consumer, who is already provided with a wide variety of products from established companies.

- Present their products in high-quality, new and innovative packaging materials. French women and men tend to choose products that are neat and tightly packaged but that are also creative and eye-catching. Because there are so many existing products on the market, a new U.S. firm will have to match and/or surpass the sophisticated and neat aura of the French packaged product.

**Web Resources**

Source:

French Trade Association for Cosmetics and Beauty Products FEBEA
137, rue de l’Université
75007 Paris
Tel: +33 1 56 69 67 89
http://www.febea.fr
ANSM (Agence Nationale de Sécurité du Médicament et des Produits de Sante
143/147, boulevard Anatole France
93285 St Denis cedex
Tel : +33 1 55 87 30 00
http://ansm.sante.fr/Produits-de-sante/Produits-cosmetiques
http://ansm.sante.fr/Les-contacts-utiles-a-l-ANSM
http://ec.europa.eu/consumers/sectors/cosmetics/cpnpcpnp/

The NPD Group, Inc.
Tour Franklin – 29th floor
100/101 Terrasse Boieldieu
La Défense 8
92042 Paris La Défense CEDEX France
Tel : +33 1 41 97
https://www.npdgroup.fr/wps/portal/npd/fr/home/

European Commission
EU Cosmetics Regulation

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

Industry Association
Cosmetics Europe
https://www.cosmeticseurope.eu

Major trade shows:
- Beyond Beauty Paris trade show – http://www.beyondbeautyparis.com
  (September 15-17, 2015)

Contact:

U.S. Embassy - U.S. Commercial Service Commercial Specialist:
Caroline.de.Villoutreys@trade.dov

Phone: +33 (0)1 43 12 71 98
Website: http://export.gov/france/
In 2014, the French textile industry (including apparel) contained about 600 companies of more than 20 employees employing a total of 62,983 workers.

For the last several years, the French textile market has been weakened by the economic crisis. However, the French textiles market remains a highly-developed, mature market, with many domestic and international players. Apparel accounts for 43.7 percent of the market’s total value, while fabrics represent a further 29.8 percent. The French textiles market is governed by regulations on both the French and EU level. The French textile market in particular places a large amount of importance on transparency, sustainability, and creativity. Thus, origin labels are required, and very strict counterfeit bans are in place to help enforce international property rights.

The French textile market, although large, is dominated by a large number of small, niche companies selling small quantities of highly technical or high value products. In France, the main consumers of technical textiles are industry (21%), transports (20%), medical (16%), protection (10%), and construction (10%), and agro textiles (8%).

The main consumer segments in the clothing market are women (40%), men (23%), babies (1%), and other clothing and accessories. The main distributors of clothing are specialized chains (21%), independent sellers (16%), and super/hyper markets (13%).

As in previous years, the major textile suppliers remain: China, followed by India, Italy, Germany, Bangladesh, and other Eastern European countries has shown recent growth. French imports of Chinese products are still very important. In March 2015, French imports from China were at an all-time high of 4330 million euros, whereas in April 2014, it was at an all-time low of 3476 million euros.
In addition, the textile industry is subject to possibly the strongest constraints since it must meet retailing requirements and the multiple aspirations of consumers. Its growth will heavily depend on creativity, marketing, and innovation as well as the organization of an industry supply chain, dynamic business initiatives, image, and communication.

U.S. textile exports to France are mainly composed of sportswear and technical textiles. American suppliers have an advantage in terms of the technical know-how and the ability to adapt quickly to the change and create new products. Technical textiles or “textiles of the future” are increasingly represented in a wide range of industries. Consequently, they represent approximately 25 percent of the European textile industry, and are anticipated to increase their market share in the following years, particularly in the following industries: transportation, sports and leisure, packaging, and industrial protection.

**Sub-Sector Best Prospects**

The U.S. technical textiles manufacturers have a strong reputation for their technological know-how. Therefore, their new challenges are to develop functional textiles called “textiles of the future” for the following industries: transportation, construction, and industrial protection.

Best prospects within this sector are:

- health/well-being, and “techno-textiles” for the sportswear (i.e.: anti-bacterial, anti-odor, insect repellent, and breathable products);
- Techno-textiles with electronic devices and communication systems incorporated into the garments;
- Technical textiles for transportation (automotive and aeronautics) and for packaging industries;
- Ethical textiles from the increase in the use of corporate social responsibility.

**Opportunities**

The best opportunities will be offered to U.S. companies that are able to create new technologies and to develop innovative products which will be able to bring new solutions to a large number of industrial sectors.

**Web Resources**

Sources and textile trade associations:

The European Apparel and Textile Confederation – EURATEX
European Apparel and Textile Confederation
24, rue Montoyer
B-1000 Brussels
Tel : +32 2 28 54 8.83
Fax: +32-2-230.60.54
E-mail: info@euratex.eu
http://www.euratex.eu

Union des Industries Textiles – U.I.T.
(Textile Trade Association)
37/39, rue de Neuilly
92110 Clichy
Tel: (33-1) 47.56.31.00
Fax: (33-1) 47.30.25.28
http://www.textile.fr
uit@textile.fr

Union Française des Industries de l'Habillement – U F I H
(French Trade Association for apparel industries)
8, rue Montesquieu
75001 Paris
Tel: (33-1) 44.55.66.00
Fax: (33-1) 44.55.66.66
http://www.lamodefrancaise.org/fr/organisations_federations/ufih.html

Ministère de Finances et des Comptes publics
Ministère de l'Économie, de l'Industrie et du Numérique
Télédoc 151
139, rue de Bercy
75572 Paris Cedex 12
Tel: (33-1) 40. 04 .04 .04
http://www.economie.gouv.fr/

Trade shows:
- Lingerie trade show –http://www. lingerie-paris.com
  (January 2016)
- Paris Mode City (lingerie, swimwear and fabrics) – http://www. lingerie-swimwear-
  paris.com/
  (July 4-6, 2015)
- Who’s Next trade show (International Fashion Show) – http://www.whosnext.com
  (September 4-7, 2015)
- Premiere Vision (Fabrics trade show) – http://www.premierevision.com
  (September 15-17, 2015)

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/
Education and training are the United States’ fifth largest services export, contributing over $23 billion in annual revenue to the economy. France is the fifteenth leading place of origin for students coming to the United States contributing $287 million to the U.S. economy. In the 2013/14 academic year, 8,302 students from France were studying in the United States. The U.S. is the second-most popular destination for French students wishing to go abroad, behind the United Kingdom. More French students study at the undergraduate level. In 2013/14, their breakdown was as follows: 34.5% undergraduate, 28.3% graduate students, 26% other and 11.2% optical practical training.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>International Students in the U.S.</td>
<td>764,495</td>
<td>819,644</td>
<td>886,052</td>
<td>892,000</td>
<td>897,000</td>
</tr>
<tr>
<td>French students in the U.S.</td>
<td>8,232</td>
<td>8,297</td>
<td>8,302</td>
<td>8,340</td>
<td>8,370</td>
</tr>
</tbody>
</table>

Year to year figures are adjusted for currency fluctuations.
Source: Education USA; Open doors 2014. Number of students Indicates unofficial estimates based on various industry sources.

The number of French students in the U.S. rose steadily in the 1990s until it peaked at 7,401 students in 2001/2002. After a three-year decline, the number of students from France began to rise again in 2005/2006 surpassing the previous peak in 2008/2009. Since then the number of French students in the U.S. have increased slowly for the last 9 years, with several years of modest growth recently.

Education abroad has increasingly become an important factor for French university graduates seeking to stand out in the employment market, especially with the expansion of the European Union. English is now effectively the business language of Europe. Best prospects within this sector include: intensive “American” English language training programs (summer programs for students or adults); programs in business administration; one-year university programs for French high-school graduates (post baccalaureate) usually between graduation and entry into French university; secondary boarding schools; work/study programs (internships); academic summer camps; and undergraduate and graduate degrees.

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 November 2014, the unemployment rate in France continued to climb reaching 10.2% with a 22.8% unemployment rate for those less than 25 years old, which has led to a “race for diplomas” among French students. Studying abroad has become a channel 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.

- E-Learning: The ability to earn college credit through internet courses has been booming in the U.S. in recent years. The flexibility of taking courses via an online college site is an area which could be profitable for American universities looking to attract French students eager to strengthen their resumes and diversify their studies.

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

Web Resources

Main Organization:
FULBRIGHT COMMISSION
http://www.fulbright-france.org

Main Educational Trade Shows:
COLLEGE DAYS September 27th 2015, Paris
http://aaweparis.org/pages/collegeday.html
STUDY ABROAD VIRTUAL FAIR October 28, 29 2015, Paris
http://www.letudiant.fr
STUDY ABROAD FAIR January 30, 31 2016, Paris
http://www.letudiant.fr
High school road show in Paris before the main fair

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:
American Embassy - U.S. Commercial Service Commercial Specialist:
Isabelle.Singletary@trade.gov
Phone: (+33-1) 43 12 70 63
Website: http://www.buyusa.gov/france/etudierauxusa/index.asp
E-COMMERCE BtoC

Overview

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015 (estimated)</th>
<th>2016 (estimated)</th>
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<tbody>
<tr>
<td>Total Market Size</td>
<td>67,800</td>
<td>75,400</td>
<td>83,000</td>
<td>91,000</td>
</tr>
<tr>
<td>Total Local Production</td>
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<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Total Exports</td>
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<td>n/a</td>
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<td>n/a</td>
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<tr>
<td>Total Imports</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>Imports from the U.S.</td>
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<td>n/a</td>
<td>n/a</td>
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<tr>
<td>Exchange Rate: 1 USD</td>
<td>Euro 0.753</td>
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</tbody>
</table>

Figures in USD Millions;

Best Prospects/Services

French BtoC commerce of products and services is one of the largest markets in the world and one of the fastest growing in Europe, ranking third in Europe and sixth in the world in online consumption as of 2014. This market was valued at 75.4 billion (Euros 56.8 billion) in 2014, and registered a total of 700 million online transactions. It represents 6 percent of the total retail business.

There has been a rapid expansion in internet sales in the past few years; this trend is expected to continue but the 9.9 percent growth forecast for 2015 is the first single-digit growth in years. In 2014, 34.7 million French people shopped on-line which represents 79 percent of internet users, a 3 percent increase from the previous year. The average online transaction in 2013 was $112 (Euros 84.5) and on-line shoppers tend to shop more often, approximately 18 times a year, for a total amount spent of $2,012 (1515 Euro) in 2013.

The French e-commerce market has 164,200 active sites, a 14 percent increase in just one year. From 2005-2013, sales figures for e-commerce grew by 600 percent. Today, online shoppers purchase primarily travel packages (62 percent), services-tickets, online subscriptions, etc. (54 percent), cultural products (52 percent), clothing (49 percent), and high-tech products (39 percent). Over the past several years, e-commerce using internet mobile devices has also grown significantly. Approximately 4.6 million French people used their mobile phone to make a purchase. Overall sales made from smart phones and tablets accounted for $3.3 billion in 2013 which represented an increase of 160 percent from the previous year. Similarly, travel packages (train, airline, hotel reservations, etc.) are the primary purchase made on mobile phones followed by services and cultural products (CDs, DVDs, books...). Mass distributors, such as Monoprix and Leclerc, have taken advantage of this trend, launching mobile applications that allow customers to pay on their mobile phones and additionally compare prices.

In 2015, 17 percent of internet users made purchases from a smartphone compared with 11 percent in 2013, they even reached 23 percent when they had access to 4G. Similarly 29 percent of internet users made purchases from a tablet.
M-commerce is expected to continue to grow rapidly in the coming years as smartphones become more and more convenient to use as well as access to high speed connection more widely available.

In addition shopping abroad is becoming more popular, there is a growing share of cross-border online purchases and in 2014, 21 percent of French online shoppers bought from foreign e-martners.

**Opportunities**

Travel and tourism, services, cultural products, clothing, and high-tech products (computers, televisions, cameras, etc.) remain the most purchased items online.

Trade events:
E-Commerce Paris (service providers to the industry)  http://www.ecommerceparis.com

**Web Resources**

French Direct Marketing Association (Fédération du E-commerce et de la Vente à Distance – FEVAD):  http://www.fevad.com

E-commerce Trade Association (Association pour le commerce et les services en ligne – ACSEL): http://www.associationeconomienumerique.fr/

Le Journal du Net  http://www.journaldunet.com

**Contact:**

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/
By 2016, the global E-learning market is expected to reach $51.5 billion. The average annual worldwide compounded growth rate between 2012 and 2016 is 7.9% (Western Europe at 5.8%).

E-Learning has become the second most important training method used in organizations. Globally, companies are changing their policies to blended learning and E-learning. With an improved level of productivity and efficiency, companies are reputed to save between 50% and 70% when they switch to an E-learning training method. Furthermore, they decrease instruction time by about 60% as well. As a result, each employee generates an average of 25% more revenue for the organization.

Studies have shown that there is a positive trend in the French E-Learning market. However, a majority of the companies that are using E-Learning in France are generally companies that have over 2000 employees and have been using it for more than three years. Only 19% of French employees claim they have ever taken an E-learning course which is far behind their counterparts with 37% for Germany, 42% British, and 57% Spanish respectively. Puzzlingly, it is thought that the slow development of E-learning in France has many causes: The French may have certain passivity toward individual learning as compared to other countries of Western Europe. They may not be ready to pay the training costs associated. The measurement of post E-learning competencies may not be measured as strictly by HR. Also, French law on individual training rights is less advanced than other European countries.

**Sub-Sector Best Prospects**

For American companies looking to enter the French market, it is important to work with local partners and channels to localize your offerings. The culture in France highly values intelligence, the quality and the veracity of information is the most important satisfaction criterion – much more than interactivity, graphics, presentation, or pedagogical design. Large French multinationals and banks are the most likely to use E-Learning, as English is now the corporate language and they are structured and behave more and more like...
their Anglo-American counterparts. There is a strong content emphasis on vocational training, health and safety, and soft skills.

**Opportunities**

American E-Learning companies/developers can take advantage of the growing interest for e-trainings within French companies. The E-Learning market for companies represents 82 percent of the total market. French law states that employees and individuals are entitled to up to 150 hours of training per year called the CPF (Compte Personnel de Formation). Companies employing 50 people or more must spend a certain percentage of their payroll on training for which they receive tax rebates. The CPF can include E-Learning or blending training solutions.

Many large companies’ E-Learning disciplines are based on management leadership, and personal development. At the same time, many European companies are focusing on language training for their employees which should be kept in mind. Though universities and schools show a growing interest in E-Learning, education contribution remains modest.

Many E-learning providers are also currently seeking quality certification/labels; although businesses have not specifically asked for certification from suppliers, the ubiquitous nature of the certification could possibly render it a quasi-requirement for market recognition. This aspect will prove highly for the French consumer (see Sub-Sector Best Prospects) as they value the legitimacy of the platform as a requirement for satisfaction.

**Events**

**iLearning Forum 2015** brought together 90 international exhibitors, 100 renowned speakers and over 4,500 visitors. It typically takes place in Espace Champerret Paris – Hall A. [www.ilearningforum.org](http://www.ilearningforum.org)

**E-Learning Expo:** During this E-Learning fair, exhibitors presented, discussed and shared their knowledge and experience with more than 7,000 trade visitors. In 2014, it brought 257 international exhibitors. This event takes place in March at Porte du Voersailles Paris – [http://www.e-learning-expo.com](http://www.e-learning-expo.com)

**Web Resources**

*Leading French e-trainers:*
- [http://www.crossknowledge.com](http://www.crossknowledge.com)
- [http://www.fefaur.com](http://www.fefaur.com)

*European leader in the MOOC sector:*
- [http://openclassrooms.com/](http://openclassrooms.com/)
- [http://www.cned.fr](http://www.cned.fr)
- [http://www.laformationadistance.fr](http://www.laformationadistance.fr)

*Main training association: [www.ffp.org/](http://www.ffp.org/)*
Isabelle Singletary
Education/training specialist
US Commercial Service - U.S. Embassy
Website: http://www.export.gov/france
Email: Isabelle.Singletary@trade.gov
Phone: +33 (0)1 43 12 70 63
## 1. FISH AND CRUSTACEANS

### Overview

<table>
<thead>
<tr>
<th></th>
<th>2013 (estimated)</th>
<th>2014 (estimated)</th>
<th>2015 (estimated)</th>
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</tbody>
</table>

(Figures in USD Millions)

Indicates unofficial estimates based on various industry sources.

### Comments:

France is a major consumer of seafood products and a net importer of many, because domestic production is significantly lower than demand. Seafood per capita consumption is approximately 36 kg per year, including 68 percent fin fish and 32 percent shellfish and crustaceans. In 2012, the United States was France’s fifth largest supplier of seafood products after Norway, the United Kingdom, Spain and China. U.S. seafood products exported to France mainly consisted of frozen Alaska Pollock fillets, fresh and frozen scallops, frozen surimi base, live lobster, and frozen salmon.

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2. BEVERAGES: MINERAL WATER, BEER, WINE AND SPIRITS

Overview

<table>
<thead>
<tr>
<th></th>
<th>2013 (estimated)</th>
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</table>

Source: GTI – French customs
(Figures in USD Millions)
Indicates unofficial estimates based on various industry sources

Comments:
In 2012, French retail sales of U.S. wine amounted to $35 million, representing four percent of total French imports. U.S. wine imports in France ranks fourth after Spain, Portugal and Italy, ahead of Chile, South Africa or Australia. In France, California wines face strong competition from new world producers, such as Australia, South Africa and Chile. However, market opportunities do exist for U.S. wines thanks in part to the “exotism”, the quality of the products, and the promotional efforts made by American themed restaurants in France. As per French Customs, French imports of U.S. whiskey amounted to $101 million in 2012, this is 96 percent increase over 2011, thanks to the penetration of bourbon brands like Jim Beam, Maker’s Mark, Stepson, in addition to Jack Daniel’s, and Wild Turkey. The United States is France’s second supplier after the United Kingdom. In 2012, U.S. beer exports to France amounted to $560,000, a 3.5 percent increase in value compared to 2011, but a volume decrease of 6.5 percent. France’s major beer suppliers are Belgium, The Netherlands and Germany. Opportunities exist for ethnic, new, and innovative U.S. beverages, particularly those linked with Tex-Mex foods. Sales of innovative beverage, such as artisanal “microbrews” are on the rise, as are sales of non-alcoholic beers and “panaches” (mixture of beer and lemonade).

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3. FRESH AND DRIED FRUITS, INCLUDING NUTS

Overview

<table>
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<th>2013 (estimated)</th>
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<td>11,570</td>
<td>11,870</td>
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<td>Total Local Production</td>
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<td>8,720</td>
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<td>Total Exports</td>
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<td>2,120</td>
<td>2,180</td>
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<td>4,970</td>
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</tr>
</tbody>
</table>

Source: GTI – French customs
(Figures in USD Millions)
Indicates unofficial estimates based on various industry sources

Comments:
Prime opportunities for U.S. suppliers are in off-season and extended-season sales, as well as during years of short French fruit crops. France is the leading European market for U.S. grapefruit, and number three in the world after Japan and Canada with 14,606 tons imported in calendar year 2012, valued at $17 million. The U.S. market share for citrus fruits represents 19 percent of total French imports in volume and 21.3 percent in value. France imports apples and pears from the United States in short-crop years. There is also a niche market for berries, cherries, and tangerines. Imports of fresh and dried cranberry from the United States have been successful during the last ten years. The snack and nut product niche market is important for U.S. exporters, who profit by promoting their products as healthy and high-quality choices. Dried fruits and nuts, generally salted, are mainly consumed as snacks with aperitifs. Among the most popular snacks are almonds, cashews, pecans, hazelnuts, and pistachios, all of which sell best when merchandised in bulk packages. Consumption of these products has doubled over the past ten years. Being a significant grower of walnuts, French import demand is primarily determined by the size of the domestic crop. The United States is France’s third supplier of in-shell and shelled walnuts after Ukraine and Moldova. (For detailed market information, please see Post brief reports on dried fruits and nuts, which can be found on the following websites:

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4. FRESH AND DRIED VEGETABLES

Overview

<table>
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<tr>
<th></th>
<th>2013 (estimated)</th>
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<td>n/a</td>
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<tr>
<td>Total Local Production</td>
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<tr>
<td>Total Exports</td>
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<tr>
<td>Total Imports</td>
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<td>3,460</td>
<td>3,730</td>
<td>3,920</td>
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<tr>
<td>Imports from the U.S.</td>
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<td>215</td>
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<td>Exchange Rate: 1 USD</td>
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</tbody>
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Source: GTI – French customs HS Code: 07
Indicates unofficial estimates based on various industry sources.

Comments:
U.S. dried vegetables exports to France increased by 15 percent in value in 2012, compared to the previous years, to reach $14,316 million. France is one of the top worldwide markets for Great Northern Beans. Significant opportunities exist for U.S. suppliers of dried beans, peas and lentils. Imports of U.S. rice grew 17.5 percent in value from 2011 to 2012 to reach $4.7 million, and 28 percent in volume. Very few opportunities exist for U.S. fresh vegetables, except for green asparagus, and perhaps superior quality and off-season fresh vegetables, such as eggplant, zucchini, sweet peppers, and iceberg lettuce. Trends and increased consumption indicate a growing demand for fresh prepared vegetables (washed and cut) and many supermarkets have a special section for these types of products. There may also be demand for organic vegetables, as the new US/EU organic agreement should open doors for U.S. suppliers.

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5. MEAT AND OFFALS

Overview

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<tr>
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<tr>
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<td>4,640</td>
<td>4,750</td>
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<tr>
<td>Total Imports</td>
<td>5,830</td>
<td>5,930</td>
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<td>6,140</td>
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<td>Imports from the U.S.</td>
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<td>8</td>
<td>9</td>
<td>9</td>
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</tbody>
</table>

Source: GTI – French customs HS Code: 02
(Figures in USD Millions)
Indicates unofficial estimates based on various industry sources

Comments:
Opportunities in this market are limited given the import quota on hormone-free meat and stringent EU veterinary regulations. However, as a result of the enlargement compensation agreement between the United States and the European Union a new quota of 45,000 tons hormone-free high quality beef was voted by the European Parliament in 2011 for import from the US to the EU with zero import duties. Additionally, bison meat is growing in popularity.

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6. ORGANICS

Overview

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<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Total Local Production</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>Total Exports</td>
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<tr>
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<tr>
<td>Imports from the U.S.</td>
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<td>Euro 0.751</td>
</tr>
</tbody>
</table>

Source: GTI – French customs
(Figures in USD Millions)
Indicates unofficial estimates based on various industry sources

Comments:
Since 2007, the organic market in France doubled to reach 5.3 billion dollars in 2012. In 2012, 83 percent of sales were made via the retail organic and specialty stores, 12 percent directly from producers to consumers and 5 percent by artisan traders. As per the latest report from the French Organic Association (Agence Bio), fewer than 30 percent of organic products consumed in France are imported. These products are mainly exotic produce, fruits and vegetables, soy, and a variety of grocery products. In 2012, there were 18 buyers of organic products in France who imported from the United States. The main imported products were dried and exotic fruits, essential oils, and aromatic plants. The demand for baby food, pre-packaged pastries and cheese, breakfast cereals, ready to eat meals, and canned sauces rose during the past years. Also, the fact that the French certification agency, Ecocert, recently purchased a local U.S. certification agency, as well as the new equivalence agreement between the United States and the European Union may open new opportunities for U.S. suppliers and boost trade between France and the United States.

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Chapter 5: Trade Regulations, Customs and Standards

- Import Tariffs
- Trade Barriers
- Import Requirements and Documentation
- U.S. Export Controls
- Temporary Entry
- Labeling and Marking Requirements
- Prohibited and Restricted Imports
- Customs Regulations and Contact Information
- Standards
- Trade Agreements
- Web Resources

Import Tariffs

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 French Links: [https://pro.douane.gouv.fr/prodouane.asp](https://pro.douane.gouv.fr/prodouane.asp)


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: [https://ustr.gov/sites/default/files/2015%20NTE%20Combined.pdf](https://ustr.gov/sites/default/files/2015%20NTE%20Combined.pdf)
Information on agricultural trade barriers can be found at the following website:
http://www.usda-eu.org/

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 and 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 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. 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 Authorised Economic Operator (AEO) status, which can give quicker access to certain simplified customs procedures.

More information about the EORI number can be found at http://ec.europa.eu/taxation_customs/dds2/eos/eori_home.jsp?Lang=en

**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 a “trusted” trader. 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 our market research report: http://www.buyusainfo.net/docs/x_4062262.pdf

**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 requires 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: http://echa.europa.eu/documents/10162/17235/sds_en.pdf

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: http://echa.europa.eu/web/guest/candidate-list-table. The Authorization List is available at http://echa.europa.eu/addressing-chemicals-of-concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list

**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:
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, with the goal of strengthening national security and the 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, all the while building toward Phase III, which will create 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](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:

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: [http://www.bis.doc.gov/](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 screens of potential parties to regulated transactions is available here: http://developer.trade.gov/consolidated-screening-list.html

**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

**Labeling and Marking Requirements**

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at: http://buyusainfo.net/docs/x_366090.pdf

**General French Language 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 so that he can 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 any need to distinguish whether the buyer is an individual or a professional.

These requirements are part of the French Code of Consumption that 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 and no abbreviations other than those prescribed by the regulations or international conventions. They are 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.

• Relevant regulations:
  o Act No. 94-665 of 4 August 1994 on the use of the French language.
  o Decree No. 95-240 of 3 March 1995 taken for the implementation of Law No. 94-665 of 4 August 1994 on the use of French.
  o Circular of 19 March 1996 concerning the application of Law No. 94-665 of 4 August 1994 on the use of French.

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 they should therefore be written in French. However, in order that French law is not an obstacle to the free movement of goods called for by European regulations, when the goods and products 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.) and are used when other means of consumer information, such as symbols or icons, they can be accompanied by statements foreign language not translated in French as long as the drawings, symbols or pictograms and statements are either equivalent or complementary subject they 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” and “best before” dates and other storage requirements

• **Precautionary information or usage instructions, 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

• **Product’s country of origin and name of importer or vendor within the EU**

• **Manufacturer’s lot or batch number**
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 percent for both human food and animal feed. A threshold on planting seeds has not yet been established. Traces of biotech events 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 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.

For more information on food labeling, see the U.S. Foreign Agricultural Service Exporter Guide for France: http://gain.fas.usda.gov/

### Prohibited and 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 and Contact Information
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;
- 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

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, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating 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 assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link: http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/index_en.htm
Overview

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 establishing 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

There are also export guides to import regulations and standards available on the Foreign Agricultural Service’s website: http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/
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:

1. CENELEC, European Committee for Electrotechnical Standardization (http://www.cenelec.eu/)
2. ETSI, European Telecommunications Standards Institute (http://www.etsi.org/)
3. CEN, European Committee for Standardization, handling all other standards (http://www.cen.eu/cen/pages/default.aspx)

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: http://ec.europa.eu/growth/tools-databases/mandates/index.cfm?

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

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 can affect your access to international markets. Register online at Internet URL: http://www.nist.gov/notifyus/

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.
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) 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.

French Accreditation Web Portal:
http://www.cofrac.fr/
http://www.cofrac.fr/fr/accreditation/
http://www.cofrac.fr/fr/accreditation/distinction.php

Key Links to the French Standard Organization AFNOR Certification:
http://www.afnor.org/metiers/certification/panorama-certification

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


Publication of Technical Regulations


National technical Regulations are published on the Commission’s website http://ec.europa.eu/growth/tools-databases/tris/en/ to allow other countries and interested parties to comment.

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 can affect your access to international markets. Register online at Internet URL:
http://www.nist.gov/notifyus/
French standards and technical regulations can be obtained from AFNOR on Shop Online: http://www.boutique.afnor.org/

Labeling and Marking

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 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 Links:
Eco-label Home Page

Key French Links:

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

French Accréditation 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/](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 Links to the French Standard Organization AFNOR Certification French label NF  

French Certification Organizations  

French Technical secretariats involved with the certification process:  

French Testing Laboratories:  

Key French Links:  

AFNOR Resources on CE labelling:  

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 Electrotechnical 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
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

**French Websites:**

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

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

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


French Importation Document: http://www.douane.gouv.fr/

French customs for E-Commerce and postal package: http://www.douane.gouv.fr/


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

French Certification Organizations http://www.marque-nf.com/organismes_mandates

French Technical secretariats involved with the certification process: http://www.marque-nf.com/ecretariats_techniques

French Testing Laboratories http://www.marque-nf.com/liste_laboratoires
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: http://echa.europa.eu

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

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

Electronic Customs Initiative: Decision N° 70/2008/EC

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

Legislation related to the Electronic Customs Initiative:

Export Help Desk

International Level:

What is Customs Valuation?:

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Openness to Foreign Investment

Executive Summary:

France welcomes foreign investment and has a reliable business climate that attracts investment from around the world. The French government devotes significant resources to attracting foreign investment, through policy incentives, marketing, its 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 and over 85% of French citizens have internet access.

The investment climate in France, though complex, is generally quite conducive to U.S. investment, as illustrated by the fact that the United States is France’s largest source of foreign direct investment (FDI stock). The nearly 4,200 U.S. companies in France are responsible for 450,000 jobs. In total, there are more than 20,000 foreign-owned companies doing business in France. It is home to more than 30 of the world’s 500 largest companies. At number 23 in the World Economic Forum’s ranking of global competitiveness, France is one of 13 European countries in the top 25.
The 2013 and 2014 AmCham-Bain Barometer studies on the outlook of U.S. companies in France have pointed to pessimism over lack of clarity in the government’s agenda, red tape and burdensome regulations, unpredictability in legislation, and the complexity of labor legislation. In recent years, the French government has selectively intervened in corporate mergers and acquisitions and it maintains a significant stake in a number of industries. Research suffers from insufficient collaboration between the public and the private sectors. Factors that can impede inward foreign investment include France’s weak economic growth (0.4% GDP growth in 2014), unemployment stubbornly above 10%, unpredictable economic and budget policies, the complexity of tax regimes, and the fact that France has been subject to strict European Union macroeconomic surveillance due to a prolonged period of budget deficits exceeding the EU limit of 3% of GDP.

Planned reforms to improve the legal and regulatory environment include an increase in Sunday business openings and the deregulation of some sectors. In 2014, the French government continued to introduce new measures to encourage growth and investment, launching a Responsibility and Solidarity Pact that should lower labor costs by €30 billion by 2016, reduce corporate taxes and simplify administrative formalities. Along with the continued implementation of the CICE corporate tax credit program (Crédit d’Impôt Compétitivité Emploi), the government expects the Responsibility Pact to spur the creation of approximately 500,000 jobs over the coming years. The government maintains a generous research and development tax credit as well. It has also recently implemented new labor laws, which strengthen vocational training and add elements of flexibility to the French labor market. Efforts are under way to simplify French tax and labor laws and administrative procedures.

France continues to support innovation in small and medium enterprises (SMEs) via its ten-year, €35-billion “Investments for the Future” (Investissements d’Avenir) program targeting green technologies, the digital economy and industrial sectors such as aeronautics, space, transportation, and shipbuilding. Despite spending cuts in its 2015 budget, the government is pursuing investment initiatives at the same pace as in 2014 to ensure growth, modernization and security. It has further developed its tax incentives to spur research and innovation, such as the Research Tax Credit (CIR - Crédit Impôt Recherche) and tax incentives for innovative new companies (Jeune Entreprise Innovante).

Key sectors of the French economy include aerospace, food products, pharmaceuticals, microelectronics, logistics, and healthcare equipment. Call centers, biotechnology, telecommunications, information and communication technology, and environment are other sectors with high potential. The government has announced partial privatization of state-owned firms and plans to use proceeds to reduce indebtedness and increase its investment in some sectors; it has not yet provided a detailed plan but may further reduce its stakes in electricity, gas, rail transport, and postal services.

Attitude toward Foreign Direct Investment:

France is committed to encouraging foreign investment within its borders. 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. A public agency named “Business France”
resulted from the 2015 merger of UbiFrance (the trade promotion agency) and Agence Francaise pour les Investissements Internationaux (French Agency for International Investment or AFII). AFII (the agency for promoting inward foreign investment) comprised the overseas offices of the Invest in France Agency (IFA) and the Invest in France Network (IFN) association. AFII and the French Intellectual Property Agency, INPI (Institut National de la Propriété Industrielle), have a communication campaign (initially launched in October 2012) called "Say OUI to France, Say OUI to Innovation," with the objective of attracting more foreign investors. See the web pages http://www.sayouitofrance.com and http://sayouitofrance-innovation.com/?lang=en, which promise to help potential investors learn all they need to know before investing in France “in three clicks.”

No laws or practices discriminate against foreign investors by prohibiting, limiting or conditioning foreign investment except in a few strategic sectors (see below “Limits on Foreign Control”).

Foreign investors say 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 (as the 19 countries that use the Euro currency are known) facilitates the 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, called the SMIC for Salaire Minimum Interprofessionnel de Croissance, at €1,457 per month), rigid labor markets, and occasional strong negative reactions toward foreign investors planning to restructure, downsize or close. The 2014 AmCham-Bain Barometer (an annual study conducted by the American Chamber of Commerce in France and Bain & Company), released in October 2014, details U.S. businesses’ concerns about some of France’s economic policies under President François Hollande (in office since May 2012), notably the lack of predictability in economic and budget policy and increased complexity of the tax and labor regimes. See http://www.amchamfrance.org/assets/slideshows/289_barometre-amcham-bain-2014.pdf to download the 2014 AmCham-Bain Barometer study in French. (The 2013 Barometer is available in English:


English summaries of regulations including labor and tax regulations applicable to foreign companies in France are available at the Business France website.
Other Investment Policy Reviews:
Given the relative stability of the investment climate, France is not the subject of international organizations’ investment policy reviews. For example, 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 (2013): http://www.wto.org/english/tratop_e/tpr_e/tp384_e.htm.


Laws/Regulations of Foreign Direct Investment

There is strong respect for the rule of law in France. Whereas the United States uses a “common law” system, French law is codified. 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). Foreign investment in France can take many forms: acquisition, merger, takeover, purchase of securities and other financial contracts, greenfield investments, etc.

The formal French investment regime is said to be among the least restrictive in the world. For a description of the French legal system applicable to foreign investment refer to http://sayouitofrance-innovation.com/wp-content/uploads/2014/10/Doing-Business_version-FR_2014.pdf (French). For a brief introduction, see the video called “The A-Z of investing in France with the IFA.” The French government has a website called “Guichet Entreprises” (Business Window) that aims to be a one-stop shop for creating a business: https://www.guichet-entreprises.fr/article/10-etapes-de-la-creation-dentreprise/ and a similar one, https://www.cfe.urssaf.fr, Centre de Formalités des Entreprises, for registering.

Questions about foreign investment operations that require notification to Banque de France (the French central bank) should be addressed to the bank at: Banque de France (http://www.banque-france.fr) Service de la Balance des Paiements 31, rue Croix-des-Petits Champs Tel: 01-4292-4292

Industrial Promotion:
In September 2013, President Hollande unveiled a €35 billion plan to finance an “Investments for the Future” program targeting 34 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 recharging stations; “intelligent” fabrics; thermally-efficient building renovation; nano-electronics; augmented reality; connected objects; robotics; electrically propelled satellites; cloud computing; and cyber security. The Minister of Economy, Industry and Digital Affairs who was appointed in August 2014, Emmanuel Macron, plans to reduce the number to focus on “strategic priorities.” Unlike past government-led industrial policies, these plans were developed by the private sector, with the government merely “leveraging the funds to be invested by companies taking part in these initiatives,” which are also open to foreign investors.


President Hollande also launched an “Innovation 2030” program in 2013 via a global contest called the “Worldwide Innovation Challenge” open to all entrepreneurs investing in France, regardless of nationality. In March 2014, the Innovation 2030 Commission selected 58 preliminary stage winners who received an initial €200,000 to get their ventures going. A new application process opened on October 2, 2014 and will run through March 2, 2015. The following year, seven projects will be selected for industrialization. The French government has earmarked €300 million to co-finance innovative entrepreneurs between now and 2030 in the following sectors: energy storage, the recycling of metals, the development of marine resources, plant proteins and plant chemistry, personalized medicine, the silver economy (products and services for older people), and big data. Other details are available on the “Worldwide Innovation Challenge” website: http://www.entreprises.gouv.fr/innovation-2030/home-innovation-2030.

In the same vein, the French government inaugurated the “French Tech” initiative in 2014 to promote the development of France’s tech “brand,” and promote France as the 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 and a €15 million yearly budget to promote French innovation globally. The first two “French Tech” hubs will be in the United States, opening in San Francisco and Boston in 2014. A “French Tech” conference is also organized every June in New York City.

France continues to support innovation in small and medium enterprises (SMEs) via a €400 million national seed fund (Fonds National d'Amorçage or FNA) managed by public financial institution Caisse des Dépots et Consignations (CDC). The FNA fund is part of the French government’s €35 billion ten-year (2010-2020) Investments of the Future program (Investissements d’Avenir). More information is available at: http://www.caissedesdepots.fr/fonds-national-d’amorçage-400-meur.html.html.

France’s Public Investment Bank (Banque Publique d'Investissement – BPIFrance), set up in 2013, has been described by the French Government as its "offensive" industrial
policy tool. In 2014, it disbursed €14 billion in credit-free loans, reimbursable advances, guarantees and equity investment to small and medium-sized companies at every stage of their development. The Public Investment Bank includes a Strategic Investment Fund established in 2008, the OSEO fund for small business development set up in 2005, and the business lending arm of the government's financial institution CDC (Caisse des Dépôts et Consignations). The State determines its broad strategic objectives and offers each French region a partnership setting out its priorities through its 90 regional funds and 38 regional establishments. The bank's management actively searches for companies throughout France needing funding.

Limits on Foreign Control:
With a few exceptions in strategic sectors, there are no statutory limits on foreign ownership of companies. On the other hand, French government officials occasionally try to insert themselves into merger and acquisition talks or try to exert pressure on executives involved in major cross-border deals.

A 1993 privatization law gives the government the option to maintain a so-called "golden share" when privatizing national companies in order "to protect national interests." A golden share gives the government the right to: require prior authorization from the Ministry of the Finance, Economy and Industry for any investors acting in concert to own more than a certain percentage of a firm's capital; name up to two non-voting members to the firm's board of directors; and block the sale of any asset to protect "national interests."

In June 2002, the European Court of Justice reaffirmed the basic principle of free movement of capital in the EU and stated that the use of golden shares was a serious impediment to that principle. Nonetheless, a December 2006 French law related to the energy sector allowed the government to keep a golden share in Gaz de France (GDF) to ensure the security of energy supplies. The French government received approval from the European Commission (EC) to maintain its golden share following the merger of GDF with Suez, and has reserved the right to retain a golden share in any restructuring of Areva (a French nuclear/renewable energy company).

Privatization Program:

France (like many other European governments) undertook a major privatization program in the 1990s. Today, it owns a minority stake in several companies, listed in the section titled "Competition from State-Owned Enterprises." The government has not recently announced plans to completely privatize any of the remaining state-owned enterprises (SOEs), but it has drawn down its shareholdings in several companies, and has announced plans to sell €5 to €10 billion of its stakes in regional airports and companies in which it holds double voting rights (e.g., electric utility EDF and national lottery company Française des Jeux). Foreign investors are allowed to participate in privatizations. The government’s stakes in state-owned companies are sometimes sold through market-based public offerings, but more commonly through an off-market bidding process. In both cases, the Ministry of Finance/Economy makes determinations based on bidders’ business plans, and with the advice of the quasi-independent "Commission des Participations et des Transferts" (formerly known as the Privatization Commission). The confidential nature of off-market sales can raise suspicions about the equal treatment of foreign and French bidders, cooling interest from foreign investors.
the past, a policy of selling holdings to "core" shareholders to avoid splitting up companies or selling sensitive state assets to foreign investors favored French firms.

Screening of FDI:

The Business France (AFII) website’s "Doing Business in France" section explains French regulations on foreign direct investment. While there is no generalized screening of foreign investment, French law stipulates that acquisitions in “sensitive” sectors are subject to prior notification, screening, and approval by the Finance Minister. From 2005 to 2014, the eleven strategic sectors were gambling; private security services; research, development and production of certain pathogens or toxic substances; wiretapping and communications interception equipment; testing and certification of security for IT products and systems; goods and services related to the information security systems of companies managing critical infrastructure; dual-use (civil and military) items and technologies; encryption services; the activities of firms entrusted with national defense secrets; research, production or trade of weapons, ammunition, and explosive substances intended for military purposes; and any business supplying the Defense Ministry with any of the above goods or services.

In May 2014, five new areas were added to the sensitive sectors list: energy infrastructure, transportation networks, public water supplies, electronic communication networks, public health, and installations/works vital to national security. (See http://www.tresor.economie.gouv.fr/4183_Textes-de-reference for the legal text.)

The French government must review any investment in these sectors that acquires control of a firm, surpasses a 33-percent ownership threshold, or involves any part of such a firm that has established headquarters in France. Some investments in sensitive sectors require the consent of several ministries. The foreign investor shall submit a formal application for prior authorization to the Minister of the Economy who will make a decision within two months of the date of receipt of a full and complete formal application for authorization. If the Minister of the Economy fails to make a decision, the authorization shall be deemed to have been granted. The formal review process and communications with the foreign investor are carried out by the departments of the Ministry of Economy in relation with other governmental agencies depending on the sensitive sector(s) involved.

As a condition of authorization, the French Minister of the Economy may impose certain conditions on the foreign investor to mitigate risks that the contemplated transaction could adversely affect public order, public safety or national security. Foreign investors may contest the conditions imposed for authorization, or the refusal to authorize, before the administrative law courts.

Competition Law:

Direct investments in the form of mergers and acquisitions are subject to antitrust review from the French Competition Authority (Autorité de la Concurrence) as provided by the August 4, 2008 law on the modernization of the economy. The Competition Authority handles any operation meeting the following three conditions: the pre-tax global turnover of all the combined companies or entities is higher than €150 million; the pre-tax turnover in France is higher than €50 million; the operation does not fall within the
On July 31, 2014, The Competition Authority reaffirmed the principle that public export promotion bodies such as Ubifrance should adopt "measures in order to avoid the risk of distorting competition," following a referral from the Federation of Specialized Foreign Trade Operators, the OSCI (Opérateurs Spécialisés du Commerce International). More specifically, the Competition Authority stated that "subsidies granted to bodies such as Ubifrance should be allocated exclusively to the public service activities assumed by the organization." (Link to the Competition Authority decision in English: http://www.autoritedelaconcurrence.fr/user/standard.php?id_rub=592&id_article=2415)

On January 2015, Ubifrance, which promotes French exports, merged with the AFII (Agence française pour les investissements internationaux), which supports foreign investment in France, to form a new agency called Business France, with a staff of 1,500 in 70 countries.

In March 2014, a new consumer law, known as the Hamon Law, named after its originator, Benoit Hamon, State Secretary for Social Entrepreneurship and Consumer Affairs, introduced collective damages actions, including claims relating to competition law infringements. As a result, consumer associations are now entitled to introduce collective damages actions on behalf of consumers claiming a material damage due to the infringement of competition law.

A tradition of state intervention in the French economy can pose challenges to both French and foreign investors, as corporate governance and employment decisions occasionally attract political attention. French labor unions tend to see U.S. firms as focused on short-term profits at the expense of employment and not sufficiently committed to social dialogue or respect for their legal obligations to employees when restructuring. A degree of opaqueness in the privatization process can also arouse suspicions about the equal treatment of foreign investors in publicly held firms.

Investment Trends:

Foreign investment represents a significant percentage of production, exports and employment in many sectors. According to INSEE, the National Economic and Statistical Studies Agency, some 20,000 companies established in France receive foreign investment. These firms employ 12% of wage-earners, are responsible for one-third of French exports and undertake more than 20 percent of corporate R&D expenditures. Rapid growth in new technologies has given way to renewed growth in traditional sectors: automobiles, metalworking, aerospace, capital goods, consultancy and services. Although France remains a top destination for foreign direct investment (FDI), according to UNCTAD's annual report on FDI, France dropped out of the top 20 largest recipients of foreign direct investment inflows in 2013, when FDI inflows accounted for 0.6% of GDP. According to Business France, investment in France increased 8 percent in 2014 after three consecutive years of decline. The United States remains one of the largest sources of FDI flows into France, accounting for 18.1 percent in 2013, down from 26.8 percent the previous year. Based on recent estimates, U.S holdings of French securities in 2013 totaled $196 billion, down from the 2011 level of
$217 billion. Those figures likely understate U.S. investment in France, as the U.S. investments tend to be considerably older than those of other countries, and U.S. firms often finance expansions and acquisitions on domestic French capital markets or through subsidiaries in third countries. As a result, much U.S. investment in France is not recorded in balance of payments statistics, even though it may ultimately be controlled by U.S. citizens.

Table 1

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Millennium Challenge Corporation Country Scorecard

Neither France nor Monaco are MCC countries.

The Principality of Monaco:

The Principality of Monaco, the world’s second smallest country by area, has an open economy that welcomes foreign investment. Monaco enjoys a high standard of living and low unemployment. Foreigners (and Monegasques) actually living and working in Monaco are not subject to personal income tax, with the exception of French citizens. Corporations may benefit from various tax incentives. There are no restrictions preventing foreigners and non-residents from buying property or opening bank or brokerage accounts in Monaco, though some banks have levied fees on American accounts. Non-residents likely account for more than half of real estate investments. Monaco is well known for its security and political stability.


Investment Regime of Monaco:

Monaco’s economic and regulatory system is closely tied to that of France, and Monaco uses the Euro as its currency. The convention of May 1, 1963 brought French and Monegasque territories, including territorial waters, under a customs union resulting in the application of French customs law in Monaco. Although Monaco is not a full member of the European Union, the customs union with France makes it subject to EU customs
laws, thus guaranteeing that the transfer of goods and services from and into Monaco remains within the single European market.

Economic activity within Monaco, including commercial, craft and industrial activity is strictly monitored by the government. Prior approval from the Direction de l'Expansion Economique is required before conducting any economic activity in the principality, and this applies to foreign companies which may establish a branch or an administrative unit in the principality. Monegasque authorities issue approvals based on type of business; approval is personal and may not be transferred. Any change in the terms requires a new approval. The government is streamlining the approval process by reducing the number of documents required to nine, or six for individual authorizations.

A body called "Espace Entreprises Monaco Business Office" helps new investors. The Monaco Welcome and Business office (MWBO) assists individuals and entrepreneurs in relocating to the Principality of Monaco. In the financial sector, creation of any financial organization is subject to the approval of both the French CECEI (Committee for Credit and Investment Institutions) in Paris and of Monegasque financial supervisory authorities. Offshore companies are subject to the same due diligence and suspicious transaction reporting regulations as other banking institutions.

Monaco has taken a number of initiatives to promote economic activity and make company operations more transparent while maintaining high ethical standards, including:
• creation of the legal status of Limited Liability Company
• adoption of systems to combat money laundering, organized crime and corruption (through the creation of the “Service d'Information et de Contrôle sur les Circuits Financiers” SICCFIN: http://www.siccfin.gouv.mc)
• special exemptions for new companies and research

In Monaco, there is no direct taxation, with two exceptions:
• companies earning more than 25% of their turnover (revenue) outside of the principality, and companies whose activities consist of earning revenues from patents and literary or artistic property rights, subject to a tax of 33.33% on profits, and
• French nationals unable to prove that they resided in the principality for 5 years before October 31, 1962 are subject to the French income tax.

To encourage the creation of economic activity, the Principality of Monaco offers tax exemptions to new companies developing a new activity. These new companies enjoy 100 percent exemption from corporate tax in the first two years, then gradually assume normal tax obligations: third year (25 percent), fourth year (50 percent), and fifth year (75 percent). A research tax credit was additionally created in March 2009.

The Principality of Monaco has announced its intention to follow international norms in matters of tax transparency. In September 2009, Monaco was removed from the Organization for Economic Cooperation and Development (OECD) list of “non-cooperative" countries, or “grey list” in terms of provision of tax information. The principality has signed thirteen tax information exchange agreements (TIEA), including one with the United States on September 8, 2009.

Size of the Economy of Monaco
Monaco’s GDP was €4.94 billion in 2013. The country’s budget comes from taxes on industry, trade and services, a vibrant tourism sector, and several government-owned enterprises, most notably the country’s famous casinos. Approximately 50% of government revenue is estimated to come from the Value Added Tax (VAT) applied by the French Administration on Monaco.

There is a high concentration of financial professionals in Monaco, as might be expected in this center of international business. French banking law applies in Monaco, subjecting banks to the same level of supervision as in France. Some 35 banks, 3 finance corporations, 62 mutual investment funds, and 51 portfolio management companies financial institutions operate in Monaco. Recent figures show that Monaco’s outsized financial sector manages well over €750 billion for a clientele that is 46% non-resident.

Conversion and Transfer Policies

Foreign Exchange
France is one of nineteen countries that use the euro currency. Exchange rate policy for the euro is handled by the European Central Bank in Frankfurt, Germany. After spending most of 2013 and the first half of 2014 in the range of $1.30 to $1.40, the euro began to fall against the dollar in mid-2014, reaching a low $1.05 in March 2015. In 2013-2014, several French officials had called for a lower euro, saying that the strength of the euro has harmed France’s export competitiveness.

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 established its own tax-haven black list in February 2010, and updates it periodically. France uses its powers under national law to freeze terrorist’s assets, and cooperates internationally and at the United Nations on terrorist financing issues. As part of international efforts to combat money laundering and the financing of terrorism, France has introduced regulations tightening reporting on checks, their amounts, origins and destinations.

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. Since 2011, the French government has considerably expanded its financial intelligence unit -- “TracFin.” TracFin also became more active within international organizations, and has signed new bilateral agreements with foreign countries. In April 2012, France’s bank supervisor, the Prudential Control Authority (“Autorité de contrôle prudentiel”) updated its guidance on vigilance measures concerning fund transfers. In March 2014, ACPR published guidelines regarding anti-money laundering and terrorism financing in the field of wealth management in the banking and insurance sectors. These guidelines revised those adopted in 2010. In January 2014, ACPR stated that the exchange in France of bitcoins against a currency requires a license as payment services provider.

Expropriation and Compensation

Under French law, private investors are entitled to compensation if their properties are expropriated, and such compensation must be prompt and adequate. This is reflected in France's bilateral investment treaties. There have been no recent disputes involving expropriation of U.S. investments.

Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts:

Whereas the United States uses a “common law” system, French law is codified (Napoleonic 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’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 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 of Instance (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.

Bankruptcy:

France has very extensive and detailed bankruptcy regulations. Any creditor, regardless of the amount owed, may file suit in bankruptcy against a debtor. Foreign creditors, equity shareholders and foreign contracts 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. The French bankruptcy law was amended in 2012 to prevent managers and other entities responsible for the bankruptcy of a French company, to escape liability by shielding their assets (Law 2012-346). Also in 2012, France passed a law that enables debtors to implement a restructuring plan with financial creditors only, without affecting trade creditors. France jumped up 20 slots from 42 to 22 (out of 189) for ease of resolving insolvency in the 2015 World Bank Doing Business Report.

Investment Disputes:

In the past ten years, investment disputes involving U.S. or other foreign investors have been relatively rare though not unheard of.

French regulations in reaction to various potential or proven risks to the environment or human health have made market access for some U.S. energy and biotech companies more difficult. France banned hydraulic fracturing of rock for gas exploration and extraction (“fracking”) in 2011 and denied the transfer of exploration licenses acquired by U.S. firms, including Schuepbach Energy LLC and Hess Oil, in 2013. France’s constitutional court ruled that a July 13, 2011 law banning fracking was “pursuing a legitimate goal in the general interest of protecting the environment.” In April 2014, the government suspended the debate within the government on the pros and cons of fracking.

U.S. biotech producers Monsanto, Pioneer/Hi-Bred (a DuPont company), and Dow Agro Sciences are present in France, but face on-and-off bans on genetically modified organisms (GMO) and application of the “precautionary principle” (under which protections can be relaxed only if further scientific findings emerge that provide sound evidence that no harm will result).

International Arbitration:

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 celerity and fairness. The President of the Tribunal de Grande Instance (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. Basic texts governing international arbitration in France can be found at http://www.parisarbitration.com/documentation.php#basic-legal-texts.

ICSID Convention and New York Convention
France is a member of both the International Centre for Settlement of Investment Disputes (ICSID) and the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards meaning local courts must enforce international arbitral awards under certain circumstances.

Duration of Dispute Resolution:

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.

Performance Requirements and Incentives

WTO/TRIMS:

France complies with the World Trade Organization’s Trade-Related Investment Measures (TRIMS) requirements. While developing new draft legislation, the French government submits a copy to the World Trade Organization (WTO) for review to ensure the prospective legislation is not inconsistent with its WTO obligations.

Investment Incentives:

France offers a range of financial incentives, generally equally available to both French and foreign investors.

The French government introduced a competitiveness and employment tax credit ("Crédit d'Impôt pour la Compétitivité et l'Emploi" - CICE), effective January 2013, 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. Detailed information is provided in English on the Economic Ministry website at http://www.economie.gouv.fr/ma-competitivite/tax-credit-for-encouraging-competitiveness-and-jobs or in French at http://www.ma-competitivite.gouv.fr.

The Responsibility and Solidarity Pact, adopted by the National Assembly in July 2014, will provide firms established in France cuts in payroll taxes totaling €40 billion by 2017,
including the elimination of payroll taxes on minimum wage earners, the phasing-out of the corporate social solidarity contribution (C3S) starting in 2015, the abolition of the exceptional corporate income tax payment for large corporations starting in 2016, and a gradual reduction in the rate of corporation tax as of 2017.

Recognizing that French corporate tax rates are high compared to those in other leading industrial countries, the government plans to gradually reduce the nominal corporate tax rate from 33 percent to 28 percent by 2020, on top of tax credits already in place. For more information on investment incentives and overall French economic objectives, see: http://ec.europa.eu/europe2020/europe-2020-in-your-country/france/national-reform-programme/index_en.htm

A new "simplification" rule whereby a lack of response from the public authorities is tantamount to a tacit agreement, set out by law in 2013, came into force on 12 November 2014. This new principle replaces the “silence implies rejection” rule that had been in place for 150 years.

For movie makers, the French government has increased the maximum tax credit per foreign film from €10 million to €30 million in 2015. The rate of the international cinema and audiovisual tax credit has been raised from 20 to 30%. The aim of this is to relocate and attract to France those productions which, purely for tax reasons, would have been produced elsewhere.

On December 18, 2014, Parliament approved, via a 2014 Amending Finance Law, the government’s plan to incentivize corporate venture investment in small companies. Under the plan, a French company or French subsidiary of a foreign company that invests in cash for 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, or their product’s processes or technique must have been recognized as innovative by the Public Investment Bank (http://www.bpifrance.fr and http://www.bpifrance.fr/Investors-Center).

France’s domestic planning and investment promotion agency, DATAR (Delegation Interministérielle à l’Aménagement du Territoire et à l’Attractivité Regionale) has a broad mandate to attract and assist foreign investors. DATAR (http://www.datar.gouv.fr) offers local, regional and national subsidies and tax incentives for investment in less affluent areas, and maintains offices throughout France and around the world to provide advice and assistance. DATAR’s overseas offices are called “Invest in France Agencies” (IFA), or IFANA in North America (http://m.invest-in-france.org/media/France-welcomes-talent-and-investment-2014.pdf). There are three IFA offices in the United States: New York, San Francisco, and Chicago.

Research and Development:

Incentivizing research and development (R&D) is a priority for the French government. The number of foreign investments in French R&D is increasing, with the French commercial agency Business France reporting a 7% growth in the number of new foreign-sponsored R&D projects in 2013. New innovation outlays from foreign firms created an estimated 1,310 R&D jobs in France in 2013.
The Research Tax Credit (Crédit Impôt Recherche - CIR) offsets R&D expenditures undertaken by both domestic and foreign firms operating in France. In 2013, the French government provided 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. In an effort to incentivize more innovation spending in small- and medium-sized enterprises, between 2012 and 2013 France increased its R&D tax credit for SMEs from €110,000 to €400,000. Additionally, firms that establish a public-private partnership with the French government can apply for research tax credits to cover up to 60% of their R&D expenditures (not to exceed €12 million).

International businesses may also compete for French support of their R&D expenditures. The French National Research Agency (L'Agence Nationale de la Recherche) manages the “Investments for the Future” (Investissements d’Avenir) program that focuses on promoting research centers of excellence, advancing health and biotechnological developments, and stimulating technology transfer. Launched in 2013, the program’s premier initiative, the 2030 Innovation Challenge, will direct over ten years a total of €300 million to co-finance projects proposed by global entrepreneurs that the National Research Agency decides will bolster the French economy and positively impact at least one of the Agency’s seven priority research subjects: energy storage, metal recycling, marine-resource development, plant chemistry, individualized medicine, geriatric medicine, and “big data.” (http://www.entreprises.gouv.fr/innovation-2030/home-innovation-2030)

Based in Boston, the French Young Entrepreneurs Initiative (YEi) further encourages American startups to set up their businesses in France. Since 2005, the program has facilitated networking opportunities for leaders of 61 startups, linking American entrepreneurs with French incubators and research centers. After participating in the program, 13 American companies have launched their startups in France, and the YEi initiative expects even greater success in its 2014-2015 program, because it will expand its French network to include more incubators and Business France, the French agency responsible for promoting foreign investment in France.


Performance 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. For 2014-2020, PAT has been revised to benefit SMEs with the objective of promoting the development of businesses in priority regional zones. In 2015, this direct government subsidy amounts to €30 million (http://www.cget.gouv.fr/actualites/prime-damenagement-du-territoire-pat-comment-ca-marche).
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).

Data Storage:

No data localization measures have been implemented yet, but there is ongoing discussion among the government, civil society, and companies on proposals to encourage data localization.

Right to Private Ownership and Establishment

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 protected from expropriation except for public purposes, accompanied by payment that is just, realizable and prompt.
The treaty does not apply to the use or production of fissionable materials, arms or any materials used directly or indirectly to supply military establishments, and does not prevent application of measures necessary to protect essential security interests.

Protection of Property Rights

Real Property:

The right to real property is regulated by the French civil code and is enforced. In the World Bank’s Doing Business Report (DBR), France is ranked 126 of 189 for registering property (its worst ranking on the ten DBR metrics). The 2014 DBR noted that France had made transferring property easier by speeding up the registration of the deed of sale at the land registry. 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 “cadaster,” is maintained by the French public land registry, under the auspices of the French tax authority (Direction Générale des Finances Publiques - DGFIP).
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 revised repeatedly over the years. On February 26, 2014, the French Parliament adopted a bill reinforcing France’s anti-counterfeiting law, which is based on an October 29, 2007 law that implements the April 29, 2004 EU directive 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 smart card 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. Finally, the 2014 legislation requires the establishment of a database that will centralize all relevant information from French customs and mail and freight operators.

Does the GOF report on seizures of counterfeit goods? If available, pls. provide data for 2014.

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 and it has taken action against online pirate sites including Megaupload in 2012. HADOPI cooperates closely with the U.S. Patent and Trademark Office (USPTO) as well as with the White House Office of the Intellectual Property Enforcement Coordinator to share best practices, including pursuing voluntary arrangements that target intermediaries that facilitate or fund pirate sites.

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 on television programs for their private use. On September 11, 2014, HADOPI published a recommendation calling on Internet Service Providers (ISPs) and satellite operators to provide interoperability of their protection systems for private use. Recognizing that limitations on the copying of TV programs can be justified, in particular in order to "reduce the risk of counterfeiting on the Internet," the Authority nevertheless asked ADSL and satellite television operators to offer viewers, within a reasonable time frame, the possibility of making a private copy of television programs for durable storage and with sufficient interoperability for the private use. HADOPI further stressed that providing such a technical arrangement would not have to be free of charge if it required the use of additional means of copying (recorder or back-up copy). Nor would operators be expected to renew the pool of existing receivers. HADOPI also emphasized that precise information should be given to users...
regarding the possibility of making copies for private use. HADOPI issued its opinion following a referral by an ISP and a satellite operator. Hadopi's decision is available at: http://www.hadopi.fr/sites/default/files/20140911-Avisexception-copiepriveedesprogrammes.pdf

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/.

Resources for Rights Holders:

http://france.usembassy.gov/business/france.html
http://france.usembassy.gov/judicial.html
http://www.amchamfrance.org/en/contact
http://www.amchamfrance.org/en/business_center/living_and_working_in_france/5
Website for list of lawyers:

Transparency of Regulatory System

The French government has made considerable progress in recent years on the transparency and accessibility of its regulatory system. A major reform in 2009 extended the investigative and decision-making powers of France's Competition Authority, and in 2011 the Authority published its methodology for calculating fines imposed on companies charged with abuse of a dominant position. In 2012, it issued 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 maintenance of employment.

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 publically available before parliamentary approval. The French government has recently experimented with new procedures such as online industry consultations for input related to the U.S.-EU Transatlantic Trade and Investment Partnership (TTIP) and the EU-Japan FTA as well as mandatory impact assessments. Although more open than before, French practices appear to be somewhat less transparent and less systematic than EU public notice and comment procedures, according to industry feedback.

To increase transparency in the French legislative process, since 2009 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 insufficient.
In June 2014, the new Prime Minister, Manuel Valls, set up the position of State Secretary for State Reform and Simplification, headed by Thierry Mandon, whom he directly supervises, to make French regulations simpler. As part of his mission, Mandon is consulting with companies prior to the drafting of legislation that may affect them. He works 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.) Some 40 simplification measures have been adopted so far, including the so-called 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 will be offset by a "reduction at least equivalent to it. For more on the new proposals, see:

Foreign companies have expressed concern regarding France's standard-setting procedures. Rigorous testing and approval procedures are sometimes required before goods approved in the United States are cleared for sale in France. The United States and the EU have negotiated mutual recognition agreements covering the testing and certification of some products, but French standards apply where EU-wide standards do not exist. More information on these agreements can be found on the websites of the International Bureau of Weights and Measures at http://www.bipm.org, the U.S. Commerce Department’s International Trade Administration (ITA) at http://www.trade.gov, and the U.S. National Institute of Standards and Technology at http://www.nist.gov. U.S. firms may also find it useful to become members of industry associations, which 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.

Efficient 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” in 2005 to offer small- and medium-sized companies 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 "Autorité des Marchés Financiers - AMF," the French equivalent of the U.S. Securities and Exchange Commission. Since May 2013, small
and medium-size enterprises (SMEs) may list on EnterNext, a new subsidiary of the Euronext Group. Drawing on its pan-European presence, EnterNext brings together all Euronext Group initiatives for companies listed in the B compartment (valued between €150 million and €1 billion) and the C compartment (market capitalization of less than €150 million) of its regulated European markets and on Alternext. Foreign companies can provide statements in English with a short summary in French. Details may be found on the AMF website (http://www.amf-france.org), and more information is available on the Paris Stock Exchange website (http://www.bourse-de-paris.fr and http://www.euronext.com/en/markets/nyse-euronext/paris).

Foreigners held 46.7 percent of the capital of large publicly traded French companies (CAC 40) as of December 2013. An intricate network of cross-shareholdings among French corporations has often been seen as a barrier to foreign acquisition; often, two French companies will own a significant share of each other, with the same executives sitting on both Boards of Directors. This has grown less common in recent years under pressure from the marketplace.

**Money and Banking System, Hostile Takeovers:**

The Bank of France, France’s central bank, is a member of the Eurosystem, the central banking system of the eurozone.

France’s banking system has recovered gradually from the 2008-2009 global financial crisis. French banks are now largely healthy. The assets of France's largest banks totaled €5.8 trillion (then worth $7.8 trillion) at the end of 2013. 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.

French takeover law is designed to limit hostile takeovers of publicly traded companies. Shareholders are required to disclose holdings in French listed companies to both the Financial Markets Authority (Autorité des marchés financiers or AMF) and the listed company whenever holdings reach or exceed 5 percent of the company’s shares or voting rights, and thereafter every time the holding reaches or exceeds 10, 15, 20, 25, 33 1/3, 50, 66 2/3, 90 or 95 percent.

Anticipating revisions to the EU Transparency Directive, the AMF implemented a law requiring cash-settled instruments to be aggregated in calculations of major shareholdings of French listed companies, and included in declarations of intent. Measures to transpose the revised Transparency Directive are included in the law bringing a number of provisions into line with European Union economic and financial law (known as the “DDADUE” law) published on 31 December 2014. The DDADUE law authorizes the government to take by decree, by 30 December 2015, any other legislative measures necessary for the transposition of this directive. The associated system of sanctions, as well as possible amendments to the French regime for threshold-crossing declaration should be considered.
A hostile takeover of a French company by a foreign investor could face public and even governmental scrutiny. French companies can suspend implementation of a takeover when targeted by a foreign company whose country of origin does not apply reciprocal rules, and French regulations allow a U.S.-style "poison pill" takeover defense, including granting existing shareholders and employees the right to increase their leverage by buying discounted shares through stock purchase warrants.

In 2013, the French Minister of Industry expressed the desire of the French government to take new measures designed to protect French companies against hostile takeover bids. Measures focus on the fight against creeping takeovers, the development of long-term shareholder equity and the softening of the conditions governing the issuance of so-called "poison pills." The bill called "Proposal aimed at reconquering the real economy" ("Loi visant à reconquérir l'économie réelle") was published in the French Register ("Journal Officiel") on April 1, 2014.

**Competition from State Owned Enterprises**

The French government has shareholdings in 74 companies of which 13 are listed entities (see [http://www.economie.gouv.fr/agence-participations-etat](http://www.economie.gouv.fr/agence-participations-etat)). SOEs dominate common carrier transportation (rail, bus, air) and are active in energy, defense, and the media.

The French government maintains stakes in Aéroports de Paris (50.63%), Airbus Group (EADS) (10.94%), Air France KLM (15.88%), Areva (holds 28.83%; controls 86.52%), CNP Assurances (holds 1.10%; controls 66%), Dexia (5.73%), EDF (84.49%), GDF-Suez (33.24%), Orange (a direct 13.45% stake and a 13.5% stake through BPI France), PSA (14.13%), Renault (15.01%, subject to a temporary increase to 19.74%), Safran (18.03%), and Thalès (holds 26.36%; controls 36.51% of voting rights), and in unlisted companies including SNCF (rail), RATP (public transport), CDC (Caisse des dépôts et consignations) and La Banque Postale (banks). The government also has majority and minority stakes in small firms in a variety of sectors.

**Corporate Social Responsibility**

OECD Guidelines on Corporate Governance of SOEs:

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"). APE’s 2013 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 2014 and 2015, the government sold some of its holdings in Toulouse airport, GDF Suez, and jet engine firm Safran), with proceeds used to reduce public debt and invest in its Public Investment Bank (BPI). The BPI has begun acquiring minority stakes in companies, for shorter periods than is generally the case for the government, to promote regional growth, support innovation, and help finance environmental technologies and industries of the future.

**Sovereign Wealth Funds:**

France has no sovereign wealth fund (SWF) per se, but does operate funds with similar intent. The Strategic Investment Funds (“Fonds Stratéique d’Investissement - FSI”) was created in 2008. It was owned by the government and the state-owned Caisse des Dépots et Consignations (CDC). In 2012, FSI was merged with OSEO (involved in financial support to small businesses) and CDC Entreprises to form the Public Investment Bank (“Banque Publique d’Investissement –BPI”). BPI France’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. BPIexport was created in 2013 as part of an initiative to encourage SMEs to export. 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.


for more information on Responsible Business Conduct: [https://mneguidelines.oecd.org/MNEguidelines_RBCmatters.pdf](https://mneguidelines.oecd.org/MNEguidelines_RBCmatters.pdf)

France has been a long-time advocate of responsible business conduct (RBC) principles, both internationally and domestically, and there is an exceptionally high degree of awareness of RBC among both producers and consumers. France has played an active role in negotiating the ISO 26000 standard (2010), the International Finance Corporation Performance Standards (revised 2010), the OECD Guidelines for Multinational Enterprises (revised in 2011), and the UN Guiding Principles on Business and Human Rights (2011). 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. In June 2012, France, together with Brazil, Denmark and South Africa, launched the Group of Friends of Paragraph 47 of the Rio+20 outcome document on sustainable development, which seeks to promote greater transparency through corporate social and sustainability reporting.

Since 2012, all large companies in France are required to publish an annual report on RBC activities.

**OECD Guidelines for Multinational Enterprises**

France is among the OECD’s list of adherents to the OECD Guidelines for Multinational Enterprises ([http://mneguidelines.oecd.org/ncps/france.htm](http://mneguidelines.oecd.org/ncps/france.htm)).
Political Violence

France is a politically stable country and political violence is relatively uncommon. Occasionally, large demonstrations and protests occur (sometimes organized to occur simultaneously in multiple French cities), and they sometimes (though rarely) lead to 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. So-called “boss-nappings” of senior managers also occurred at three U.S. industrial groups in 2009 although none resulted in injury. To remedy the situation and switch from a confrontation approach to labor disputes to a more conciliatory one, the government introduced new labor laws in 2014 that encourage negotiated settlements over conflict.

Corruption

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies’ acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official in international business, for example to secure a contract, should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which generally makes it unlawful for U.S. persons and businesses (domestic concerns), and U.S. and foreign public companies listed on stock exchanges in the United States or which must file periodic reports with the Securities and Exchange Commission (issuers), to offer, promise or make a corrupt payment or anything of value to foreign officials to obtain or retain business. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment.
while in the United States. In addition to the anti-bribery provisions, the FCPA contains accounting provisions applicable to public companies. The accounting provisions require issuers to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls. The accounting provisions also prohibit individuals and businesses from knowingly falsifying books or records or knowingly circumventing or failing to implement a system of internal controls. In order to provide more information and guidance on the statute, the Department of Justice and the Securities and Exchange Commission published *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, available in PDF at: http://www.justice.gov/criminal/fraud/fcpa/guidance/. For more detailed information on the FCPA generally, see the Department of Justice FCPA website at: http://www.justice.gov/criminal/fraud/fcpa/.

**Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (negotiated under the auspices of the OECD), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements.

**OECD Antibribery Convention:** The Antibribery Convention entered into force in February 1999. As of January 2015, there are 41 parties to the Convention, including the United States (see http://www.oecd.org/corruption/oecdantibriberyconvention.htm). Major exporters China and India are not parties, although the U.S. Government strongly endorses their eventual accession to the Antibribery Convention. The Antibribery Convention obligates the Parties to criminalize bribery of foreign public officials in international business transactions, which the United States has done under U.S. FCPA.

**UN Convention:** The UN Convention entered into force on December 14, 2005, and there are 174 parties to it as of March 2015 (see http://www.unodc.org/unodc/en/treaties/CAC/signatories.html). The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption, from basic forms of corruption such as bribery and solicitation, embezzlement, and trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of
provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of January 2015, the OAS Convention has 34 parties (see http://www.oas.org/juridico/english/Sigs/b-58.html) and the follow-up mechanism created in 2001 (MESICIC) has 31 members (see http://www.oas.org/juridico/english/mesicic_intro_en.htm).

**Council of Europe Criminal Law and Civil Law Conventions on Corruption:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention on Corruption, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on whistleblower protection, compensation for damage relating to corrupt acts, and nullification of a contract providing for or influenced by corruption, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). See http://www.coe.int/t/dghl/monitoring/greco/general/about_en.asp. As of January 2015, the Criminal Law Convention has 44 parties and the Civil Law Convention has 35 (see http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=173; http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=174).

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: http://www.ustr.gov/trade-agreements/free-trade-agreements.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. and Foreign Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its website at www.trade.gov/cs.

The United States provides commercial advocacy on behalf of exporters of U.S. goods and services bidding on public sector contracts with foreign governments and government agencies. An applicant for advocacy must complete a questionnaire concerning its background, the relevant contract, and the requested U.S. Government assistance. The applicant must also certify that it is in compliance with applicable U.S. law, that it and its affiliates have not and will not engage in bribery of foreign public
officials in connection with the foreign project, and that it and its affiliates maintain and
enforce a policy that prohibits bribery of foreign public officials. Problems, including
alleged corruption by foreign governments or competitors, encountered by U.S.
companies in seeking such foreign business opportunities can be brought to the
attention of appropriate U.S. government officials, including local embassy personnel,
and reported through the Department of Commerce Trade Compliance Center "Report a
Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp. Potential
violations of the FCPA can be reported to the Department of Justice via email to
FCPA.Fraud@usdoj.gov.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion
Procedure enables U.S. firms and individuals and issuers to request a statement of the
Justice Department’s present enforcement intentions under the anti-bribery provisions
of the FCPA regarding actual, prospective business conduct. The details of the opinion
procedure are available on DOJ’s Fraud Section Website at
www.justice.gov/criminal/fraud/fcpa and general information is contained in Chapter 9 of
the publication A Resource Guide to the U.S. Foreign Corrupt Practices Act, at
http://www.justice.gov/criminal/fraud/fcpa/guidance/. Although the Department of
Commerce has no enforcement role with respect to the FCPA, it supplies general
information to U.S. exporters who have questions about the FCPA and about
international developments concerning the FCPA. For further information, see the Office
of the General Counsel, U.S. Department of Commerce, website, at
general information on the FCPA is available at the websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery
of their public officials, and prohibit their officials from soliciting bribes under domestic
laws. Most countries are required to criminalize such bribery and other acts of
corruption by virtue of being parties to various international conventions discussed
above.

POST INPUT: Public sector corruption, including bribery of public officials, [remains a
major/minor challenge for U.S. firms operating in xxx xxx. Insert country specific
corruption climate, enforcement, commitment and information about relevant
anticorruption legislation.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in
global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including A
  Resource Guide to the U.S. Foreign Corrupt Practices Act, translations of the
  statute into numerous languages, documents from FCPA related prosecutions and
  resolutions, and press releases are available at the U.S. Department of Justice’s
  Website at: http://www.justice.gov/criminal/fraud/fcpa and
  http://www.justice.gov/criminal/fraud/fcpa/guidance/

- The U.S. Securities and Exchange Commission FCPA Unit also maintains an FCPA
  website, at: https://www.sec.gov/spotlight/fcpa.shtml. The website, which is updated
regularly, provides general information about the FCPA, links to all SEC enforcement actions involving the FCPA, and contains other useful information.

- General information about anticorruption and transparency initiatives, relevant conventions and the FCPA, is available at the Department of Commerce Office of the General Counsel website: http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives

- The Trade Compliance Center hosts a website with anti-bribery resources, at http://tcc.export.gov/Bribery. This website contains an online form through which U.S. companies can report allegations of foreign bribery by foreign competitors in international business transactions.

- Additional country information related to corruption can be found in the U.S. State Department’s annual Human Rights Report available at http://www.state.gov/g/drl/rls/hrrpt/.


- GRECO monitoring reports can be found at: http://www.coe.int/t/dghl/monitoring/greco/evaluations/index_en.asp

- MESICIC monitoring reports can be found at: http://www.oas.org/juridico/english/mesicic_intro_en.htm

- The Asia Pacific Economic Cooperation (APEC) Leaders have also recognized the problem of corruption and APEC Member Economies have developed anticorruption and ethics resources in several working groups, including the Small and Medium Enterprises Working Group, at http://businessethics.apec.org/, and the APEC Anti-Corruption and Transparency Working Group, at http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Anti-Corruption-and-Transparency.aspx. For more information on APEC generally, http://www.apec.org/.

There are many other publicly available anticorruption resources which may be useful, some of which are listed below without prejudice to other sources of information that have not been included. (The listing of resources below does not necessarily constitute U.S. Government endorsement of their findings.)

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in approximately 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/research/cpi/overview. TI also publishes an annual Global Corruption Report which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a
series of country reports that document major corruption related events and developments from all continents, and an overview of the latest research findings on anti-corruption diagnostics and tools. See http://www.transparency.org/research/gcr.


- The World Economic Forum publishes every two years the Global Enabling Trade Report, which assesses the quality of institutions, policies and services facilitating the free flow of goods over borders and to their destinations. At the core of the report, the Enabling Trade Index benchmarks the performance of 138 economies in four areas: market access; border administration; transport and communications infrastructure; and regulatory and business environment. See http://www.weforum.org/reports/global-enabling-trade-report-2014.

- Global Integrity, a nonprofit organization, publishes its annual Global Integrity Report, which typically assesses anti-corruption and good governance mechanisms in diverse countries. (The 2012 and 2013 reports covered a small number of countries as the organization focused on re-launching a modernized methodology in mid-2014.) For more information on the report, see https://www.globalintegrity.org/global-report/what-is-gi-report/

Transparency International (TI) ranks France 26th (of 175) on its corruption perception index, but maintains that France continues to face corruption challenges in certain areas (http://www.transparency.org/country#FRA_Overview). According to Transparency International’s chapter in France, the sectors most affected by corrupt practices are public works and the defense industry. TI France (http://www.transparency-france.org) works with French companies of all sizes to discourage and avoid corruption when investing in foreign countries. Transparency International’s website has material on the international fight against corruption, and France-specific information is posted at http://www.transparency.org/country#FRA. The U.S. embassy has received no specific complaints from U.S. firms of unfair competition or investment obstacles due to corrupt practices in France in recent years.

UN Anticorruption Convention, OECD Convention on Combatting Bribery: France became party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in 2000 and to the UN Anticorruption Convention in 2003. The Phase 3 report on France by the OECD Working Group on Bribery in International Transactions published on October 2012 chastised France for the very small number of convictions for bribery of foreign public officials (four individuals but no company) and suggested that it is partly due to the fact that victims of
foreign bribery (except corruption occurring within the EU) are prohibited from being civil parties to proceedings and initiating criminal cases. The Working Group further called for stricter limits on national security confidentiality, a point also recently cited by the Council of Europe Group of States against Corruption (GRECO). At the same time, the OCED Working Group welcomed the greater independence of public prosecutors and the efficacy of the French anti-money laundering authority TracFin in reporting cases.

Resources to Report Corruption:

The Central Office for the Prevention of Corruption (“Service Central de Prévention de la Corruption” or SCPC) is responsible for combating corruption. The SCPC is an inter-ministerial agency formally attached to the French Ministry of Justice. Established by Law 93-122 (January 29, 1993) on the prevention of corruption and the transparency of business and public procedures, its main role is to collect information regarding corruption-related offences and use it to prevent corruption. As part of that mandate, the SCPC publishes an annual report providing detailed statistics on corruption-related offenses and convictions. In its latest report, the agency called for the introduction of a legal requirement for large companies to implement an anti-corruption program similar to that imposed on businesses under the 2010 UK Bribery Act. A 1968 French law referred to as the “blocking statute” prohibits the communication of economic, commercial, industrial, financial or technical information or documents as part of foreign judicial proceedings, but the SCPC has served as a conduit (a role it would like to be formalized in an amendment to the blocking statute) between French companies and foreign bodies like the U.S. Department of Justice and the U.S. Securities and Exchange Commission.

Contact information for the SCPC (Central Office for the Prevention of Corruption):
Mailing Address :
Service Central de Prévention de la Corruption
13, Place Vendôme
75042 Paris Cedex 01
Email : scpc@justice.gouv.fr

Physical Address:
Service Central de Prévention de la Corruption
5, boulevard de la Madeleine
75001 Paris
Tel : (+33) 1 44 77 69 65

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

Bilateral Investment Agreements

Bilateral Taxation Treaties:
The United States and France do not have a Bilateral Investment Treaty (BIT) or Free Trade Agreement (FTA), although the two countries have enjoyed a Navigation and Commerce Treaty since 1822 which guarantees national treatment of U.S. citizens.

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 signed Bilateral Investment Treaties (BITs) with the following 95 countries: Albania, Algeria, Argentina, Armenia, Azerbaijan, Bahrain, Bangladesh, Bolivia, 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, Indonesia, Iran, Israel, Jamaica, Jordan, Kazakhstan, Korea (South), Kuwait, Kyrgyz Republic, Laos, Latvia, Lebanon, Liberia, Libyan Arab Jamahiriya, Lithuania, Macedonia, Madagascar, Malaysia, Malta, Mauritius, Mexico, Moldova, Morocco, Mozambique, Namibia, Nepal, Nicaragua, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Qatar, Romania, Russian Federation, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Sri Lanka, Sudan, Syria, Tajikistan, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Venezuela, Vietnam, Yemen, Zambia.

Bilateral Investment Treaties signed with the following 9 countries have yet to be ratified: Belarus, Brazil, Chad, Colombia, Ghana, Iraq, Kenya, Syrian Arab Republic, and Zimbabwe. The list of ratified and non-ratified BITs is on the UNCTAD website. (http://investmentpolicyhub.unctad.org/IIA/CountryBits/72#iiaInnerMenu)

French BITs generally cover the following:
• Just and equitable treatment no less favorable than that accorded to domestic investors or the most favored investors from a third country;
• Restrictions on expropriation of investments, and requirements that, in the case of expropriation, compensation is prompt and adequate;
• Free transfers;
• The ability to resolve investor-state disputes through binding international arbitration.

The United States and France have a bilateral tax treaty addressing, among other things, double taxation and tax evasion. The two countries signed a bilateral information exchange agreement related to the U.S. Foreign Account Tax Compliance Act (FATCA), which aims to combat off-shore tax evasion by U.S. taxpayers. Effective July 1, 2014, French banks and financial institutions must disclose names and addresses of U.S. account holders, as well as balances, receipts, and withdrawals to the U.S. Internal Revenue Service (IRS).

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).
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.

Current Labor Market: Unemployment has risen sharply since the 2008 economic crisis. The number of unemployed rose to an all-time high in 2014: 3.5 million unemployed, 43% out of work for more than a year. The rate of unemployment is also high, at 10% percent in mainland France and nearly 10.5 percent overall (including overseas territories) in late 2014. Regional disparities are significant, with unemployment rates ranging from 8.8 percent to 14 percent.

The unemployment rate among those aged 20 to 24 has not dropped below 16 percent in nearly 30 years, and – despite government programs that subsidize 450,000 jobs – has been at or above 22 percent since 2009 (reaching 23.7% in 2014). Many in the 20 to 24 age bracket have been affected by the growing problem in low-growth European countries: the young and educated unemployed go from one internship to another, one short-term contract to another, 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. Underemployment (defined as part-time workers unable to find full-time positions) increased from 212,000 to 1.7 million between 2006 and 2014. More than two-thirds of the underemployed are women.

Labor-Management Relations:

While the rate of union membership in France (around 8 percent overall; 5 percent in the private sector and 14 percent in the public sector) has steadily declined to just over half the rate 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 meet regularly with the workers council and health-and-safety council on an array of managerial decisions. French unions thus 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”) have a statutory role in national-level negotiations. Strikes are common in France, part of the social fabric even, but do not pose a more serious commercial risk to foreign investors than to local ones.

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,” one of France's high courts.

New labor laws:

The government that came into office in May 2012 has introduced three significant new labor laws. Their existence is evidence of a long-term shift from confrontational labor standoffs to negotiated solutions. The first, a new “employment security” law, was introduced on January 11, 2013 following a negotiated agreement between a majority of trade unions and employers’ organizations. Five years after signing their first labor
market flexibility agreement, which introduced labor contract termination by mutual consent, this new “flexicurity law” gives struggling companies up to two years of enhanced flexibility on wages and part-time employment, and establishes portable individual accounts for training and unemployment insurance. At the same time, to discourage the “over-use” of short-term contracts, the flexicurity law increases employers’ contribution to unemployment insurance from 4 percent to 7 percent for contracts of less than a month, to 5.5 percent for contracts of one to three months, and 4.5 percent for contracts of more than three months. The impact of these measures is likely to be greatest in the hotel and restaurant sectors. Finally, the new law sets a minimum of 24 hours a week for part-time employment.

The second, the government’s January 2014 pension reform law, does not change the legal age of retirement, which remains unchanged at 62, but it extends the pension contribution period for both public and private sector employees from 41.5 to 43 years by 2035. The new law provides for a general 0.3% rise in employee and employer pension contributions over a period of four years. Finally, the text provides for the creation of an individual hardship prevention account from 2015, enabling employees exposed to certain hardship factors, such as night or dangerous work, to benefit from a reduced contribution period to gain entitlement to a full pension. The law will be implemented by further government decrees laying out the new requirements for employers to notify daily and for each employee separately the new “pension points” that will be part of employees’ personal hardship accounts.

The third is a March 2014 law on vocational training that grants workers (as of January 1, 2015) an individual vocational training account (of up to 150 hours over 8 years) that is portable when the employee moves to a new employer. These individual training accounts will be financed by employers at 0.55% to 1% of staff wages depending on the size of the company. The new law also stipulates that companies help finance the trade unions, though the contribution formula and mechanism were not specified. It also provides greater government financial support for apprenticeship.

The 2015 Finance bill has earmarked an additional €200 million to finance the hiring of apprentices under apprenticeship contracts, which are no longer limited in time but can be part of open-ended contracts for young people between 16 and 25 years of age. Apprenticeship contracts cost €800 million a year, financed by private companies and regions, which receive subsidies from the central government. At the end of 2014, the French government eliminated the infamous 75-percent marginal income tax rate that employers had to pay on the portion of individual employees’ salaries exceeding €1 million per year.

The Growth and Activity Bill, also known as the Macron law after the Minister of the Economy, Industry and Digital Affairs Emmanuel Macron, unveiled in December 2014, proposes an acceleration of the proceedings before the Labor Court to prevent cases from dragging on for years. The bill also includes provisions on Sunday and evening work together with an increase in salary compensation.

In April 2015, the Labor Minister, François Rebsamen, was expected to present a bill streamlining the labor code and revising the format of structured labor negotiations referred to as the "social dialogue" between the "social partners" (business, labor, and the government).
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 is standard and 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 size companies. Companies with more than 10 employees must begin to meet a wider range of administrative requirements and companies with 50 or more employees face a very large number of administrative and health regulations.

For a review of French compliance with international labor standards, see Section 7 at: http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm.

Foreign-Trade Zones/Free Ports

France is subject to all European Union free trade zone regulations. These allow member countries to designate portions of their customs territory as free trade zones and duty-free warehouses in return for commitments favoring employment. France has several, which benefit from exemptions on corporate taxes, payroll taxes, and real estate taxes. The French Customs Service administers them, and provides details on its website (http://www.douane.gouv.fr). French legal texts are published online at http://legifrance.gouv.fr.

Foreign Direct Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

<table>
<thead>
<tr>
<th>Economic Data</th>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
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* Host Country Statistical source: BEA; IMF; Eurostat; UNCTAD, Other
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<th>Host Country</th>
<th>USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other</th>
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<tr>
<td>2013</td>
<td>$2,807,205 with average $/€ rate 1.328</td>
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<tr>
<td>Foreign Direct Investment</td>
<td>Host Country Statistical source*</td>
<td>USG or international statistical source</td>
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<tr>
<td>U.S. FDI in partner country ($M USD, stock positions)</td>
<td>2013</td>
<td>$82,870 ($83 billion)</td>
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<tr>
<td></td>
<td>2013</td>
<td>$77,964 ($78 billion)</td>
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<td></td>
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<td><a href="http://www.bea.gov/iTable/iTable.cfm?ReqID=2&amp;step=1#reqid=2&amp;step=10&amp;isuri=1&amp;202=1&amp;203=30&amp;204=10&amp;205=1,2&amp;207=43&amp;208=2&amp;209=1&amp;200=1&amp;201=1">http://www.bea.gov/iTable/iTable.cfm?ReqID=2&amp;step=1#reqid=2&amp;step=10&amp;isuri=1&amp;202=1&amp;203=30&amp;204=10&amp;205=1,2&amp;207=43&amp;208=2&amp;209=1&amp;200=1&amp;201=1</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Host country’s FDI in the United States ($M USD, stock positions)</td>
<td>2013</td>
<td>$196,293</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>$226,131</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.bea.gov/iTable/iTable.cfm?ReqID=2&amp;step=1#reqid=2&amp;step=10&amp;isuri=1&amp;202=1&amp;203=22&amp;204=10&amp;205=1,2&amp;207=43&amp;208=2&amp;209=1&amp;200=2&amp;201=1">http://www.bea.gov/iTable/iTable.cfm?ReqID=2&amp;step=1#reqid=2&amp;step=10&amp;isuri=1&amp;202=1&amp;203=22&amp;204=10&amp;205=1,2&amp;207=43&amp;208=2&amp;209=1&amp;200=2&amp;201=1</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total inbound stock of FDI as % host GDP</td>
<td>2013</td>
<td>25.2% of 2013 GDP</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>27.9% of GDP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Numbers at left are Total inbound stock of FDI from all countries into France ÷ French GDP from Banque of France: ($706.3 $2,807,205 = 25.2%) //and// Total inbound stock of FDI based on IMF data ÷ French GDP from WB: (783,712÷2,806,428 = 27.9%)</td>
</tr>
</tbody>
</table>

*First column GDP data from INSEE, the National Institute for Statistics and Economic Studies; First column FDI data from Banque de France (central bank).

**Table 3: Sources and Destination of FDI**

IMF data below (http://cdis.imf.org) are not consistent with France’s data in terms of amounts and rankings. According to the Bank of France total inward direct investment totaled $706.3 billion, not $783.7 billion in 2013. The new method used by the Bank of France -- the OECD revised Benchmark Definition for FDI -- results in a significant decrease in direct investment flows and stocks compared to previous estimates based on the IMF definition. FDI data published by the Bank of France have been revised as part of an EU-wide adoption of this new definition, according to which loans between companies of the same group are classified according to the residence of the group’s headquarters. This is intended to filter out transactions between shell companies, or special-purpose entities, and intra-company transfers; for example, a loan from a Dutch subsidiary of a French group to another subsidiary of the same group in France is no longer counted as a Dutch direct investment in France, but as a French disinvestment in the Netherlands.
## Direct Investment from/in Counterpart Economy Data

### From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*

<table>
<thead>
<tr>
<th>Inward Direct Investment</th>
<th>Outward Direct Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Inward</td>
<td>Total Outward</td>
</tr>
<tr>
<td>783,712</td>
<td>1,350,083</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Belgium</td>
</tr>
<tr>
<td>133,495</td>
<td>209,401</td>
</tr>
<tr>
<td>Netherlands</td>
<td>United States</td>
</tr>
<tr>
<td>123,090</td>
<td>207,673</td>
</tr>
<tr>
<td>United States</td>
<td>Netherlands</td>
</tr>
<tr>
<td>86,260</td>
<td>132,326</td>
</tr>
<tr>
<td>Germany</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>85,446</td>
<td>121,411</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Germany</td>
</tr>
<tr>
<td>81,829</td>
<td>75,599</td>
</tr>
</tbody>
</table>

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

### Table 4: Sources of Portfolio Investment

Source: cpis.imf.org. Data are from June 2014. IMF data for total portfolio investment assets are consistent with France’s data: the rankings are the same, and amounts in USD are only slightly different (exchange rate for the Euro is the average exchange rate in 2013 published by the ECB). However the breakdown by equity securities and total debt securities does not show the same results. A portion of portfolio investment may come from tax havens in 2013. France has a black list of tax havens, and removes countries when they agree to provide tax information.

### Portfolio Investment Assets

#### Top Five Partners (Millions, US Dollars)

<table>
<thead>
<tr>
<th>Total Partners</th>
<th>Equity Securities</th>
<th>Total Debt Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Countries</td>
<td>3,052,170</td>
<td>2,201,672</td>
</tr>
<tr>
<td>Italy</td>
<td>373,790</td>
<td>333,642</td>
</tr>
<tr>
<td>Netherlands</td>
<td>356,394</td>
<td>304,262</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>320,233</td>
<td>102,535</td>
</tr>
<tr>
<td>UK</td>
<td>277,315</td>
<td>207,647</td>
</tr>
<tr>
<td>Germany</td>
<td>273,963</td>
<td>171,428</td>
</tr>
</tbody>
</table>

Contact Point at Post

MINISTER-COUNSELOR FOR ECONOMIC AFFAIRS
James T. Heg
Chapter 7: Trade and Project Financing

- How Do I Get Paid (Methods of Payment)
- How Does the Banking System Operate
- Foreign-Exchange Controls
- U.S. Banks and Local Correspondent Banks
- Project Financing
- Web Resources

How Do I Get Paid (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
- 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:
http://www.europarl.europa.eu/
http://www.ecb.int/
http://ec.europa.eu/
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 percent 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.

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. 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.

U.S. Banks and 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

Société Générale: Société Générale (Chicago, Dallas, Houston and New York); SG Equipment (Jersey City); SG CIB (New York); CGI North America (Baltimore); TCW (New York); Société Générale Private Banking (New York and Miami); Amundi (Chicago) http://www.socgen.com


Banque Transatlantique (New York) http://www.transat.tm.fr

NATIXIS (Houston, New York): http://www.natixis.com

Crédit Agricole: Calyon (Chicago, Houston, New York); Credit Agricole Private Banking (Miami); http://www.ca-cib.fr/; http://www.ca-privatebanking.com/
Dexia Credit Local (New York): http://www.dexia.com

**Major American banks and financial institutions present in Paris:**

American Express Cartes France
4, rue Bleriot
92500 Rueil-Malmaison CEDEX
Tel: (+33) 1 47 77 77 07
Website: http://www.americanexpress.fr

Bank of America Merrill Lynch
112, avenue Kléber
75116 Paris
Tel: (+33) 1 53 65 55 55; Fax: (+33) 1 53 65 58 04
Website: http://www.bankofamerica.com

The Bank of New York Mellon (representative office)
13-15, boulevard de la Madeleine
75001 Paris
Tel: (+33) 1 42 97 90 20 ; Fax: (+33) 1 42 97 43 73
Website: http://www.bankofnewyork.com

Banque AIG (subsidiary)
112, avenue Kleber
75116 Paris
Tel: (+33) 01 56 90 09 36
Website: http://www.aig.com

Goldman Sachs (subsidiary)
5, avenue Kleber
75116 Paris
Tel: (+33) 01.42.12.10.00
Website: http://www.gs.com

Citigroup Global Markets Limited
1-5 rue Paul Cézanne
75008 Paris
Tel: (+33) 01.70.75.50.00
Website: http://www.citibank.fr

JP Morgan Chase Bank (subsidiary)
14, Place Vendôme
75001 Paris
Tel: (+33) 1 40 15 45 00
Websites: http://www.jpmorganchase.com
http://www.jpmorganassetmanagement.com
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 EuropeAid 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 EUR 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 EUR 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 EUR 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](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 EUR 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 EUR 11.4 billion. Its successor, IPA II, will build on the results already achieved by dedicating EUR 11.7 billion for the period 2014-2020.

Key Link: 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 EUR 11.9 billion for 2007-2013. Progress reports for 2014 are available.

Key Link: http://eeas.europa.eu/enp/documents/progress-reports/index_en.htm

**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 EUR 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.

Web Resources


Country Limitation Schedule:

OPIC: http://www.opic.gov

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: http://ec.europa.eu/regional_policy/index_en.htm


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

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


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- Transportation
- Language
- Health
- Local Time, Business Hours and Holidays
- Temporary Entry of Materials and Personal Belongings
- Web Resources

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

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: http://travel.state.gov/content/visas/english.html
Consular Section of the U.S. Embassy Paris:
http://france.usembassy.gov/consulara.html

Telecommunications

10/16/2015
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; international directory inquiries may be reached by dialing 0-800-99-00-11 (AT&T Direct U.S. operator). Most public phones in France are equipped for the convenient "Télécartes" (pre-paid cards) available in tobacco shops, post offices and subway/railway stations. In addition, Voice-over-Internet-Protocol (VoIP) services are widely available.

**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:
http://france.usembassy.gov/consulara.html

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
Website: https://www.american-hospital.org

**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.

French Holidays

January 1, 2015        New Year's Day
April 6, 2015         Easter Monday
May 1, 2015           Labor Day
May 8, 2015           Veterans' Day (WWII)
May 14, 2015          Ascension Day
May 25, 2015          Whit Monday
July 14, 2015         French National Day
August 15, 2015       Assumption Day
November 1, 2015      All Saints' Day
November 11, 2015     Veterans' Day (WWI)
December 25, 2015     Christmas (Noël)

Temporary Entry of Materials and 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.

Web Resources

State Department Travel Website: http://travel.state.gov
State Department Visa Website: http://travel.state.gov/content/visas/english.html
Consular Section of the U.S. Embassy Paris: http://france.usembassy.gov/consulara.html

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Contacts

FRANCE:

U.S. Embassy Trade Related Contacts

AMBASSADOR
Jane Hartley  
American Embassy  
2, avenue Gabriel  
75008 Paris  
France  
Phone: (+33-1) 43.12.27.00  
Fax: (+33-1) 42.66.97.83  
Website: http://france.usembassy.gov/

DEPUTY CHIEF OF MISSION
Uzra Zeya  
American Embassy  
2, avenue Gabriel  
75008 Paris  
France  
Phone: (+33-1) 43.12.28.00  
Fax: (+33-1) 42.66.97.83  
Website: http://france.usembassy.gov/

MINISTER-COUNSELOR FOR COMMERCIAL AFFAIRS
Reginald A. Miller  
American Embassy  
2, avenue Gabriel  
75008 Paris  
Phone: (+33-1) 43.12.70.83; Fax: (+33-1) 43.12.70.50  
Email: Paris.office.box@trade.gov; Website: http://export.gov/france/

MINISTER-COUNSELOR FOR ECONOMIC AFFAIRS
James T. Heg  
American Embassy  
2, avenue Gabriel  
75008 Paris
Phone: (+33-1) 43.12.26.54
Fax: (+33-1) 42.66.97.83
Website: http://france.usembassy.gov/

MINISTER-COUNSELOR FOR AGRICULTURAL AFFAIRS
David G. Salmon
American Embassy
2, avenue Gabriel
75008 Paris
Phone: (+33-1) 43.12.23.29
Fax: (+33-1) 43.12.26.62
Email: AgParis@usda.gov; Website: www.usda-france.fr

AMERICAN PRESENCE POST - BORDEAUX
Thomas (Toby) Wolf, Consul
89, Quai des Chartrons
33300 Bordeaux
Phone: (+33-5) 56.48.63.80; Fax: (+33-5) 56.51.61.97
Email: usabordeaux@state.gov or wolftw@state.gov
Website: http://bordeaux.usconsulate.gov/

AMERICAN PRESENCE POST – LYON
Clayton Stanger, Consul
1 Quai Jules Courmont, 69002 Lyon
Ph.: 33-4-78-38-33-03; Fax: 33-4-7241-7181
E-mail: usalyon@state.gov or StangerCM@state.gov
Website: http://lyon.usconsulate.gov/

U.S. CONSULATE GENERAL - MARSEILLE
Monique Quesada, Consul General
Place Varian Fry
13286 Marseille
France
Phone: (+33-4) 91 54 92 00; Fax: (+33-4) 91 55 56 95
E-mail: QuesadaMV@state.gov
Website: http://marseille.usconsulate.gov/

AMERICAN PRESENCE POST - RENNES
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Phone: (+33-2) 23 44 09 65; Fax: (+33-2) 99 35 00 92
E-mail: BetheaTS@state.gov or usarennnes@state.gov
Website: http://rennes.usconsulate.gov/

U.S. CONSULATE GENERAL - STRASBOURG
Amy Westling, Consul General
15, avenue d’Alsace
67082 Strasbourg CEDEX
France
Phone: (+33-3).88.35.31.04; Fax: (+33-3).88.24.06.95
Email: WestlingAP@state.gov
Website: http://strasbourg.usconsulate.gov/

AMERICAN PRESENCE POST - TOULOUSE
Mark Rincon, Consul
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31000 Toulouse
Phone: (+33-5) 34.41.36.50; Fax: (+33-5) 34.41.16.19
Email: schnellerri@state.gov
Website: http://toulouse.usconsulate.gov/

U.S. CONSULAR AGENCY - NICE
7, avenue Gustave V
06000 Nice
Phone: 04 93 88 89 55
Email: citizeninfomarseille@state.gov
Website: http://marseille.usconsulate.gov/

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
UBIFRANCE:
http://www.ubifrance.com/

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

French Customs
SERVICE DES DOUANES:
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 FRANÇAISE DE NORMALISATION – AFNOR :
http://www.afnor.fr

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

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

French Tariffs nomenclature:

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

List of French Customs Corporate Counseling Offices

French Importation Document:
http://www.douane.gouv.fr/

French customs for E-Commerce and postal package:
http://www.douane.gouv.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 Certification Organizations
http://www.marque-nf.com/organismes_mandates

French Technical secretariats involved with the certification process:
http://www.marque-nf.com/secretariats_techniques

French Testing Laboratories
http://www.marque-nf.com/liste_laboratoires
Other Country Trade 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-AMERCAINE
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 Employers Association
MEDEF – Mouvement des Entreperises 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.cgpmepdl.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 Études 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'Evènement
http://www.unimev.fr

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

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

Bakery Equipment Industry Association
UNION DES FABRICANTS FRANCAIS D'EQUIPEMENTS POUR LA BOULANGERIE
http://www.uffeb.com

Business Gifts Professionals Union
SYNDICATS DES PRODUCTEURS DE CADEAUX D'AFFAIRES ET D'OBJETS PUBLICITAIRES - SYPOGRAF
Chemical Industry Association
UNION INDUSTRIELLE DE LA CHIMIE
http://www.uic.fr

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

Farm Machinery Industry Association
SYNDICAT GENERAL DES CONSTRUCTEURS DE TRACTEURS ET MACHINES AGRICOLES

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

French Federation of Jewelry, Gifts, Diamonds, Gems, Pearls and Related Activities
UNION FRANCAISE 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 Aeronautic 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. Produceurs
UNION NATIONALEDES INDUSTRIES DU BRICOLAGE DU JARDINAGE ET DES ACTIVITES MANUELLES DE LOISIR

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, ENCRES, 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 BEAUTE
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 Plastics Manufacturers
SYNDICAT DES PRODUCTEURS DE MATIERE PLASTIQUE
http://www.lesplastiques.com

Railroad Industry Federation
FEDERATION DE L'INDUSTRIE FEROVIAIRE
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

AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION:
http://www.americanexpress.fr

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
GEODIS: http://www.geodis.com
REGUS: http://www.regus.com
SNCF FRET: http://www.sncf.fr
UPS: http://www.ups.com

In the EUROPEAN UNION:

United States Department of Commerce - Contacts at the U.S. Mission to the EU:

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B-1000 Brussels, Belgium  
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Fax: 32.2.811.5151  
E-mail: brussels.ec.office.box@trade.gov  
Website: http://export.gov/europeanunion/

United States Department of Agriculture - Contacts at the U.S. Mission to the EU:
Office of Agricultural Affairs  
U.S. Mission to the European Union  
Rue Zinner 13  
B-1000 Brussels, Belgium  
Tel.: 32.2.811.4247  
Fax: 32.2.811.5560  
E-mail: AgUSEUBrussels@fas.usda.gov  
Website: http://www.fas.usda.gov/regions/european-union

The European Commission:
European Commission  
Rue de la Loi 200 / Wetstraat 200  
B-1049 Brussels, Belgium  
Tel: 32.2.299.11.11 (switchboard)  
Fax: 32.2.295.01.38 (also 295.01.39 and 295.01.40)  
Websites: http://ec.europa.eu/index_en.htm (European Commission)  

For general information about the European Union:
Delegation of the European Commission to the United States  
Washington, D.C. 20037  
Tel: (202) 862-9500  
Fax: (202) 429-1766  
Website: http://www.eurunion.org/

Directorate General Taxation and Customs Union  
Rue de la Loi 200  
1049 Brussels  
Tel: 32.2.299.50.50  
Fax: 32.2.296.90.46  
Website: http://ec.europa.eu/taxation_customs/index_en.htm
Directorate General Enterprise and Industry
Avenue d’Auderghem 45/Rue Belliard 100
1049 Brussels, Belgium
Tel: 32.2.299.56.72
Fax: 32.2.299.16.75
Website: http://ec.europa.eu/enterprise/index_en.htm

Directorate General for Environment
Website: http://ec.europa.eu/dgs/environment/index_en.htm

Directorate General Health and Consumers (SANCO)
4 Rue Breydel/101 Rue Froissart
1040 Brussels - Belgium

The Cosmetics & Medical Devices and Pharmaceuticals units are located at:
24 Rue De Mot
1040 Brussels, Belgium
Tel: 32.2.299.11.11
Website: http://ec.europa.eu/dgs/health_consumer/index_en.htm

Directorate General for Trade
Multiple locations

EFTA – European Free Trade Association
Rue Joseph II, 12-16
B – 1000 Brussels
Tel: 32.2.286.17.11
Fax: 32.2.286.17.50
Website: http://www.efta.int/

Business Associations:
AmchamEU
53 Avenue des Arts
1000 Brussels, Belgium
Tel: 32.2.513.68.92
Fax: 32.2.513.79.28
Website: http://www.amchameu.eu/

Business Europe
The Confederation of European Business
Avenue de Cortenbergh 168
1000 Brussels, Belgium
Tel: 32.2.237.65.11
Fax: 32.2.231.14.45
Website: www.businesseurope.eu

Tech America Europe
40 Rue des Drapiers
1050 Brussels, Belgium
Tel: 32.2.502.75.60
Fax: 32.2.502.67.34
Website: http://www.techamerica.org/europe

The European Institute
1001 Connecticut Avenue, N.W., Suite 220, Washington DC, 20036-5531
Tel: (202) 895-1670
Website: http://www.europeaninstitution.org/

Centre for European Policy Studies (CEPS)
1 Place du Congres
B-1000 Brussels, Belgium
Tel: 32.2.229.39.11
Fax: 32.2.219.41.51
Website: http://www.ceps.eu/index.php

The European Policy Centre
Residence Palace
155 Rue de la Loi
1040 Brussels, Belgium
Tel: 32.2.231.03.40
Fax: 32.2.231.07.04
Website: http://www.epc.eu/

European Round Table of Industrialists (ERT)
Place des Carabiniers 18a
B-1030 Brussels
Tel: 32 2 534 31 00
Fax: 32 2 534 73 48
Website: http://www.ert.be/

The Transatlantic Policy Network
Rue Froissart 115, 1st floor
B-1040 Brussels, Belgium
Tel: 32.2.230.61.49
Fax: 32.2.230.58.96
Website: http://www.tponline.org/

Transatlantic Business Council
Washington Office
919 18th Street NW, Suite 220
Washington, DC 20006
Tel: 1 202 828 9104
Fax: 1 202 828 9106

Brussels Office
Av. de Cortenbergh 168
1000 Brussels
Tel: 32 2 514 05 01
Website: http://transatlanticbusiness.org/

The Trans European Policy Studies Association (TEPSA)
Key EU-related websites:

For general information on the European Union
The EU's portal website
http://europa.eu/

Resource for EU news, policy positions and actors
http://www.euractiv.com/

A to Z index of European Union websites
http://www.eurunion.org/infores/euindex.htm

For information on topics related to doing business in the European Union
EU's "One Stop Internet Shop for Business" (EU funds, technical standards, intellectual property law, and free access to public procurement tender notices via the Tenders Electronic Daily (TED) database):

EU Member State Chambers of Commerce in the U.S.
http://www.eurunion.org/states/doingbizweu.htm

EU market access database (information on tariffs and other trade information)
http://madb.europa.eu/

EURLEX – Access to EU law

CORDIS – Community Research and Development Information Service (EU research and innovation website)
http://cordis.europa.eu/

European Commission Statistical Office (Eurostat)
http://epp.eurostat.ec.europa.eu/

EU Office of Official Publications
http://publications.europa.eu/

EU official website on the euro
http://ec.europa.eu/euro/index_en.html

European Central Bank, Frankfurt
http://www.ecb.int/

European Investment Bank, Luxembourg
http://www.eib.org/
Council of the European Union
http://www.consilium.europa.eu/

European Commission
http://ec.europa.eu/index_en.htm

European Parliament
http://www.europarl.europa.eu/

European Court of Justice
http://curia.europa.eu/

EU Who is Who – The Official Directory of the European Union

In the UNITED STATES:

Washington-based USG Country Contacts

UNITED STATES DEPARTMENT OF COMMERCE
Office of European Union and Regional Affairs
Ellen House, France Desk Officer
14th Street and Constitution Avenue
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Washington, DC 20230
Phone: (202) 482 0360
Email: ellen.house@trade.gov
Websites: http://www.export.gov/

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Office of Western European Affairs EUR/WE
Washington, DC 20520
France – Senior France Desk Officer – Daniel Mangis
Email : MangisDE@state.gov
Phone: (202) 647-4372
France – Junior France Desk Officer – Nicole Warin
Email: WarinND@state.gov
Phone: (202) 647-4361; Fax: (202) 647-3459
Website: http://www.state.gov

Nicholas Sherman
U.S. Department of Energy
Policy and International Affairs
Office of European and Asian Pacific Affairs, PI-32
Forrestal Building, Rm. 7H-021
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Washington, DC 20585
Tel: 202-586-3903; Fax: 202-586-5445
Email: Nicholas.Sherman@hq.doe.gov
ENVIROMENTAL PROTECTION AGENCY
International Environmental Policy
Anna Phillips
Program Manager for Europe
USEPA Headquarters
1200 Pennsylvania Avenue, N.W.
Mail Code: 2650R
Washington, DC 20460
Phone: (202) 564-6607; or (202) 564-6400 (general number)
Website: http://www.epa.gov

U.S. DEPARTMENT OF LABOR
Bureau of International Labor Affairs
J. William Brumfield, Foreign Service Coordinator
Phone: (202) 693-4855
Fax: (202) 693-4860
200 Constitution Ave., NW
Washington, DC 20210
Email: Brumfield-william@dol.gov
Website: http://www.dol.gov

TREASURY DEPARTMENT
Peter Maier
International Economist
Office of Europe and Eurasia, Rm 4128A
U.S. Treasury Department
Washington, DC
Phone: 202-622-4375
Fax: 202-622-2308
Website: http://www.treas.gov

OFFICE OF THE U.S. TRADE REPRESENTATIVE
David Weiner (responsible for France)
Office of Europe and the Middle East
600, 17th Street, NW
Washington, DC 20506
Phone: 202-395-9679
Fax: (202) 395-3511
Email: David_Weiner@ustr.eop.gov
Website: http://www.ustr.gov

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of Trade Programs (OTP)
Director for Market Developments and Grants Management Division
14th Street and Independence Avenue SW
Washington, DC 20250
Tel: (202) 690 159; Fax: (202) 690 0193
Website: http://www.fas.usda.gov

FOOD AND DRUG ADMINISTRATION
Department of Health and Human Services
U.S.-Based Multipliers

FRENCH EMBASSY ECONOMIC & COMMERCIAL AFFAIRS
Website:  http://www.businessfrance.fr/  www.info-France-usa.org  ;  www.ambafrance-us.org

FRENCH-AMERICAN CHAMBER OF COMMERCE IN THE U.S.
http://www.faccnyc.org

Market Research

To view market research reports produced by the U.S. Commercial Service please go to the following website: http://www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

Please click on the link below for information on upcoming trade events.

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

(Add link to trade events section of local buyusa.gov website here or just delete this text.)
Chapter 10: Guide to Our Services

CS Europe:

CS Europe, the regionalization of our Commercial Service offices throughout Europe, was created to find a more effective way to promote U.S. exports, advocate for U.S. business interests and attract foreign investment to the United States. Working together in teams from across Europe, we help U.S. firms capitalize on multi-market opportunities and address both policy and advocacy challenges in countries that share common rules, regulations and standards. By leveraging our industry expertise across multiple countries, we enable clients to build pan-European business strategies as well as find efficient multi-market business solutions.

SelectUSA:

SelectUSA was created by President Obama in June 2011 through Executive Order 13577, as the U.S. government-wide program to promote and facilitate business investment into the United States, including foreign direct investment (FDI) and reshoring.

The program is housed within the Commerce Department and coordinates investment-related resources across more than 20 federal agencies through the Interagency Investment Working Group (IIWG). SelectUSA provides services to two types of clients: investors and U.S. economic development organizations at the state and local level.

Services include:

Information Assistance: SelectUSA provides information to investors on the benefits of establishing operations in the United States, as well as the information needed to move investments forward. Investors can access facts, data and local contacts for the U.S. market. SelectUSA also works closely with state, local and regional economic developers to provide counseling on strategy, best practices, and on-the-ground intelligence from the Foreign Commercial Service network across more than 70 foreign markets.

Ombudsman Services: SelectUSA coordinates federal agencies to address investor concerns relating to a wide range of federal regulatory issues – helping them to navigate an unfamiliar system.

Investment Advocacy: U.S. state and local governments often find themselves competing with a foreign location for a project. SelectUSA can coordinate senior U.S. government officials to advocate to the investor to bring those jobs to the United States. Promotional Platform: SelectUSA brings the power of the “USA” brand to high-profile events, such as, such as the upcoming 2015 Investment Summit, to attract investors to learn about our nation’s investment opportunities. SelectUSA organizes international
Road Shows and missions to trade fairs, while also offering tailored on-the-ground assistance in more than 70 markets.

Note: SelectUSA exercises strict geographic neutrality, and represents the entire United States. The program does not promote one U.S. location over another U.S. location.

For more information on SelectUSA and services provided for investors and economic development organizations please click on the following link: http://selectusa.commerce.gov/

National Export Initiative:

The President's National Export Initiative/NEXT marshals Federal agencies to provide customer service-driven services and actionable information resources that ensure American businesses are able to capitalize on expanded opportunities to sell their goods and services abroad.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government’s trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact (800) USA-TRAD(E).

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, The Department of Commerce does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. The Department of Commerce can assist companies in these endeavors.

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