



Doing Business in France:

2009 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in France

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Market Overview

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France and the U.S. are long-standing, close allies. Despite occasional differences of views, the U.S. and France work together on a broad range of trade, security and geopolitical issues.

With a GDP of approximately \$2.5 trillion, France is the world's sixth-largest economy. It has substantial agricultural resources, a large industrial base, and a highly skilled work force. A dynamic services sector accounts for an increasingly large share of economic activity and is responsible for nearly all job creation in recent years. Real GDP increased by 0.8% in 2008. According to different sources, projections for 2009 GDP would show a decrease of 1 to 1.5 percent.

France is a member of the G-8, the European Union, the World Trade Organization and the OECD, confirming its status as a leading economic player in the world.

France is the second-largest trading nation in Western Europe (after Germany). France ran a record-setting \$79 billion deficit in calendar year 2008. Total trade for 2008 amounted to \$1,249.8 billion, 75.0% of which was with EU-24 countries.

Trade and investment between the U.S. and France are strong. On average, over 1 billion dollars in commercial transactions take place between France and the U.S. every day, with the U.S. being France's sixth-ranked supplier and its sixth-largest customer. France ranks as the United States' eighth trading partner for total goods (imports and exports).

“Although trade in goods and services receive most of the attention in terms of the commercial relationship, foreign direct investment and the activities of foreign affiliates can be viewed as the backbone of the commercial relationship. The scale of sales of U.S.-owned companies operating in France and French-owned companies operating in the United States outweighs trade transactions by a factor of almost five. In 2006, France was the eleventh largest host country for U.S. foreign direct investment abroad and the United States with investments valued at \$65.9 billion was the number one foreign investor in France. During that same year, French companies had direct investments in the United States totaling \$159 billion (historical cost basis), making France the fifth largest investor in the United States. French-owned companies employed some 473,000 workers in the United States in 2005 compared to 619,000 employees of U.S. companies invested in France.”¹

¹ CRS Report for Congress. Order Code RL32459. *U.S.-French Commercial Ties*. Updated April 7, 2008 – <http://www.fas.org/sgp/crs/row/RL32459.pdf>

U.S.-France trade in goods and services totaled nearly \$100 billion 2007 and is estimated at \$ 105 billion in 2008, including one third in services and two thirds in goods. The main trading categories are U.S. industrial chemicals, aircraft and engines, electronic components, telecommunications, computer software, computers and peripherals, analytical and scientific instrumentation, medical instruments and supplies, broadcasting equipment, and programming and franchising are particularly attractive to French importers.

The trade balance on all bilateral transactions between the United States and France can be viewed at: <http://www.bea.gov/bea/international/bp>

Market Challenges

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Government economic policy aims to promote investment and domestic growth in a stable fiscal and monetary environment. Creating jobs and reducing the high unemployment rate through recovery-supportive policy has been a top priority. The unemployment rate in metropolitan France slipped to 7.4% in the fourth quarter of 2008. Unemployment is expected to increase in 2009.

Despite significant reform and privatization over the past 15 years, the government continues to control a large share of economic activity: Government spending, at 53 % of GDP in 2007, is among the highest in the G-7. Regulation of labor and product markets is pervasive. The government continues to own shares in corporations in a range of sectors, including banking, energy production and distribution, automobiles, transportation, and telecommunications.

Legislation passed in 1998 shortened the legal workweek from 39 to 35 hours for most employees effective January 1, 2000. Recent assessments of the impact of workweek reduction on growth and jobs have generally concluded that the goal of job creation was not met. The former administration under President Chirac introduced increasing flexibility into the law. Under President Nicolas Sarkozy's impetus, overtime work is exempted from income taxes and payroll taxes as of October 1, 2007, a move to encourage work and to increase work time. The business community welcomed government efforts to change the 35-hour workweek, but has complained that measures are difficult to implement. The government is taking measures to make the law less rigid and is seeking to introduce more flexibility in employment contracts.

Market Opportunities

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Leading non-agricultural products considered to offer "best prospects" for U.S. business in France are (in order of market size): Travel and Tourism, Aircraft and Parts, Safety and Security Equipment, Computer Services, Computer Software, Industrial Chemicals, Computer and Peripherals, Telecommunications Equipment, Water Resources Equipment and Services, Medical Equipment, Automotive Parts Equipment, Plastics, Cosmetics, Education Services, Textile, Direct Marketing and E-Commerce Business to Consumer.

The French market for food products is mature, sophisticated and well served by suppliers from around the world. Additionally, increasing interest in American culture, younger consumers and changing lifestyles are contributing to France's import demand for food products from the United States. Generally, high quality food products with an American image can find a niche in the French market, particularly if they can gain distribution through stores and supermarkets that specialize in U.S. or foreign foods. Significant market opportunities for consumer food/edible fishery products exist 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 (especially salmon and surimi), innovative dietetic and health products, organic products, soups, breakfast cereals and pet foods and treats. In addition, niche markets exist in France for candies, chocolate bars, wild rice and kosher foods that have shown rising demand. Market opportunities for U.S. exporters also exist for oilseeds, protein meals and other feeds, as well as for wood products and grains.

Market Entry Strategy

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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 U.S., notwithstanding some significant differences in cultural factors and certain legal and regulatory restrictions. Local partners are readily available in most sectors and product lines, although competition can be fierce.

In support of U.S. commercial interests in France, the U.S. Embassy in Paris uses the combined resources of various U.S. Government agencies to promote exports of U.S. goods and services. It also supplies information on trade and investment opportunities, and serves as an advocate for U.S. firms.

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Chapter 2: Political and Economic Environment

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>

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Using an Agent or Distributor

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Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with European Union (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. In essence, 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, including the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that the Directive states that parties may not derogate 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:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of such "vertical agreements." Most U.S. exporters are small- and medium-sized companies (SMEs) and are therefore exempt from the Regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of affecting 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 undertakings. The EU has additionally indicated that agreements that affect less than 10 percent of a particular market are generally exempted as well (Commission Notice 2001/C 368/07).

Key Link: http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

The EU also looks to combat payment delays with Directive 2000/35/EC. This 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. In sum, the Directive entitles a seller who does not receive payment for goods/services within 30-60 days of the payment deadline to collect interest (at a rate of 7 percent above the European Central Bank rate) as compensation. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link: http://ec.europa.eu/enterprise/regulation/late_payments/index.htm

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.

Key Link: <http://www.ombudsman.europa.eu/home/en/default.htm>

Considering the host of distribution options available in France, the exporter must carefully select the method best suited to his or her product. French buyers generally prefer to purchase through an intermediary, making sales directly to the end-user uncommon. However, sales of expensive, technically sophisticated goods are an exception to this rule.

Intermediaries may take one of three primary forms under French law:

- Distributor
- Agent
- Salaried Representative

Distributor:

A distributor (*concessionnaire*) is an individual or legal entity who purchases goods directly from a producer for the purpose of resale. The distributor operates independently and is only bound by the written provisions of the distribution agreement. These agreements, however, are subject to specific rules and regulations regarding exclusive distribution and price setting.

Contract termination conditions are important, and vary with the type of distribution agreement. Either party without prior notification or indemnification may terminate a distribution agreement of specified duration at the end of the contract period. If the termination takes place before the end of the contract period, the terminating party may be sued for breach of contract.

Either party may terminate a distribution agreement with an unspecified duration without indemnification after a fair notice period, usually six months. Termination by the supplier without fair notice may be grounds for damage claims by the distributor.

Agent:

This category covers commercial agents and those acting as agents but not fulfilling the requisites for commercial agent status. Unlike distributors, agents do not actually purchase goods for resale; instead, they match up buyers and sellers on a commission basis. All agents exercise their activities in an independent manner, and their principals are exempt from payment of payroll taxes. Agents assume their own fiscal charges (business license tax and value-added tax) and social charges (health insurance, social security and retirement/pension benefits).

Commercial Agent:

Agents with a written contract have the status of commercial agents (*agents commerciaux*) if they exercise their activity as a sustained independent profession and fulfill the following conditions:

- Do not have a written employment contract;
- Negotiate sales and purchases on behalf of producers, manufacturers, or dealers;
- Are registered with the Tribunal of Commerce as commercial agents.

A commercial agent is independent and free to act on the behalf of any other firm. However, in the case where the agent wishes to represent one of his or her principal's competitors, consent of the principal must first be secured.

The principal may justifiably terminate the commercial agent contract only if the agent shows substantial deficiency in carrying out his or her obligations. Otherwise, contract termination gives the agent a right to indemnification, often equal to two years' commissions, in absence of a termination date in the agreement.

Other agents: Persons who do not fulfill all the requirements for commercial agency, and who are not in a position of subordination to the company they represent, are considered agents. A notarized act or private agreement can effect authorization of an agent. Either party may terminate the agency agreement at will, but the non-terminating party has a right to indemnification of losses.

Salaried Representatives:

Unlike agents, salaried representatives have employment contracts. They and their employers share the burden of payroll taxes contributing to social security, unemployment compensation, and retirement/pension plans.

Statutory Representatives:

Persons are considered statutory representatives if they exercise their activity as a sustained, independent profession and fulfill the following conditions:

- Act as sales representative for the account of one or more employers;
- Abstain from executing commercial operations on their own behalf;
- Institute mutual commitments with employers on the nature of goods or services offered for sale, the region of activity or the category of clients, and the rate of compensation.

Statutory representatives work according to their employers' instructions and are protected by labor law, but they have a special right to indemnification if unjustly terminated. This indemnity is based on the size and importance of the clientele they create.

Non-statutory Salaried Representatives:

Representatives who are subordinate to their employers and who do not fulfill the requisites for statutory representative status fall into a separate category and are considered regular employees.

Finding a Partner

The Department of Commerce's International Trade Administration offers several services to help the would-be exporter identify potential foreign representatives. The three primary services available from the U.S. Commercial Service in France are the Gold Key Service, the International Partner Search (IPS) and Industry Targeted Mailings. To request any one of these services and to learn about other services, firms should contact the nearest U.S. Department of Commerce Export Assistance Center. The number can be found in the US government pages of your telephone directory, or you may call 1-800-USA-TRADE. Additional details about services provided in France, please check the U.S. Department of Commerce local web site:
<http://www.buyusa.gov/france/en>

Establishing an Office

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Establishing a subsidiary/branch office in France is also 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 also from the Commercial Service and the numerous American consulting firms present in France.

Franchising

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The French franchise sector ranks first in Europe in sales, and has enjoyed 10 percent average growth over the last three years. Although very competitive, it offers many opportunities for innovative U.S. franchises. Ten percent of franchises operating in France are foreign, of which 20 percent are American. In January 2008 total franchising sales were estimated at €61.60 billion. Potential remains for U.S. franchisers in sub-sectors yet to be fully exploited, such as personal service, i.e. household duties, school tutoring, child or senior care, renovation services, etc. However, it is important to note that over the past thirty years directly investing in a company-owned pilot operation in France (or the EU) to prove the concept before selling franchises or concentrating on a particular area of France for development have proven more successful in finding suitable franchisees than immediately seeking a traditional Master Franchisee for all of France.

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. It is worth noting that the EU is currently overhauling its consumer protection legislation. Companies are advised to consult the information available via the hyperlinks, to check the relevant sections of national Country Commercial Guides, and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

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

- **Distance and Door-to-Door sales**

The EU's Directive on distance selling to consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business at a distance with consumers. It can read like a set of onerous "do's" and "don'ts," but in many ways it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

Key Link: http://ec.europa.eu/consumers/cons_int/safe_shop/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 amends three prior existing Directives and is designed to ensure that consumers are appropriately protected in 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: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

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

The French direct marketing market for consumer products and services is one of the largest in the world. It accounted for USD 30 billion (Euro 22.0 billion) in 2007, growing 20 percent. Sales through the mail have trended downward in recent years just as telephone and specifically Internet sales have rapidly expanded. Internet sales represent 72 percent of total direct marketing sales. In 2007, 73 percent of French households bought through direct marketing, and 21 million online buyers made an average purchase of USD 124 (Euro 91). Today 66 percent of Internet users have already purchased on-line, primary services and travel packages, followed by hi-tech and cultural products.

Twenty-eight percent of French companies buy on-line and B-to-B e-commerce in 2007 accounted for USD 17.8 billion (Euro 13 billion). IT and office equipment represent 60 percent of sales while business travel and marketing/consulting services accounted for 26 and 14 percent respectively.

Joint Ventures/Licensing

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A joint venture with a French firm is one recommended approach. The French government encourages this type of investment and offers a wide range of incentives. Traditionally, a French joint venture partner strengthens the marketing activities of an American firm with its in-place distribution system. In certain industries, French manufacturers have skills that supplement those of the American partner. A joint venture with a French firm that has full French government support can be beneficial as long as manufacturing decisions can be made independently of government involvement. Recognizing the differences in each market is essential for success. It is recommended that companies interested in forming joint ventures consult with the U.S. Commercial Service at the Embassy in Paris before making any alliances.

The EU public procurement market, including EU institutions and Member States, totals around EUR 1,600 billion. This market is regulated by two Directives:

- Directive 2004/18 on Coordination of procedures for the award of public works, services and supplies contracts, and
- Directive 2004/17 on Coordination of procedures of entities operating in the Utilities sector, which covers the following sectors: water, energy, transport and postal services.

Remedies directives cover legal means for companies who face discriminatory public procurement practices. These directives are implemented in the national procurement legislation of the 27 EU Member States.

The US and the EU are signatories of the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and some services and works contracts published by national procuring 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. The revision of this agreement should be finalized in 2009.

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in the EU coverage of the Government Procurement Agreement (GPA). The Utilities Directive allows EU contracting authorities in these sectors to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender, or is entitled to apply a 3% price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered. Those restrictions however were waived for the electricity sector.

For more information, please visit the U.S. Commercial Service at the U.S. Mission to the European Union website dedicated to EU public procurement. This site also has a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the Government Procurement Agreement. Access is free of charge.

Key Link: http://www.buyusa.gov/europeanunion/eu_tenders.html

The French Government generally follows EU procurement regulations, which call for non-discrimination against foreign firms. In France, procurement regulations do not usually present barriers to entry for foreign firms. However, local political pressure and administrative procedures are often said to favor French companies.

French Government procurement comes under the jurisdiction of the Ministry of the Economy and Finance. The "Commission Centrale des Marchés" (CCM), or Central Procurement Board, has overall responsibility for monitoring compliance with procurement regulations.

France is obliged to follow EU public works regulations requiring government purchasing entities to publish tender notices for all public works projects valued at over Euro 5.270 million, or approximately USD 6.535 million. Tender notices exceeding this must be published in the Official Journal of the European Union, as well as in the French "Bulletin Officiel des Annonces des Marchés Publics." In telecommunications, however, a European Union Utilities Directive requires France to give EU bidders a three percent price preference and gives France the option to reject bids with over 50 percent non-EU content. Certain defense-related industries are also excluded from regular procurement rules. In addition, public projects must conform to the following requirements:

- A minimum of 52 days is required for bid submissions after an offer is announced.
- The reason for a bid's rejection must be provided upon request.
- The amount of the winning bids must be publicly disclosed.

For information on French Government procurement regulations and procedures, contact:

CCM

Tour de Lyon

Tel: (33) 1.44.87.17.17 or (33) 1.53.17.86.69

Fax: (33) 1.53.17.87.04

<http://www.finances.gouv.fr/minefi/publique/publique4/index.htm>

Information on current and past French and EU procurement tenders and bids may be obtained through the following web site: <http://www.journal-officiel.gouv.fr>

Access to procurement tenders and bids may also be obtained by subscribing to the Official Journal of the European Union (OJEU), or the Bulletin Officiel des Annonces des Marchés Publics (BOAMP). However, these publications often do not arrive from overseas in a timely manner. OJEU can be ordered from:

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info@journal-officiel.gouv.fr

The Retail Network:

France possesses a diverse and comprehensive retail network, which increasingly resembles that of the U.S. 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 and in particular Internet sales, and specialized chain stores have shown strong growth.

The Retail Food Distribution:

France's retail distribution network is diverse and sophisticated. The food retail sector is generally defined by six types of establishments: Hypermarkets; supermarkets; hard discounters; convenience; gourmet centers in department stores; and traditional outlets. In 2008, sales within the first five categories represented 75 percent of the country's retail food market, and the sixth, which includes neighborhood and specialized food stores, represented 25 percent of the market. Hyper and supermarkets were the leading retailers in 2008, with 66 percent total food sales in the sector. Food price increases and consumer concerns relative to their decrease in purchasing power saw hard discounters gain ground against the hyper/supermarkets during the last quarter of 2008.

Developments in recent years impacted the country's retail food distribution system. Since 2006, French legislation limiting the number of new hyper/supermarket openings has prompted large stores to expand their existing surface area. However, a modification of the French legislation in 2008 may result in new openings of small size stores. Also, mergers and alliances among major hyper/supermarkets have allied the country's five largest retailers with seven central buying offices.

Hotels/Restaurants/Institutions/Food Service Sector:

In 2008, France's Hotel, restaurant and institution (HRI) food sector served approximately 10.5 billion meals worth approximately USD \$125 billion.

The French HRI/food service sector is open, highly competitive market. Entry through this sector must be carefully planned. Successful products or food systems are innovative and price competitive. For those wishing to enter this market sector, it is recommended to contact the U.S. Department of Agriculture/Foreign Agricultural Service trade and marketing specialists for advice.

For additional information on the marketing of U.S. food products and distribution systems, please see the following reports prepared by the Paris Office of the U.S. Department of Agriculture (USDA):

Key link: <http://www.fas.usda.gov/gainfiles/200801/146293433.pdf>

Key link: <http://www.fas.usda.gov/gainfiles/200807/146295320.pdf>

Primary Retail Channels:

- Hypermarkets (*Hypermarchés*)
- Supermarkets (*Supermarchés*)
- City-Center Stores & Department Stores (*Grands magasins*)
- Convenience Stores (*Magasins populaires*)
- Hard Discounters (*Magasins Discount*)
- Large Specialized Stores (*Grandes surfaces spécialisées*)
- Multi-Channel Retail Groups (*Groupes de distribution multicanaux*)
- Traditional outlets (*Magasins de détail traditionnels*)
- Gas-Marts (*Boutiques de stations d'essence*)
- Central Buying Offices (*Centrales d'achats*)

- 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 3000-5000 food items and 20,000-35,000 non-food articles. Generally located in suburbs, they cover a total sales area of 7.3 million square meters. As of September 1, 2008, there were 1594 hypermarkets, employing over 298,000 people. The top five hypermarket companies are Leclerc, Carrefour, System U, Intermarché and Auchan.

- 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 500-1500 are non-food products, and cover a total sales area of 6.7 million square meters. As of September 1, 2008, there were 5,478 supermarkets, employing over 158,000 people. The top four supermarket companies are Intermarché, Champion, Casino and Super U.

- 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 over 270 and tend to be grouped under major leading companies such as Monoprix/Prisunic. City-center stores seem to be declining: their numbers have dropped 20 percent in the last five years. Currently, the 100 department stores employ over 25,000 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 manufacturers' own sales staff, which can account for up to 20 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. These stores number approximately 1,500 outlets representing no more than three percent of total food sales.

- Hard Discounters (*Magasins Discount*):

Compared to hyper/supermarkets, hard discount stores offer a smaller range of goods for lower prices. As of September 1, 2008, there were 4,350 hard discount stores in France. These stores represent about 12 percent of total food sales and usually sell generic products or their own private-label items. The top five hard-discount companies are Lidl, Ed, Aldi, Leader Price and Netto.

- 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 12,900 stores in 2008, including such store categories as toys, health and beauty, gardening, and media/books/music. Textiles are the most numerous (3088), followed by Do-it-yourself equipment stores (2,376) and beauty/health products (2,150).

- 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 Réunion fall into this category, because they own chains of specialty and convenience stores.

- Traditional retail food outlets (*Magasins de détail 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 in 2008.

- 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 *Annuaire des Supermarchés, Hypermarchés, Centrales d'Achat et Groupements d'Achats*, is available for about € 424.99 (freight included) from:

L.S.A - Libre Service Actualités
Tel: (33) 01.34.41.62.50
Fax: (33) 1.34.41.62.51
Website <http://www.lsa.fr/>

Mass retail distribution Directory:
<http://www.tradedimensions.fr>

Selling Factors/Techniques

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Selling your product or service in France is similar to the U.S. Buying decisions are made on the basis of quality, price and after-sales service. The principal difference in France is, in fact, the 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.

Electronic Commerce

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In July 2003, the EU started applying 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. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules are currently set to expire at the end of 2009.

U.S. businesses mainly affected by the 2003 rule change are those that are U.S. based and selling ESS to EU based, non-business customers or those businesses that are EU based and selling ESS to customers outside the EU who no longer need to charge VAT on these transactions. There are a number of compliance options for businesses. The Directive created a special scheme that simplifies registering with each Member State. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are based but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

Key Link: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

-Electronic-commerce of consumer goods and services:

Electronic-commerce is booming in France. Product and services sales, as well as the number of web sites on the Internet, have increased dramatically in recent years. Retail online sales estimates (Business-to-Consumer) in 2007 were USD 22 billion (16 Billion Euro) and accounted for 72 percent of total direct marketing sales. The categories of products reporting the best market shares in 2007 are consumer electronics; computers, cameras, mobile phones (57 percent); and cultural products; books, CDs, DVD's (51 percent). Internet sales increased by 34 percent in 2007. The number of Internet users in France has increased dramatically and in 2007 over 21 million people bought online.

- Electronic-commerce of food products and beverages:

Internet sales of food and non-food products are progressing at a rate of 30 percent yearly. Worldwide total e-commerce sales in 2008 reached approximately \$9 billion, (versus \$6.8 billion in 2006) of which food and beverage sales accounted for \$400 million and 4 percent of e-commerce sales.

Trade Promotion and Advertising

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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. From 2009 the rules will allow for US-style product placement on television and the three-hour/day maximum of advertising will be lifted. However, a 12-minute/hour maximum will remain. Child programming will be subject to a code of conduct that will include 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 now considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the 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 up consumer protection rules. These new rules will 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/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm

Medicine

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/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.

The Commission plans to present a new framework for information to patients on medicines in 2008. The framework would allow industry to produce non-promotional information about their medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance.

Key Link:

http://ec.europa.eu/enterprise/pharmaceuticals/patients/patients_key.htm

Food

On July 1, 2007, a new 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 on the EU market. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) will be allowed to carry claims. Nutrition and health claims will only be allowed on food labels if they are included in one of the EU positive lists. Food products carrying claims must comply with the provisions of [nutritional labeling directive 90/496/EC](#).

Nutrient profiles will be developed by January 2009, based on scientific evaluations by the European Food Safety Authority (EFSA). Once they have been set, there will be another two-year period before the nutrient profiles begin to apply to allow food operators time to comply with the new rules. 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”. Health claims cannot fail any criteria. New products on the EU market must respect the conditions for using nutrition claims set out in detail in the Annex of Regulation 1924/2006. Products already labeled or on the market before January 2007 may remain on the market with the old labels until January 2010. From 2010, only nutrition claims included in the Annex will be allowed. A list of well-established health function claims such as “calcium is good for your bones” will be established by January 2010, based on Member States’ lists of health claims already approved at national level. Disease risk reduction claims and claims referring to the health and development of children will require an authorization on a case-by-case basis, following the submission of a scientific dossier to EFSA. A simplified authorization procedure has been established for health claims based on new scientific data. [GAIN Report E48055](#) describes how application dossiers for authorization of health claims should be prepared and presented. A guidance document on how companies can apply for health claim authorizations can be downloaded from EFSA’s website at http://www.efsa.europa.eu/EFSA/efsa_locale-1178620753812_1178623592471.htm.

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

Food Supplements

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 and sets criteria for establishing minimum and maximum levels.

Key Link: <http://useu.usmission.gov/agri/foodsupplements.html>

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 TV without Frontiers Directive.

Key link: http://ec.europa.eu/health/ph_determinants/life_style/Tobacco/tobacco_en.htm

Advertising can also be done through many different media, including TV, radio, Internet, or newspapers and magazines. There are far too many newspapers, magazines and technical journals to list. Please check the following website for media lists, under “audiovisuel” for TV and radio, and under “presse écrite” for newspapers and magazines:

<http://mediasig.premier-ministre.gouv.fr>

It should be noted that newspapers do not carry nearly the volume of advertising to which Americans are accustomed. In addition, mass media advertising (press, TV, radio, billboards) represents 35 percent of total promotional spending while direct marketing, promotion, event advertising, public relations, guides and catalogs represent 65 percent of the total French market for advertising services.

Judicious use of the media is an important part of any and all promotional programs. Below is a list of the most prominent general circulation French newspapers and magazines:

<p>Le Figaro Tel: (33) 1.57.08.50.00 Fax: (33) 1.57.08.57.84 Web Site: http://www.lefigaro.fr</p> <p>Le Monde Tel: (33) 1.42.17.20.00 Fax: (33) 1.42.17.21.21 Web Site: http://www.lemonde.fr</p> <p>L'Express Tel: (33) 1.75.55.10.00 Web Site: http://www.lexpress.fr</p> <p>Libération Tel: (33) 1.42.76.17.89 Fax: (33) 1.42.72.94.93 Web Site: http://www.liberation.fr</p> <p>France Soir Tel: (33) 1.53.56.87.00 Fax: (33) 1.53.56.88.48 Web Site: http://www.francesoir.fr</p> <p>Le Parisien Tel: (33) 1.40.10.30.30 Fax: (33) 1.40.10.35.16 Web Site: http://www.leparisien.com</p> <p>Le Nouvel Economiste Tel: (33) 1.58.30.64.64 Fax: (33) 1.58.30.64.65 Web Site: http://www.nouveleco.fr</p>	<p>International Herald Tribune Tel: (33) 1.41.43.93.00 Fax: (33) 1.41.43.93.38 Web Site: http://www.iht.com</p> <p>Le Nouvel Observateur Tel: (33) 1.44.88.34.34 Fax: (33) 1.44.88.37.82 Web Site: http://www.nouvelobs.com</p> <p>Le Point Tel: (33) 1.44.10.10.10 Fax: (33) 1.43.21.43.24 Web Site: http://www.lepoint.fr</p> <p>Les Echos Tel: (33) 1.49.53.65.65 Fax: (33) 1.45.61.48.92 Web Site: http://www.lesechos.fr</p> <p>L'Expansion Tel: (33) 1.75.55.10.00 Fax: (33) 1.75.55.41.20 Web Site: http://www.lexpansion.com</p> <p>La Tribune Desfossés Tel: (33) 1.44.82.16.16 Fax: (33) 1.44.92.17.16 Web Site: http://www.latribune.fr</p>
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An efficient way to do trade promotion is to participate in some of the French trade shows, some of which are world-leading events or have a large international attendance. For details about trade shows, please check the following web site:
<http://www.buyusa.gov/france/en/142.html>.

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 U.S. 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 19.6 percent. 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.

Terms of Payment:

For U.S. exporters, what is called "the financing of export sales" is not basically different from financing domestic sales. The fundamental concern in both cases is that one be paid in a timely manner for the goods and/or services delivered.

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

- Commercial letters of credit
- Sight and time drafts (documentary collections)
- Bank transfers
- Certified checks

Although bank transfers and certified checks are fairly self-explanatory methods of payment, commercial letters of credit and sight and time drafts may be less familiar to the would-be exporter but are potentially attractive terms of payment.

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.

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.

Key link: http://ec.europa.eu/enterprise/regulation/goods/liability_en.htm

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.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

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/comm/consumers/cons_int/safe_shop/guarantees/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.

Although less developed than in the U.S., French businesses also provide all kinds of services such as after-sales service, home delivery, maintenance contracts, warehousing facilities, hotlines, or toll free numbers for any technical assistance. For some products such as electrical appliances, e.g. TV, replacement service is available.

Logistics:

Companies wishing to develop long-term marketing and sales capabilities in France should pay close attention to securing proper distribution and storage facilities close to major airports and seaports. Many logistics firms, including American ones, operate in France and should be considered when firms develop significant market opportunities and sales channels in France. (See **Chapter 9, Country Contacts - Logistics.**)

Copyright

The EU's legislative framework for copyright protection consists of a series of Directives covering areas such as the legal protection of computer programs, the duration of protection of authors' rights and neighboring rights, and the legal protection of databases. Almost all Member States have fully implemented the rules into national law; and the Commission is now focusing on ensuring that the framework is enforced accurately and consistently across the EU.

Key Link: http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

The on-line copyright Directive (2001/29/EC) addresses the problem of protecting rights holders in the online environment while protecting the interests of users, ISPs and hardware manufacturers. It guarantees authors' exclusive reproduction rights with a single mandatory exception for technical copies (to allow caching), and an exhaustive list of other exceptions that individual Member States can select and include in national legislation. This list is meant to reflect different cultural and legal traditions, and includes private copying "on condition right holders receive fair compensation."

Key Link: http://eur-lex.europa.eu/pri/en/oj/dat/2001/l_167/l_16720010622en00100019.pdf

Patents

EU countries have a "first to file" approach to patent applications, as compared to the "first to invent" system currently followed in the United States. This makes early filing a top priority for innovative companies. Unfortunately, it is not yet possible to file for a single EU-wide patent that would be administered and enforced like the Community Trademark (see below). For the moment, the most effective way for a company to secure a patent across a range of EU national markets is to use the services of the European Patent Office (EPO) in Munich. It offers a one-stop-shop that enables rights holders to get a bundle of national patents using a single application. However, these national patents have to be validated, maintained and litigated separately in each Member State.

Key Links: http://ec.europa.eu/internal_market/indprop/index_en.htm
<http://www.european-patent-office.org>

Trademarks

The EU-wide Community Trademark (CTM) can be obtained via a single language application to the Office of Harmonization in the Internal Market (OHIM) in Alicante, Spain. It lasts ten years and is renewable indefinitely. For companies looking to protect trademarks in three or more EU countries the CTM is a more cost effective option than registering separate national trademarks.

On October 1, 2004, the European Commission (EC) acceded to the World Intellectual Property Organization (WIPO) Madrid Protocol. The accession of the EC to the Madrid Protocol establishes a link between the Madrid Protocol system, administered by WIPO, and the Community Trademark system, administered by OHIM. As of October 1, 2004, Community Trademark applicants and holders are allowed to apply for international protection of their trademarks through the filing of an international application under the Madrid Protocol. Conversely, holders of international registrations under the Madrid Protocol will be entitled to apply for protection of their trademarks under the Community Trademark system.

Key Links: <http://oami.europa.eu/>
<http://www.wipo.int/madrid/en>

Designs

The EU adopted a Regulation introducing a single Community system for the protection of designs in December 2001. The Regulation provides for two types of design protection, directly applicable in each EU Member State: the registered Community design and the unregistered Community design. Under the registered Community design system, holders of eligible designs can use an inexpensive procedure to register them with the EU's Office for Harmonization in the Internal Market (OHIM), based in Alicante, Spain. They will then be granted exclusive rights to use the designs anywhere in the EU for up to twenty-five years. Unregistered Community designs that meet the Regulation's requirements are automatically protected for three years from the date of disclosure of the design to the public.

Key Link: <http://oami.europa.eu/>

Trademark Exhaustion

Within the EU, the rights conferred on trademark holders are subject to the principle of "exhaustion." Exhaustion means that once trademark holders have placed their product on the market in one Member State, they lose the right to prevent the resale of that product in another EU country. This has led to an increase in the practice of so called "parallel importing" whereby goods bought in one Member State are sold in another by third parties unaffiliated to the manufacturer. Parallel trade is particularly problematic for the research-based pharmaceutical industry where drug prices vary from country to country due to national price Regulation.

Community wide exhaustion is spelled out in the Directive on harmonizing trademark laws. In a paper published in 2003, the Commission indicated that it had no plans to propose changes to existing legal provisions.

Key Link: http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

Under the French intellectual property rights regime, patents, trademarks, and designs and models protect industrial property, while literary/artistic property is protected by copyrights. By virtue of the Paris Convention and the Washington Treaty regarding industrial property, U.S. nationals are entitled to receive the same protection of industrial property rights in France as French nationals. In addition, U.S. nationals have a "right of priority period" after filing a U.S. patent, trademark, design or model, in which to file a corresponding application in France. This period is twelve months for patents and six months for trademarks, designs and models.

Patents

There are two types of patents: patents of invention (*Brevets d'Invention*) and certificates of utility (*Certificats d'Utilité*). Patents of invention cover all inventions. Certificates of utility cover all inventions except those of a pharmaceutical nature, which are covered by complementary certificates (*Certificats Complémentaires de Protection*).

In order to qualify for patent protection, the invention must:

- Have an industrial or agricultural application
- Imply a non-obvious procedure, and
- Have absolute novelty.

Duration: Patents for inventions have a twenty-year life span, after which they become part of the public domain. Certificates of utility have a six-year, non-renewable life span.

Patent Registration: Applications for patent registration must be filed with the French National Institute for Industrial Property, the Institut National de la Propriété Industrielle (INPI), before the invention is publicly disclosed. INPI receives applications, examines their validity, and registers the patents. After the application for a patent is filed, INPI conducts a check for comparable inventions. Upon approval and registration, a patented invention may be manufactured, operated, used or sold only with the authorization of the patent's owner. The owner can transfer, or sell the patent, or grant a license for others to use it. A patent must be used to be retained. Applicants can consult INPI's library to check for the existence of similar inventions prior to filing.

INPI

Division des Brevets

Tel: (33) 1.71.08.71.63

Fax: (33) 1.53.04.45.23

Web Site: <http://www.inpi.fr>

Patent protection in France may also be obtained through ownership of a European Patent, which is filed through the European Patent office in Munich:

European Patent Office

Erhardtstrasse 27

80298 Munich, Germany

Tel: (49 89) 23 99 46 36

Web Site: <http://www.european-patent-office.org/>

Patent registration in France requires a French address, which may be obtained through a legal representative in France. A list of patent advisors who can act as legal representatives can be obtained from the French Association of Patent Advisors, Compagnie Nationale des Conseils en Propriété Industrielle:

CNCPI

Tel: (33) 1.53.21.90.89

Web Site: <http://www.cncpi.fr>

Certificate of Utility Registration

Certificates of Utility are also granted by INPI (see above). However, in this case, INPI does not conduct a check for comparable inventions.

Trademarks

Trademark protection can apply to both goods and services. In a general sense, trademarks recognize and protect indicators, which serve to distinguish one product or service from similar products or services. In the French regime, trademarks:

- Can be written or designed trademarks.
- Can be sonorous trademarks, such as musical tunes, jingles, words, slogans.
- Must not be deceptive as to the nature or origin of the goods.
- Must be recognizable by sight or sound.
- Must have novelty for the specified product line.

Duration: A trademark has a ten-year life span and is renewable every ten years.

Trademark Registration: Applications must be filed with INPI, which receives applications, examines their validity, and registers trademarks. After registering the trademark, it must be publicly and unequivocally used five consecutive years, or all trademark rights are forfeited. It may be sold totally or partially, by product or service category.

INPI

Division des Marques

Tel: (33) 1.71.08.71.63

Fax: (33) 1.53.04.45.23

Web Site: <http://www.inpi.fr>

Registration of trademarks, as in the case of patents, requires a French address, which may be obtained through a legal representative in France. A list of trademark advisors who can act as legal representatives can be obtained from CNCPI, whose address is listed above.

Designs and Models

Designs and models have the following characteristics:

- Designs are an assembly of traits or colors on the surface of an object. They constitute an original two-dimensional decoration.
- Models are all creations (ornaments).
- They must have absolute novelty.

Although some designs and models can be protected under patent or copyright procedures, others fall into a category that requires special treatment. Designs or models having an industrial function follow patent procedures, while designs or models having a purely ornamental function follow copyright procedures. Those designs or models which have both a practical and an ornamental function are subject to the following:

Duration: Infringement protection has a 25 year life span, and is renewable for another 25 years.

Registration: Exclusive proprietary rights to the design or model are acquired through the act of creation itself. Registration merely serves as proof of that creation. Designs and models are to be registered with the INPI:

INPI-Designs and Models Section

Tel: (33) 1.71.08.71.63

Fax: (33) 1.53.04.45.23

To prove the date of creation of a design or model without formal registration, a designer may wish to use a special envelope (*enveloppe spéciale*). The date of creation begins when the envelope is received by the INPI.

Copyrights

Copyrights cover artistic works, literary works and software. In the French IPR regime, in order to qualify for a copyright, the language used to express the idea must be original, not the idea itself.

Duration: Copyrights are valid for 50 years after the death of the author, with two major exceptions: music copyrights are valid for seventy years after the death of the composer, and software copyrights are valid for 25 years after creation. Contrary to other copyrights, software designed by a salaried employee belongs to the employer.

Registration: Artistic and literary works are automatically protected once created and fixed in tangible form. Therefore, registration is not required, but nonetheless recommended.

For musical works, including songs, instruments, poems, sketches less than 20 minutes, monologues, and other musical audiovisual productions, applications must be filed with the French Society for Musical Authors, Composers and Editors:

Société des Auteurs, Compositeurs et Editeurs de Musique (SACEM)

Tel: (33) 1.47.15.47.15

Fax: (33) 1.47.15.47.16

Web Site: <http://www.sacem.fr>

Membership acceptances are restricted to reputable applicants who are already known for the quality of their works. If not qualified for SACEM, applications must be filed with the National Association of Musical Authors and Composers:

Syndicat National des Auteurs et Compositeurs de Musique (SNACM)
Tel: (33) 1.48.74.96.30; Fax: (33) 1.42.81.40.21
Web Site: <http://www.snac.fr>

For theatrical works, including plays, operas, operettas, musical comedies, films and theatrical scripts, applications must be filed with the Society for Theatrical Authors and Composers:

Société des Auteurs et Compositeurs Dramatiques (SACD)
Tel: (33) 1.40.23.44.44; Fax: (33) 1.45.26.74.28
Web Site: <http://www.sacd.fr/>

For literary works and software, applications must be filed with the French Literary Society:

Société des Gens de Lettres (SGDL)
Tel: (33) 1.53.10.12.00; Fax: (33) 1.53.10.12.12
Web Site: <http://www.sgdl.org>

For documentary and educational works, applications must be filed with the Civil Society for Multimedia Authors:

Société Civile des Auteurs Multimédia (SCAM)
Tel: (33) 1.56.69.58.58; Fax: (33) 1.56.69.58.59
Web Site: <http://www.scam.fr/>

Due Diligence

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Once a U.S. company has identified several potential representatives, it should contact them directly in writing. Just as the U.S. firm is seeking information on the French representative, the representative is interested in corporate and product information on the U.S. firm. The U.S. firm should provide full information on its history, resources, personnel, the product line, previous export activity, and all other pertinent matters.

At the same time the firm is providing information on itself, it should also engage in a thorough investigation of the potential representative. Following is a list of important facts the firm should endeavor to find out:

- Current status and history, including background on principal officers
- Personnel and other resources
- Sales territory covered
- Current sales volume
- Typical customer profiles
- Methods of introducing new products into the sales territory
- Names and nature of U.S. firms currently represented
- Trade and bank references
- Assessment of whether U.S. firm's special requirements can be met
- View of in-country market potential for the U.S. firm's products

Exporters have the right to explore the qualifications of those who propose to represent them overseas. Therefore, the U.S. firm should not hesitate to ask the potential representative(s) or distributor(s) detailed questions.

In addition, the U.S. firm is advised to obtain at least two businesses and credit reports to ensure that the distributor or representative is reputable.

The US Commercial Service in France provides comprehensive financial reports: Search made through local credit information database provider. For more information see: <http://www.buyusa.gov/france/en/14.html> - [_section18](#).

Local Professional Services

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A wide variety of service providers is available to support U.S. companies doing business in the European Union (EU), from the largest global firms to small niche players. The U.S. Commercial Service EU website (see below) lists various professional service providers and additional information is available upon request.

Key link: <http://www.buyusa.gov/europeanunion/services.html>

Also, see EU Member State Country Commercial Guides which can be found at the following website: http://www.buyusainfo.net/adsearch.cfm?search_type=int&loadnav=no

A lawyer with experience in France should be retained as soon as the establishment of a French business entity is contemplated. The American Embassy in Paris maintains a list of American lawyers practicing in France, which is available upon request. More detailed information about professional backgrounds can be obtained from the Martindale-Hubbell Law Directory and from the Bar Register of Pre-eminent Lawyers. Lawyers and bankers in the United States also will normally have means of recommending lawyers in France.

France has two major categories of legal practitioners:

Avocats: An "avocat" must be a lawyer. "Avocats" may render legal advice on all matters, draft agreements and contracts, handle commercial disputes and collection cases, and plead and defend civil and criminal cases before the French courts to which they are admitted. See contacts at: <http://www.amb-usa.fr/consul/acs/guide/Attorneys.pdf>

Notaries (Notaires): A French "notaire" is a public official appointed by the Ministry of Justice. He is not the equivalent of a public notary in the United States. The number of "notaires" in each jurisdiction is limited, and their fees fixed by law. Their functions include the preparation and recording of notarial acts (e.g., wills, deeds, acts of incorporation, marriage, and contracts), the administration and settlements of estates excluding litigation in court) and serving as the repository of wills. They are not lawyers, but very specialized members of the legal profession. They may not litigate in courts.

EC Directive on Commercial Agents

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

Guidelines on “Vertical Agreements”

http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

EC Directive on Late Payments

http://ec.europa.eu/comm/enterprise/regulation/late_payments/

EC on Data Protection: http://ec.europa.eu/justice_home/fsj/privacy/law/index_en.htm

Safe Harbor: <http://www.export.gov/safeharbor/>

Model Contracts for the transfer of personal data

http://ec.europa.eu/justice_home/fsj/privacy/modelcontracts/index_en.htm

Ensuring safe shopping across the EU

http://ec.europa.eu/consumers/cons_int/safe_shop/index_en.htm

Financial services: http://ec.europa.eu/consumers/cons_int/fina_serv/index_en.htm

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

European public procurement tenders open to U.S. companies

http://www.buyusa.gov/europeanunion/eu_tenders.html

Procurement: <http://www.buyusa.gov/europeanunion/euopportunities.html>

EU Tenders Website : <http://ted.europa.eu>

Market Research Reports: <http://www.buyusa.gov/europeanunion/mrr.html>

eVAT:

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

EC Internal Markets official documents

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm

Medicinal products for human use:

http://ec.europa.eu/eur-lex/pri/en/oj/dat/2001/l_311/l_31120011128en00670128.pdf

Food labeling: http://ec.europa.eu/comm/food/food/labellingnutrition/claims/index_en.htm

Food Supplements:

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

Tobacco: http://ec.europa.eu/health/ph_determinants/life_style/Tobacco/tobacco_en.htm

Liability of defective products

http://ec.europa.eu/comm/consumers/cons_safe/prod_safe/defect_prod/index_en.htm

Safety of products:

http://ec.europa.eu/comm/consumers/cons_safe/prod_safe/index_en.htm

Sale of goods and guarantees

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/guarantees/index_en.htm

Copyright and Neighboring Rights:

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

European Patent Office: <http://www.european-patent-office.org/>

Industrial property: http://ec.europa.eu/internal_market/indprop/index_en.htm

Office for Harmonization in the Internal Market (OHIM): <http://oami.eu.int/en/default.htm>

WIPO Madrid System: <http://www.wipo.int/madrid/en>

OHIM Community Design: <http://oami.eu.int/en/design/default.htm>

Exhaustion of trademark rights:

http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

Professional service providers: <http://www.buyusa.gov/europeanunion/services.html>

EU Member State Country Commercial Guide

http://www.buyusainfo.net/adsearch.cfm?search_type=int&loadnav=no

Other useful websites:

The EU Online: http://ec.europa.eu/index_en.htm

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

EU Press Room: http://ec.europa.eu/press_room/index_en.htm

The EU in the World: <http://ec.europa.eu/comm/world/>

EU Relations with the US:

http://ec.europa.eu/comm/external_relations/us/intro/index.htm

DG Trade: http://ec.europa.eu/trade/index_en.htm

DG Enterprise: http://ec.europa.eu/enterprise/index_en.htm

EUR- Lex – Portal to EU law: <http://ec.europa.eu/eur-lex/en/index.html>

Eurostat – EU Statistics:

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1090,30070682,1090_33076576&_dad=portal&_schema=PORTAL

Summaries of EU Legislation – SCAD PLUS: http://ec.europa.eu/scadplus/scad_en.htm

One Stop Internet Shop for Business: http://ec.europa.eu/youreurope/index_en.html

Euro Info Centers: <http://ec.europa.eu/enterprise/networks/eic/eic.html>

AmCham EU: <http://www.eucommittee.be/>

EU News Sources:

EurActiv.com – EU news, policy positions & EU actors online

<http://www.euractiv.com/en/HomePage>

EUobserver: <http://EUobserver.com/>

EU Politix: <http://www.eupolitix.com/EN/>

Retail Distribution Magazine “L.S.A - Libre Service Actualités”: <http://www.lsa.fr>

Retail Food Sector in France: <http://www.fas.usda.gov/gainfiles/200312/146085288.pdf>

Food Service Sector in France: <http://www.fas.usda.gov/gainfiles/200404/146106098.pdf>

U.S. Commercial Service France: <http://www.buyusa.gov/france/en>

Credit /Financial Reports: http://www.buyusa.gov/france/en/14.html#_section18.

Media lists: <http://mediasig.premier-ministre.gouv.fr>

Le Figaro: <http://www.lefigaro.fr>

Le Monde: <http://www.lemonde.fr>

L'Express: <http://www.lexpress.fr>

Liberation: <http://www.liberation.com>

France Soir: <http://www.francesoir.fr>

Le Parisien: <http://www.leparisien.com>

Le Nouvel Economiste: <http://www.nouveleco.fr>

International Herald Tribune: <http://www.iht.com>

Le Nouvel Observateur: <http://www.nouvelobs.com>

Le Point: <http://www.lepoint.fr>

Les Echos: <http://www.lesechos.fr>

L'Expansion and La Vie Française: <http://www.lexpansion.com>

La Tribune Desfossés: <http://www.latribune.fr>

French trade shows: <http://www.buyusa.gov/france/en/142.html>

Customized Corporate Promotion Services:
http://www.buyusa.gov/france/en/14.html#_section13

French Government procurement regulations and procedures:
<http://www.finances.gouv.fr/minefi/publique/publique4/index.htm>

French and EU procurement tenders and bids: <http://www.journal.officiel.gouv.fr>

UNIPUB: <http://www.unipub.fr>

French National Institute for Industrial Property, (INPI): <http://www.inpi.fr>

European Patent Office: <http://www.european-patent-office.org/>

French Association of Patent Advisors, CNCP: <http://www.cncpi.fr>

French Society for Musical Authors, Composers and Editors (SACEM):
<http://www.sacem.fr>

National Association of Musical Authors and Composers (SNACM):
<http://www.snac.fr/>

Society for Theatrical Authors and Composers (SACD): <http://www.sacd.fr/>

French Literary Society (SGDL): <http://www.sgdl.org/>

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

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- [Fish and Seafood, Fresh and Frozen \(HS Code 03\)](#)
- [Processed Fruits and Vegetables, including Fruit Juices \(HS Code 20\)](#)
- [Beverages, including Mineral Water, Beer, Wine and Spirits \(HS Code: 22.01 to 22.06 and 22.07 + 22.08\)](#)
- [Fresh and Dried Fruits, including Nuts \(HS Code: 08\)](#)
- [Meat and Offal \(HS Code: 02\)](#)

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Top 14 Market Opportunities for American Goods and Services

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- [Aircraft and Parts \(AIR\)](#)
- [Safety and Security Equipment \(SEC\)](#)
- [Computer and Software \(CSF, CSV\)](#)
- [Computers and Peripherals \(CPT\)](#)
- [Telecommunications Equipment \(TEL\)](#)
- [Water Resources Equipment and Services \(WRE\)](#)
- [Medical Equipment \(MED\)](#)
- [Automotive Parts equipment \(APS\)](#)
- [Plastics \(PMR\)](#)
- [Cosmetics \(COS\)](#)
- [Education services \(EDS\)](#)
- [Textile \(TXT\)](#)
- [Direct Marketing and E-Commerce Business to Consumer \(ECC\)](#)

Fish and Seafood, Fresh and Frozen (HS Code 03)

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Overview

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	2007	2008	2009*
Total Market Size	5,596	5,827	5,929
Total Local Production	2,170	2,370	2,379
Total Exports	1,626	1,891	1,950
Total Imports	5,052	5,348	5,500
Imports from the U.S.	237	229	225
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7

(Figures in USD millions; * Estimated figures)

France is a major consumer of seafood products and a net importer of many seafood products because domestic production is significantly lower than demand. In 2008, the United States was France's fifth largest supplier of seafood products after Norway, the U.K. Spain and the Netherlands. U.S. seafood products exported to France mainly consist of frozen fillets and frozen scallop, live lobster and frozen salmon.

Processed Fruits and Vegetables, including Fruit Juices (HS Code 20) [Return to top](#)

	2007	2008	2009*
Total Market Size	9,756	12,059	12,024
Total Local Production	8,562	10,705	10,713
Total Exports	1,226	1,025	1,029
Total Imports	2,420	2,379	2,340
Imports from the U.S.	60	54	53
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7

(Figures in USD millions; * Estimated figures)

Fruit juices and soft drinks in France are currently the most dynamic growth sectors among non-alcoholic beverages, with per capita consumption of fruit juices estimated at 28 liters per year. The primary imports from the United States consisted of fresh and frozen orange and grapefruit juices. Competition in the juice sector is very strong, principally from Brazil, Israel and Spain, which benefit from preferential tariffs.

**Beverages, including Mineral Water, Beer, Wine and Spirits
(HS Code: 22.01 to 22.06 and 22.07 + 22.08)**

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	2007	2008	2009*
Total Market Size	15,082	17,323	17,332
Total Local Production	25,584	29,338	29,379
Total Exports	13,306	15,370	15,450
Total Imports	2,804	3,355	3,403
Imports from the U.S.	83	99	101
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7

*(Figures in USD millions; * Estimated figures)*

In 2007, French imports of U.S. wine totaled 24 million euro (\$33 million), representing 4.3 percent of total French wine imports by value. U.S. wine in France faces strong competition from Italy, Spain and Greece as well as from new world producers such as Australia, South Africa and Chile.

The French are also significant consumers of spirits. In 2007, U.S. spirits exports to France valued at 46 million euro (\$63 million), represented 6.6 percent of total French spirits imports of approximately 744 million euro (\$1,019 million).

Opportunities exist for ethnic, new and innovative U.S. beverages, particularly those linked with Tex-Mex foods.

France is the fifth largest European producer of beer with a total production of 17 million hectoliters. Ten percent of the production is exported. The French beer industry consists of six major breweries. Two American brewers are present in the French market: Anheuser-Bush and Miller.

Fresh and Dried Fruits, including Nuts (HS Code: 08)

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	2007	2008	2009*
Total Market Size	4,028	4,671	4,775
Total Local Production	2,467	2,740	2,850
Total Exports	1,813	2,011	2,100
Total Imports	3,374	3,942	4,025
Imports from the U.S.	209	186	182
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7

*(Figures in USD millions; * Estimated figures)*

Prime opportunities for U.S. suppliers are in off-season and extended-season sales, and years of short French fruit crops. France is one of the most important markets for U.S. grapefruit valued at 22 million euro (\$30 million) in 2007. The U.S. market share for citrus fruits represents 25 percent of total French imports in value and 20 percent in volume. France imports apples and pears in short crop years. There is also a niche market for berries, cherries and tangerines. 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.

Fresh and Dried Vegetables (HS Code: 07)[Return to top](#)

	2007	2008	2009*
Total Market Size	5,309	5,525	5,523
Total Local Production	4,851	4,935	5,003
Total Exports	1,992	2,426	2,500
Total Imports	2,450	3,016	3,020
Imports from the U.S.	19	27	30
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7

*(Figures in USD millions; * Estimated figures)*

U.S. dried vegetables exports to France increased one percent in value in 2007, to reach \$20 million. In 2007, rice imports from the United States decreased 12 percent in value to \$11 million, due to previous detection of biotech presence in U.S. rice, competition from Spain and Italy and high U.S. prices. Opportunities exist for U.S. suppliers of dried beans, peas and lentils.

Very few opportunities exist for U.S. fresh vegetables, except for green asparagus and may be some superior quality and produced off-season fresh vegetables such as eggplant, zucchini, sweet peppers and iceberg lettuce.

Meat and Offal (HS Code: 02)[Return to top](#)

	2007	2008	2009*
Total Market Size	9,761	10,966	10,969
Total Local Production	9,100	10,140	10,149
Total Exports	3,554	3,974	4,020
Total Imports	4,215	4,800	4,840
Imports from the U.S.	48	31	30
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7

*(Figures in USD millions; * Estimated figures)*

Opportunities in this market are limited given the import quota on hormone free meat and stringent EU veterinary regulations. The most prominent meat import from the United States is horsemeat which was valued at \$18 million in 2007. Pork meat imports amounted to \$13 million and beef imports \$11,165,753. Bison meat is growing in popularity in France, mostly of Canadian origin, but there might be opportunities for U.S. products.

For additional information on above product opportunities and market information may be found in various reports from the following website:

www.fas.usda.gov *(Click on Attaché Reports)*

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Travel & Tourism (TRA)

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Overview

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	2007	2008	2009*
Total Market Size	111,423	114,765	117,060
Total Local Production	128,382	132,233	134,877
Total Exports	40,604	41,416	42,244
Total Imports	22,680	23,360	23,827
Imports from the U.S.	4,993	5,142	5,244
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7

*(Figures in USD millions; * Estimated figures)*

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

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All major players in the travel & tourism industry indicated good growth prospects for the French market in 2008, estimating an average of 28 percent more sales revenue for French travelers to the U.S. The French market is looking very optimistic for 2009 especially with the opening of a series of non-stop flights between France and the United States.

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California, the U.S. National Parks, New York and Florida remain the favorite destinations. Increasingly, other regions like the Southwest and Mountain States are becoming popular, particularly with second or third-time visitors. The French are very individualistic in their travel behavior. The average length of stay is approximately two weeks. Visitor spending in the U.S. amounts to approximately USD 76 per day per person. The Commercial Service office in Paris supports the Visit USA Committee France, a private industry association aimed at promoting the United States as a travel and tourism destination.

Visit USA Committee France: <http://www.office-tourisme-usa.com/>
Embassy U.S. Commercial Service Trade Specialist: Valerie.Ferriere@mail.doc.gov
Phone: (33-1) 43 12 70 77 - Website: <http://www.buyusa.gov/france/en>

U.S. Travel (ex-TIA [Travel Industry Association]) is the major travel association in the U.S: www.discoveramerica.com/

OTTI (Office of Travel & Tourism Industries) is the primary source of international travel statistics in the United States: <http://www.tinet.ita.doc.gov>

U.S. Commercial Service Trade Specialist: Valerie.Ferriere@mail.doc.gov
Phone: (+33-1) 43 12 70 77
Website: <http://www.buyusa.gov/france/en>

Overview

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	2007*	2008*	*2009
A. total market size	23,695	26,061	23,878
B. total local production	31,928	33,845	28,768
C. total exports	22,955	24,030	17,260
D. total imports	14,722	16,246	12,370
E. total imports from the U.S.	5,648	4,874	3,711
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7

(Figures in USD millions; * Estimated figures)

Sources: GIFAS, USDoC, French Customs. Note: French Customs figures are quoted in CIF (HS 8802 + 8803), USDoc figures are quoted in FAS.

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

The French civil aerospace industry experienced a record year in 2007, which is the latest year for which any official figures are available.

Reported (non-consolidated) revenue for the French civilian aerospace industry in 2007 increased approximately 12.3 percent over 2006 to €24.5 billion ([GIFAS annual report 2008](#)), a result of the dynamic air transport market that year. The market continued to enjoy a modest increase in 2008 due to full order books but 2009 should register a sharp decrease as expected postponements or cancellations of aircraft by the airlines begin to be really felt. Estimates vary and may well change, but currently are running at a decrease of about 15% for France.

France's aerospace industry manufacturers derive two thirds 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](#), [Eurocopter](#) and [Airbus](#) aircraft, all of which have products that now successfully have captured global market share. Well over 70% of French civil aerospace production was exported.

Despite EADS' widely publicized delivery and ensuing financial problems surrounding the Airbus A380 and the A400M military transport planes, both Airbus and Dassault Falcon Jet again raised production rates in response to record increased orders for aircraft, especially the new Airbus A350. Six manufacturers account for the majority of the French market: Airbus (large commercial aircraft), Eurocopter (light-to-heavy helicopters), Dassault Falcon Jet (high-end business jets), ATR (passenger and cargo turboprop aircraft for regional transport), [Socata](#) (light aircraft and business turboprops), and [Reims Aviation Industries](#) (light aircraft). With the exception of Reims Aviation, these manufacturers are owned in part or entirely by the same parent company, [EADS](#) (European Aerospace Defense & Space). Created in 2000, this consortium dominates the civil aviation market.

For the fourteenth consecutive year, the value of orders for aircraft outweighed industry revenues (deliveries) in 2007. While this should help cushion the industry somewhat from the impact of the worldwide global crisis, manufacturers are preparing for significant cancellations which will impact the total supply chain. Unlike the automotive industry, the aviation and aeronautics industries were hit hard after 9/11, forcing them into a period of cost savings, mergers and planning which is now paying off by helping them to better weather the recession. The continued weakness of the dollar against the euro, and willingness on the part of procurement executives to purchase in dollars nevertheless offer opportunities for US firms selling to the OEM's supply chains.

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The overall health of the industry will suffer in 2009, slowing opportunities. Nevertheless, the best prospects for American aerospace firms in this market continue to be associated with the manufacturing of new aircraft, notably, the Airbus A350 XWB, the A380 and Airbus Military Company's A400M (to a lesser degree as it is a European military program). Many OEM and equipment manufacturers have adopted a "U.S. dollar" strategy on existing and new programs to take advantage of the cost savings offered by the exchange rate. In addition, it is important to note that with the cost reducing strategy called Power 8, Airbus reduced the number of its direct suppliers by increasing the sourcing of whole assemblies and work packages. Exceptions to this trend may be made in cases where a potential supplier is able to propose technical innovations, or where delivery or quality problems exist.

Opportunities

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French aerospace manufacturers are seeking to subcontract more and more in order to manage costs. With new projects in various stages of development and the value of the Euro vis-à-vis the U.S. Dollar, the French market provides substantial opportunity to the most competitive and innovative U.S. aerospace firms.

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Paris Air Show – June 15-21, 2009

Website: <http://www.paris-air-show.com>

French Aerospace Industries Association

Website: <http://www.gifas.asso.fr>

U.S. Commercial Service Trade Specialist: Cara.Boulesteix@mail.doc.gov

Phone: 33-1 43 12 70 79

Website: <http://www.buyusa.gov/france/en>

Overview

	2007*	2008*	2009*
Total Market Size	21,679	22,346	23,240
Total Local Production	12,574	13,184	13,479
Total Exports	2,818	3,352	3,486
Total Imports	11,923	12,514	13,247
Imports from the U.S.	3,338	3,379	3,444
Exchange rate: USD 1.00	Euro 0.7	Euro 0.7	Euro 0.7*

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

The safety and security sector represents 23 different security segments in France, which can be loosely grouped into the following areas: anti-terrorism, electronic security, monitoring, guarding, physical security, health and safety products, fire security and cash in transit. The total market was valued at approximately 16.6 billion Euro in 2007 with a total growth valued at +6% over the previous year.

Within the French safety and security industry, the segments enjoying the highest growth rate are anti-terrorist equipment (+21.6% in 2007), personal protection services (+16.4%), video surveillance (+15.1%), and private investigation services (+11.7%). Segments such as industrial security materials, fire equipment, retail theft protection, remote industrial and residential monitoring services, personal protection equipment, anti-intrusion alarms and guard services remained flat or showed a decrease in 2007. Overall growth is expected to rise by about 5 percent in 2008 and slightly lower in 2009. This growth is mainly driven by just a few segments of the market and price wars are common in this highly competitive environment. In fact, only about 70% of companies operating in the security sector in France in 2007 turned a profit. In many segments such as fire protection and guard services, there are simply too many players on the market; fierce competition coupled with low prices continues to drive a high number of firms out of business.

The evolution of this market is closely linked to France's general economic growth, which is weak. While over the last few years France has invested heavily in security infrastructure and has caught up to her European neighbors, that spending is now slowing, especially in segments such as monitoring or anti-intrusion equipment. The sector has also suffered from a price war over the last several years, driven by competition from Asia, which has slowed growth in several areas, such as access controls and video surveillance where price is usually the deciding factor, according to industry studies. Furthermore, the global financial crisis is sure to negatively impact the industry; the French government is expected to maintain most of its orders, but inevitably will insist on price renegotiations and decisions and investments will be spread out over longer periods.

The safety and security market in France is thus divided into two distinct parts; a small number of relatively healthy segments and a large number of areas where the situation is morose. The birth of security industry giants, which have greater financial resources and which are capable of deeply influencing the market, have shut out many of the smaller players. The homeland security/anti-terrorism segment is driving the market; but contracts for port, airport and other highly sensitive sites require complex, sophisticated systems that integrate technologies from diverse origins.

Since 2006, penetration of the security market by foreign companies has stabilized in France, but at an extremely high level. Entire sub-sectors of French private security industry in France are dominated by foreign groups, as opposed to less than 20 percent overall ten years ago. For example, in the cash in transit sector, non-French groups control 86 percent of market share in 2008. Similar ratios exist in equipment/services for, professional monitoring and many other market sub-sectors. Overall, foreign firms control more than 40 percent of the industry.

Fortunately, there are a few bright spots; homeland security equipment demand is expected to be sustained, as with residential monitoring, CCTV, especially for digital systems, and industrial security materials (lighting, gas detectors, hazmat warehousing equipment, etc). The subsector expected to suffer the most is guard services, as prices are in a downward spiral.

U.S. equipment and security technologies are well known for their innovation and quality. Imports should remain strong, although competition is extremely severe from both French and third country sources.

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Homeland Security products, including those for the police and other public order entities, enjoyed a spectacular growth rate, at 21.6%. The persistence of terrorist threat has fed the need to pursue investment in protective measures. The market is sustained by sales of global solutions, integrating several types of equipment (cameras, biometric access controls, physical barriers, for example), which are interconnected by customized software also able to manage vast databases of information on individuals – travelers, employees, etc. While this sector represents the most opportunity for sustained growth in the industry, it is largely served by French giants such as [EADS](#), [Thales](#), [Sagem](#), [Gemalto](#) or [Canberra](#) ([Areva](#) Group), making it very competitive for American firms.

Amongst the many technologies, the French are particularly interested in automatic facial recognition systems, tracking video systems that analyze behavior and intelligent cameras. Biometrics and RFID technologies are generating a plethora of new interesting products, such as “all in one” cards for health insurance, transportation services or identification, for example.

Closed Circuit TV (CCTV), especially for digital systems, represents an ongoing growth area in the industrial security market in France. Municipalities continue to install IP CCTV systems.

In the mid to long-term, the residential market represents an enormous potential for suppliers of surveillance services – far fewer French homes are equipped as opposed to in other EU countries. The high growth in high-speed Internet connections is driving demand, as the major French telecom service providers are now teaming with home monitoring service firms to provide widespread marketing and low cost services via high-speed connections. The lack of equipment in French homes is equally applicable to basic protective devices such as anti-intrusion alarms, fire alarms or fire extinguishers, none of which are required by French home insurance policies and with which few French homes are equipped at this time.

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The market in France is extremely fragmented and competitive, and it is very important to work with a local partner or through a local sales office, which many U.S. firms choose to establish. Some kind of local presence becomes essential when working with government ministries or responding to public tenders.

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Alarmes Protection Sécurité (APS)

Electronic and Physical Security Show
Paris, France – September 22-24, 2009
<http://www.salon-aps.com>

Milipol International

Internal State Security
Paris, France – November 17-20, 2009
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Expoprotection/Feu

International Safety & Security and Fire Fighting & Rescue
Paris, France - November 2010
<http://www.expos-protection.com/expoprot/>

Information on the French Security Market
En Toute Sécurité
<http://www.security-info.com>

U.S. Commercial Service Trade Specialist: Cara.Boulesteix@mail.doc.gov
Phone: 33-1 43 12 70 79
Website: <http://www.buyusa.gov/france/en>

Overview

	2007	2008	2009*
Total Market Size	17,032	17,050	17,902
Total Local Production	10,229	10,239	10,750
Total Exports	782	783	822
Total Imports	7,585	7,594	7,973
Imports from the U.S.	2,724	2,727	2,863
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7*

(Figures in USD millions; * Estimated figures)

Estimated at \$145 billion in 2008, the French market for information and communication technologies - which includes computer hardware/software, telecommunications and electronic components – is growing at a rate of 5% per year. One third of this market is related to telecommunication services, and two thirds to computer hardware as well as software and related services.

The computer & peripherals market has grown by 6% in 2008. The market is driven by the sale of consumer electronics, including smart phones, I-mode, 3G and PDAs. The level of penetration in individual homes exceeds 50%.

About 33 million French people - or about 62% of the total population - can access the Internet, including 28 million through a high-speed connection. More than one household out of two – or 14 million households – can access the Internet from the home. More than 80% of the French also own a subscription to a mobile phone. Thanks to HSDPA/3.5G technology, 2008 has seen the advent of revolutionary tools that will enable phone users to surf the Internet faster and do on-line transactions as well as watch TV from their telephone.

The French public sector has greatly contributed to the boost in IT sales, as it currently represents 6% of total IT investments. Launched in January 1998, the Government Action Program for an Information Society ([PAGSI](#)) is investing billions of dollars in the automation of VAT declaration, customs declaration, the filing of social contributions by employees. As a result, over 7 million French tax-payers – or 11% of the overall population – filled out their income tax return on the Internet in 2007.

France is perhaps more than any other country in Western Europe on the threshold of the new Internet and mobile revolution; it is accelerating rapidly as one of the top leaders in the new high technology era. The European Association for Competition in Telecommunications announced that France had become the largest broadband market in Europe. Revenue from these high-speed subscriptions alone already exceeds \$2 billion annually. In France the overwhelmingly dominant mode of broadband connection is ADSL, representing 94% of broadband connections and 97% of growth.

Servers

Estimated at \$750 million, the server market has grown by 5% in 2008. French corporations continue decreasing expenditures related to maintenance and platform administration and supervision while increasing expenditures related to information system's availability, security and quality of service.

The five top server manufacturers are IBM (31.1%); Hewlett-Packard (28.3%); Dell (11.6%); Sun Microsystems (12.8%); and Fujitsu-Siemens (4.1%). While IBM and Dell have known a significant growth in revenue (13.8% and 14.1%), the three others have stagnated or regressed.

Personal Computers

After five years of growth at a rate of 15%, the PC market has been hit by a sharp drop that affected both consumer and professional applications during the fourth quarter of 2008, which brought its growth down to 10%. The only market segment that has continued growing steadily is that of Netbooks, which represent 3% of the total PC market. About 53% of the PC's being sold are now notebooks rather than desktops. The PC market is dominated by ACER (16.1%); HP (19.4%); Dell (10.4%); Asus (3.4%); Toshiba (5%); others (45.7%).

Printers

The French printer market is dominated by HP, with 44.1% of this market, followed by Canon (15.8%); Epson (12.7%), Lexmark (7.6%) and Brother (6.1%). This market is estimated at \$2 billion. The average price for a printer is about \$200. The market for Inkjet printers has dropped by a third since 2002. This market is estimated at \$250 million. The sale of laser printers grew in volume by 10%. Multifunction printers represent a \$750 million market.

Flat vs. CRT Monitors

While only 20 percent of panel displays – 576,000 out of total of 3.3 million - were LCDs four years ago, this rate has gone up to 90 percent now, with over 5 million units being sold. Meanwhile, average pricing for LCDs has decreased threefold to reach \$200. This dramatic drop in pricing has affected manufacturers' revenue, which dropped in 2007 and 2008 while volumes kept rising. Market value for LCDs went from \$4.01 billion in 2004 down to \$1.5 billion in 2008.

Consumer electronics

According to market consulting firm Gfk, the French Consumer Electronics market is estimated at \$25.3 billion, against \$26.6 billion in 2007. Only electronic games which represent 8% of the overall market continued growing by 19% in value. TV's, DVD's, Stereo sound systems and Walkman's, which represent 38% of the global market dropped by 6% in value and 7% in volume. IT products (desktop, mobile PC's and Netbooks) represent 34% of this market and dropped by 5% in value while growing by 15% in volume. Cameras and mobile phones, which represent respectively 9% and 12% of the market, dropped by 2%. Camera equipments grow by 3% in volume while mobile phones grow by 1% in volume.

Flat TV screens representing 75% of total TV sales. LCD screens represent 85% of these sales. The vast majority of panels are now full-HD. Sale of stand-alone GPS devices dropped by 6%, however, there will be a 6.4% increase in mobile and smartphones equipped with a GPS. However, while the value of goods dropped by 10-15%, demand increased by 30-35 %. For example the drop in prices for notebooks averaged \$260.

Best Prospects/Services

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- GPS mobiles and Smartphones
- Net books
- Portable dévies (laptots, palm tops, Smartphones, etc.)
- Wireless solutions
- I-mode related products
- Portable storage devices (USB keys, hard-drives, etc.)

Opportunities

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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 devices such as laptops, palmtops, and blackberries is therefore growing very rapidly. Great opportunities are also available for wireless solutions both for the home and the office, especially with the advent of 3G high-speed mobile Internet bandwidth.

Resources

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International Data Corporation (IDC) <http://www.idc.fr>

Pierre Audio Consultants (PAC) <http://www.pac-online.fr>

BIPE (leading European provider of forward-looking economic analyses and consulting services) <http://www.bipe.fr>

European Information technology observatory (EITO): <http://www.eito.com>

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Overview

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Overview

	2007	2008*	2009*
Total Market Size	17,800	18,614	19,321
Total Local Production	15,107	15,549	15,704
Total Exports	7,327	7,353	7,112
Total Imports	10,020	10,418	10,729
Imports from the U.S.	2,570	2,705	2,790
Euro exch.rate: USD1.00	0.7	0.679	0.679

(Figures in USD millions; *Estimated figures)

The IT and telecommunications market is currently being supported by the broadband, wireless and mobile telephony sectors, which should continue their rapid growth and further drive the industry. The French broadband market is going through an amazing phase of growth and convergence. The number of traditional wire line broadband connections to French residences is increasing steadily, dominated by ADSL. Use of broadband-capable, also known as “Third Generation,” cell phones, is also growing, as they aggressively target a maturing French mobile sector. Wireless broadband connectivity is increasing as well, especially through the spread of public hot spots. France is among the five largest markets – the UK, Germany, France, Spain and Italy – which experienced robust growth in broadband penetration. All five countries now have a per-capita penetration rate of higher than 15 percent.

For consumers, this rising access to broadband is enabling and driven by the growth of e-commerce and e-media consumption in France. For businesses, broadband connectivity is an increasingly integral part of marketing, communication and distribution strategies. The trend in French Internet consumption continues to be more connectivity and better services for less. The number of Internet subscriptions has increased to 19 million as of September 2008, of which 93.6% are for high-speed connections.

The new field of competition for Internet providers in France lies in the convergence of services offered. Most Internet providers now offer VoIP and or Triple Play services (data, television, voice). Mobile usage in France has traditionally lagged behind the European average, but the country has been catching up in recent years. The number of mobile subscribers as of September 2008 reached 57.6 million, and 15% subscribe to 3G services. A further development in the mobile sector is the appearance of MVNOs or Virtual Mobile Network Operators. MVNOs buy minutes from one of the major operators (in this case, Orange, SFR or Bouygues) and then redistribute those minutes to consumers. As of September 2008, MVNOs represented 2.8 million and 5.1 percent of the market.

The telecommunications and IT sectors already play a central role in the French economy. As these sectors experience further growth, the market for infrastructure and equipment and services will continue to offer opportunities to U.S. companies.
Insert text here)

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General French business and consumer commitment to mobility and broadband consumption is clear. French consumers, particularly the young generation, seem to adapt fully to the continuing convergence of technologies. Consumer demand for mobile products, broadband technology, and services such as video on demand, mobile television and videophones is increasing. Also the exact combination of standards (UMTS, Wi-Fi, WiMax, RFID, etc) within France telecom's infrastructure is being rapidly established.

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As broadband and wireless demand matures the French market for telecom infrastructure, equipment and support services will offer many exciting prospects for American exporters.

Security is a major concern of the French consumer in regards to their online activities. French consumers have shown a willingness to pay more for equipment or services, with better security. As broadband usage increases, so will the demand for protection of online transactions, and the need for evolving solutions to old and new Internet menaces (spam, viruses, fraud etc.). Indeed, if demand for security is not satisfied, it may threaten the growth of demand for broadband in general. American companies have historically been more efficient at meeting client demand.

Resources

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Regulation Authority for Electronic and Postal Communication (Arcep) www.arcep.fr

French National Frequency Agency (ANF) www.anfr.fr

Association of Internet Service Providers (AFA) www.afa-france.com

French Association of Network & Telecom Service Operators (AFORS)
www.aforstelecom.fr

European Telecommunications standards Institute (ETSI) www.etsi.org

Trade Association for the IT and Communications Sector (TICS) www.alliance-tics.com

Trade Association of operators and telecommunications companies (SIOTEL)
www.siotel.org

French Association of Mobile Operators (AFOM) www.afom.fr

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	2007*	2008*	2009*
Total Market Size	21,943	22,829	23514
Total Local Production	17,486	21,192	22100
Total Exports	4,000	4,220	5600
Total Imports	5,829	6,700	6800
Total Imports from U.S.	1,349	1,403	1445
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7*

(Figures in USD millions; * Estimated figures)

Source: French Ministry of Environment

The total French market for water treatment equipment and related services is estimated to be worth USD 23 billion. A stable economy and financial institutions, stronger European Union (E.U.) regulations, greater public awareness and the increasing costs associated with polluting have played a major role in an expanding market for water treatment equipment and services. In addition, greater interest in complying with environmental regulations by national and local government officials has stimulated this market. Despite the current financial and economic challenges, the water sector is still expected to grow at a stable rate and provide continued market opportunities in a number of areas.

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Best prospects include wastewater sludge treatment; installation and maintenance of stand-alone sewage treatment tanks; remote monitoring technology; and membranes and water filters. Non point source pollution management and water conservation including leak detection and reclamation are becoming of major importance.

Opportunities[Return to top](#)**Storm water Management**

Urban development, environmental concerns and water quality have brought non point source water and rainwater management to the fore in France. Consequently, progressive storm water management policies have been implemented to mitigate the environmental impact of urban development. While the main focus has been placed on treating and disposing of rainwater for environmental reasons, residential applications have been used for many years. In addition, industry has recently discovered the benefits of this vital resource for its own processes that can decrease operating costs and strengthen bottom lines. This is driving the market for rainwater capture, storage and reutilization technologies and includes green house watering, commercial and industrial water cooling, water jet cutting, car washing and other ultra-pure, low mineral content water applications. Further, there are currently 8000 storm water management installations in France while there are approximately 100,000 systems in the Germany. Based on this relative comparison, France is expected to experience high growth in the short to mid-term.

Wastewater Sludge Treatment

Wastewater sludge treatment has remained a hot topic in France. Currently, 30 percent of sludge is incinerated, 31 percent goes to landfills, and 39 percent is used as fertilizer. Innovative technologies will focus on volume reduction and conditioning. The French government continues to recommend recycling and fertilizing as the primary disposal method for wastewater sludge. However, this practice has met resistance from the general public due to health and safety concerns and from the agriculture industry for pollution liability concerns. The government has consequently, strengthened its resolve to improve recycling techniques (e.g., composting, dehydration) and broaden the range of applications (e.g., farming, landscaping, revegetation) for recycled sludge. The government and as a result industry are moving towards “zero sludge discharge and zero waste generation”. Moreover, given the increase in wastewater, effluents and sludge generation, membrane bioreactors are in very high demand. New types of contaminants from pharmaceuticals, hormones and pesticides entering the wastewater stream have also increased demand for membrane bioreactors. In sum, sludge treatment technologies will continue to be in big demand into the foreseeable future.

Stand-alone Sewage Treatment Systems

Currently there are 5.3 million non-municipal sewage treatment systems (4 million septic and stand-alone sewage treatment tanks) in France. According the French authorities over 90 percent of these systems do not conform to the French Water Agencies Directives (over half of the stand alone units do not comply with current or future environmental regulations). They will, therefore, need to be replaced or revamped. Approximately 200,000 septic tank units are installed per year. Managing and maintaining these installations has become a top priority for end-users. While the number of suppliers is growing and competition is increasing market demand still outpaces supply. All this combined is expected to provide continued market opportunities in this sector.

Remote Monitoring Technology

With the arrival of broadband networks, remote monitoring technology has become extremely prevalent. The industry is continuously restructuring to leverage these new and evolving technological capabilities. Consequently, water and wastewater operators are in constant search of equipment and instrumentation that can increase operation efficiency and decrease total cost of ownership. Market players will be looking for technology with broader applications, easy installation and greater flexibility and autonomy. Further, remote monitoring technology will offer solutions to the increasing costs to comply with evolving storm water management policies. This is especially true since many water districts and municipalities do not have the financial or human resources to invest in full storm water management systems. Hence, sharing remote storm water management systems with several water districts and municipalities has become a cost effective way to comply with more stringent regulations and ensure higher quality water management.

Analytical Instrumentation

The European Directive for water quality adopted in 2000, which requires all natural existing bodies of water to attain satisfactorily ecological state by 2015, is expected to drive the market for biological and toxic substances analytical instrumentation. This Directive will also require a greater number of parameters to be measured. The primary market applications include continuous monitoring in aquatic environment and in-line monitoring; flood control and prevention in sewer networks and grids; reduction of chemical reagents and energy in water treatment.

Filters, Membranes and Water Reclamation

Organic membranes for urban wastewater treatment and reclaimed water is an emerging market. A growing interest and acceptance in reclaimed water has been driving the market for disinfection technologies such as UV, ozone and chlorination as well as other membrane technologies including nanofiltration, microfiltration, ultrafiltration and reverse osmosis. Membranes capable of treating wastewater discharged into sensitive ecological systems are also in high demand. This offers an important opportunity for U.S. companies, which are generally market leaders in this sector. In the UV market France (with less than 100 water treatment plants using UV systems) is much further behind compared to Germany, Switzerland, the UK and the US.

Resources

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Union des Entreprises et Industries de l'Eau et de l'Environnement
(The French Federation for the Water and Environmental Industries)
<http://www.french-water.com>

Canalisateurs de France (French Waterline Constructors Association)
<http://www.canalisateurs.com>

SNITER - Syndicat National des Industries du Traitement des Eaux
(National Association for the Water Treatment Industry)
<http://www.sniter.com/>

IFEP - Industriels français de l'Eau de pluie (The French Institute for Stormwater)
<http://www.ifep.info/>

UAE - Union des Entreprises d’Affinage de l’Eau (French Water Quality Association)
<http://french-water.com/uae/uae.html>

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	2007*	2008*	2009*
Total Market Size	6,041	6,148	6,209
Total Local Production	5,004	5,104	5,155
Total Exports	2,212	2,212	2,234
Total Imports	3,249	3,256	3,288
Imports from the U.S.	974	993	1,002
Exchange rate: USD1.00	Euro 0.7	Euro 0.7	Euro 0.7*

*(Figures in USD millions. *estimates)*

Total market demand in France for medical equipment was estimated at USD 6,148 million in 2008, with imports accounting for USD 3,256 million. Imports from the United States were forecast at USD 993 million, or 30 percent of total imports. This percentage is expected to remain approximately the same over the next three years, with overall demand growing at 1 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.

Diagnosis:

The diagnostic sub-sector represents 35 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 26 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 17 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, 8 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 8 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 6 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

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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.

Approval and testing:

G-MED - *Groupement pour l'évaluation des dispositifs médicaux*
(National agency for the evaluation of medical equipment)

Website: <http://rwww.gmed.fr>

Syndicat National de l'Industrie des Technologies Médicales - S.N.I.T.E.M.
(Medical equipment trade association)

Website: <http://www.snitem.fr>

U.S. Commercial Service Trade Specialist: Alain.Levy@mail.doc.gov

Phone: (+33-1) 43 12 70 14 - Website: <http://www.buyusa.gov/france/en>

	2007	2008 (estimated)*	2009 (estimated)*
Total Market Size	38,870	38,572	36,642
Total Local Production	41,026	40,016	38,014
Total Exports	30,191	32,003	30,403
Total Imports	28,035	30,558	29,031
Imports from the U.S.	820	810	798
Exchange rate: USD 1.00	0.7	0.7	0.7*

(Figures in USD millions: * estimated figures)

Source FIEV (French Vehicle Suppliers Association)

France is the fourth largest European automotive market after Germany, the U.K. and Italy. With an estimated registered 2,584,035 new (not including second hand) passenger and utility vehicles in 2007, France is facing difficult times as both car production and demand have decreased. On the other hand, the average life span of cars is increasing and a higher number of used cars were registered.

French automotive parts suppliers' sales reached approximately USD 38.9 billion in 2007 (a figure comparable with 2006). Thanks to a dynamic first semester 2008 in terms of car production, French automotive parts suppliers managed to stabilize their sales in 2008. The drop in production and demand of passenger cars in France, which started in mid 2008, will continue to affect automotive parts suppliers in 2009. Figures for 2008 and 2009 are estimations only, based on the current economic situation worldwide.

The main categories of automotive parts included in these figures are: power train equipment (40.2%), vehicle interiors (30.3%), tire-to-road link components (14%), body components (11.9%) and equipment for measurements, checks, diagnostics and repairs (3.6%). This equipment is sold to the OEM market (Original Equipment Manufacturers) and the aftermarket, which includes the OES (Original Equipment Suppliers) and the IAM markets (Independent Market).

France's automotive trade deficit with Germany and U.K increased by 41.4% and 2.2% respectively while the trade balance with Spain remained positive (+30.2%). Outside of Europe, where France achieved more than 83% of its sales, the sector's balance surplus with China deteriorated significantly (-43.6%).

OEM auto parts sales reached approximately USD 32.4 billion, a 2.2% decrease compared to 2007, mainly due to the decrease of French car production. All product categories suffered except air supply components and electrical equipment for engines, controls for transmission systems and exhaust line components.

On the other hand, **automotive parts suppliers' sales to the aftermarket (OES + IAM)** increased by 2.1% **to reach approximately USD 6.5 billion in 2007**. This evolution is mainly due to two factors: 1) the increase in the number of second hand registered light vehicles (passenger and light commercial cars), and 2) the average age of light vehicles, which exceeded 8 years in 2007. Product categories which were successful in 2007 were: fuel circuit components, engine components, air supply components and electrical equipment for engines, controls for transmission systems, and body components.

This report does not cover consumable products for the automotive aftermarket, which is another product category. It is important to note that generally product lines in auto centers, automotive departments in supermarkets or in independent automotive professional shops are less extensive than in the United States. There is room for embellishment products to a certain degree.

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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. Among the twenty top suppliers, eight are American (Delphi, Visteon, Johnson Controls, Lear, TRW Automotive, Dana, Arvin Meritor, and Federal Mogul). 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 its European subsidiaries or via local joint ventures. Direct imports from North America decreased in 2007 to reach 820 million dollars. The trend is still to source in foreign countries such as China, Japan, Taiwan and India to the detriment of the USA.

The FIEV, the French Vehicle Suppliers Association, has mapped the evolution of the supply chain, and it is obvious that French manufacturers encourage their key suppliers to co-locate in manufacturing plants adjacent to the in-country assembly operations, or in European countries close by. Since France's exports and imports of parts and components and assembled vehicles are largely within the Euro zone, the use of Euro as a transaction currency is a determining factor in source selection.

Most of the larger vehicle manufacturers have rationalized their suppliers' base of components and sub-assemblies and have stopped manufacturing parts in-house wherever possible. The trend is toward Tier One suppliers that provide complete sub-assemblies of parts sourced from the variety of Tier Two and Tier Three component manufacturers. Key suppliers are gaining greater competence in modules, systems, and even complete vehicle manufacture and have to meet the highest standards to be able to compete in this industry.

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Opportunities for U.S. suppliers will be on highly technological products or those that are innovative in the context of the environment, or security and safety. On board communication tools are enjoying good growth.

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EquipAuto 2009-Trade Show – October 13- 18, 2009

Website: <http://www.equipauto.com>

French Vehicle Equipment Industries Association

Website: <http://www.fiev.fr>

French Association of Automotive Independent Distributors

Website: <http://feda.fr>

U.S. Commercial Service Trade Specialist: Stephanie.Pencole@mail.doc.gov

Phone: (33-1) 43 12 71 38

Website: <http://www.buyusa.gov/france/en>

	2007	2008*	2009*
Total Market Size	44,286	45,614	44,286
Total Local Production	40,890	44,905	40,890
Total Exports	10,090	10,654	10,090
Total Imports	13,486	14,363	13,486
Imports from the U.S.	438	469	438
Exchange rate: USD 1.00	0.7	0.7	0.7*

(Figures in USD millions: * estimated figures)

Source FIEV (French Plastics Industry Association)

The French plastics industry ranks second in Europe after Germany and fourth in the world after the United States, Japan and Germany.

With 3,800 companies and a workforce of approximately 151,000, the French plastics industry generated a turnover of USD 44,286 million in 2007. Turnover in plastics processing increased by almost 4% in 2007, sustained by the market for tubes, pipes and profiles, by packaging and by the construction industry. Since 2002, the turnover of the industry continuously increased and an increase of 3% is estimated for 2008.

As with its European counterparts, France's industrial plastics processing companies faced rising costs, especially for raw materials. In 2007, the production of technical parts decreased mainly due to the weakness of the automotive market. Regarding the current situation in the automotive sector, the production of cars in 2008 and 2009 is expected to decrease and the subsector of plastic technical parts will be affected.

For 2009, the economic crisis will probably preclude increases in production and turnover. For this reason, we have based our 2009 figures on those of 2007, with the expectation of an approximately stable market.

Plastic products for the building and construction as well as for the packaging markets should continue to increase in 2008. This tendency is expected to continue in the next few years.

In 2007, sales of processed plastics products were broken down as follows: technical parts accounting for 36%, packaging for 24%, building products for 18% and semi-finished products for 16%.

The European Union (mainly Germany, the United Kingdom, Spain, Belgium and Italy) is the main trading partner of France with 75% of exports and 80% of imports.

Outside of Europe, the main non-EU suppliers of plastics products to France are China, the U.S. and Switzerland. In 2007, the U.S. sold USD 438 million in plastic products to France, (+ 7% compared with 2006), mostly technical parts worth USD 206 million, semi-finished products for USD 164 million, packaging USD 60 million and building products USD 8 million. U.S. imports have been fairly stable for the last couple of years and should continue to increase at the same level over the short to mid-term.

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In the context of the currency situation, the strength of the euro gives a competitive advantage to U.S. companies and offers niche-market opportunities to American equipment, machinery and technology. U.S. imports mainly concerned technical parts and semi-finished products. Demand for plates, sheets, tubes and profiles is strong, as well as products for the packaging, building and construction markets.

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The International Trade Fair for Plastic and Rubber (K Show) is the major European exhibition for the plastics industry. It takes place in Dusseldorf every 3 years. The next K Show is October 27-November 3, 2010. It presents a good opportunity for U.S. companies to study the potential of the European market, to access competition and meet with French partners.

<http://www.k-online.de>

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Fédération de la Plasturgie (French Plastics Industry Association)

<http://www.laplasturgie.fr>

U.S. Commercial Service Trade Specialist: Stephanie.Pencole@mail.doc.gov

Phone: (33-1) 43 12 71 38

<http://www.buyusa.gov/france/en>

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	2007	2008	2009
Total Market Size	7,606	7,779	7,888
Total Local Production	11,717	12,069	12,431
Total Exports	6,337	6,590	6,853
Total Imports	2,226	2,300	2,310
Imports from the U.S.	191	195	197
Exchange rate: USD 1.00	0.7	0.7	0.7*

(Figures in USD millions: * estimated figures)

The French market for cosmetics has been growing for the past several years and has been a flourishing industry in the French economy. In 2006, French sales of cosmetics and beauty products (including perfumes, toiletries and hair care products) reached USD 4.7 billion. In 2007, this tendency has still been confirmed, and the entire industry reported good results, particularly for perfumes sales which have registered an increase of 11 percent, followed by the make-up sales (+ 4.3 percent). According to the French trade association for beauty products, the first strength for the beauty industry in terms of value is face care representing 30 percent of the total market.

Due to the know-how of local companies, the label “made in France” remains a sign of quality and consequently, French companies continue to gain market shares not only in Europe, but also in the U.S. (+7.8 percent), in Russia (+43.7 percent), in China (+39 percent), and in India (+11.3 percent). French products are sold in more than 202 foreign countries.

Consumers are becoming very demanding and are always expecting more and more efficient products. They like to try new and innovative products. This is why companies need to adapt themselves to the want 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 because of a very severe legislation, there are market opportunities particularly for U.S. niche brands. There are a few French distributors interested in sourcing innovative products from the U.S.

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

Cosmeceuticals, which is a new category of cosmetics, includes “personal care products containing at least one bio-active ingredient that not only enhances appearance but also has a positive physiological effect at the cellular level.” This new category may sometimes be considered as a pharmaceutical product.

- The spa industry is still remaining one of the most dynamic markets with a significant increase over the past few years.
- Natural and organic products are becoming a new trend in France. This sector has shown excellent records in France these last two years, and is anticipated to grow in 2008 and 2009.

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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

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FEBEA (French trade association for cosmetics and beauty products)
 33, avenue des Champs Elysées
 75008 Paris, FRANCE
 Tel: (33.1) 56 69 67 89; Fax: (33.1) 56 69 67 90
<http://www.febea.fr>

Agence Française de Sécurité Sanitaire des Produits de Santé
 Département Inspection des Produits Pharmaceutiques et Cosmétiques
*(French Agency for the Safety of Health and Cosmetics Products
 Department of Inspection of Pharmaceuticals and Cosmetics)*
<http://www.afssaps.sante.fr>
<http://afssaps.sante.fr/htm/1/1000.htm>
<http://www.centres-antipoison.net/org/cosmetic/index.html>
<http://afssaps.sante.fr/htm/3/indavcos.htm>

Major trade shows:

- Beyond Beauty Paris trade show – (September 13-16, 2009)
[http:// www.beyondbeautyparis.com](http://www.beyondbeautyparis.com)

U.S. Commercial Service Trade Specialist: Caroline.de.Villoutreys@mail.doc.gov

Phone: (+33-1) 43 12 71 98

Website: <http://www.buyusa.gov/france/en>

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Academic Year	2006–2007	2007-2008*	2008-2009*
Total Market Size	USD 19,545	USD 19.651	USD 19,847
Total Local Production	USD 28,188	USD 27,831	USD 28,109
French and Foreign Students in France	*(2,283,267)	*(2 254 386)	*(2,276,929)
Total Exports	USD 3,145	USD 3,144	USD 3,175
Foreign Students in France	*(265,710)	*(263 126)	*(265,757)
Total Imports	USD 770.0	USD 774.0	USD 781.0
French Students Overseas	*(51,000)	*(52,500)	*(53,025)
Imports from the U.S.	USD 150.1	USD 152.3	USD 153.0
French Students in the U.S.	*(6,555)	*(6,704)	*(7,050)
Exchange rate: USD1.00	Euro 0.8	Euro 0.7	Euro 0.7

(Figures in USD millions and *numbers of persons: estimated figures)

Source: *Open Doors: Report on International Educational Exchange* published with the support of the U.S. Department of State's Bureau of Educational & Cultural Affairs, November 2008.

Historical trends

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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 four-year decline, international students from France began to rise again in 2005/2006 and rose by 5.2% in 2007/2008.

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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 exist for U.S. schools wishing to expand their enrollment of French students. A select number of undergraduate and graduate students prefer to go abroad to expand their university and post-graduate training and experience. For the academic year 2007-2008, they were 7,050 students from France studying in the USA (up 5.2% from the previous year). France is the eighteenth leading place of origin for international students in the United States. Opportunities for U.S. schools are expected to continue growing due to the favorable view of the French toward studies in the United States. American educational institutions should increase their efforts to promote their programs in France. There is an increased competition from other markets – Australia, U.K. South Africa, New Zealand, other EU countries, due to the ease of the application process and the perception of saving money.

Resources

Official organization: Fulbright Commission, <http://www.fulbright-france.org>

Trade Events:

- | | |
|---|--|
| SALON DES FORMATIONS INTERNATIONALES
http://www.letudiant.fr | <i>Education: International Studies Fair
January 10-11, 2009, Paris</i> |
| PARIS MBA FORUM STUDYRAMA
http://www.studyrama.com | <i>Education: MBA Programs
January 23-24, 2009, Paris</i> |
| EXPOLANGUES
http://www.letudiant.fr | <i>January 19-20, 2009, Paris</i> |
| SALON SPECIAL MASTERS ET 3EMES CYCLES (L'ETUDIANT) | <i>February 6-7, 2009, Paris</i> |
| SALON DE L'ETUDIANT DE PARIS
http://www.letudiant.fr | <i>Education: Bachelor & Graduate Studies
March 6-8, 2009, Paris</i> |
| WORLD MBA AND GRAD SCHOOL | <i>Education: MBA Programs
October 2009 (TBD)</i> |

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 Website: <http://www.buyusa.gov/france/en>

Overview

	2007	2008*	2009*
Total Market Size	13,248	13,771	13,998
Total Local Production	10,500	10,720	10,725
Total Exports	6,428	6,492	6,556
Total Imports	9,176	9,543	9,829
Imports from the U.S.	91	95	99
Exchange rate: USD 1.00	0.7	0.7	0.7*

(Figures in USD millions: * estimated figures)

Note: Official statistical figures include only textile companies employing at least 20 people. Statistical import figures include French customs classification NO. 61- 62 - 63.

In 2007, the French textile industry (including apparel) had about 900 companies (with at least 20 persons) employing 85,000 people. French textile companies (including apparel) generated a sales volume of USD 10.7 billion. In 2007, total French textile imports (including apparel) were valued at USD 9.5 billion, while total French textile exports (including apparel) for the same period amounted to USD 6.4 billion.

In 2007, the following textile sub-sectors registered an increase:

- Household textiles: plus 4.3 percent
- Men's wear: plus 3.7 percent
- Children's wear: plus 2.3 percent
- Women's wear: plus 0.4 percent

In 2007, the major textile suppliers were China (18%), Italy (12%), Germany (6%), followed by Turkey (10%), India (4%), and Tunisia/Portugal/Bangladesh (4%). The ending of the quotas, which took place on January 1, 2005 still affects the textile industry considerably.

China and Asia are continuing to reinforce their position as the world's number one textile exporting region once again. Consequently, European and American suppliers have to face the challenge of competing against low-prices and large supplies, representing a real challenge.

United States textile exports to France are mainly composed of sportswear and technical textiles. The advantages of American suppliers are their know-how and their ability to adapt quickly to the change and create new products.

Technical textiles, representing about 9% of the textile industry, are particularly present in the following industries:

- Transportation (26 percent)
- Sport and Leisure (15 percent)
- Construction (7 percent)
- Medical (6 percent)
- Agriculture (6 percent)
- Packaging (5 percent)
- Industrial protection (5 percent)
- Miscellaneous industries (15 percent)

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The U.S. technical textile manufacturers have a strong reputation for their technological know-how. Their new challenge is to develop functional textiles called “textiles of the future” for the following industries: construction, medical, health and wellness, and “techno-textiles” for the sportswear.

Best prospects within this sector are:

- Textiles based on comfort, health and safety for the sport/leisure market (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 health industries (hospitals, personal care, hygiene).

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The best opportunities will be offered to U.S. companies that are able to innovate new technologies and develop innovative products which are in real demand.

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Sources and textile trade associations:

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 the Apparel Industry*)
8, rue Montesquieu
75001 Paris
Tel: (33-1) 44.55.66.00
Fax: (33-1) 44.55.66.66
<http://www.ufih.fr>

Centre de Renseignements Statistiques des Douanes
(*French Customs Authorities – Statistical Data*)
8, rue de la Tour des Dames
75436 Paris CEDEX 09
Tel: (33-1) 55.04.65.28
Fax: (33-1) 55.04.65.30
<http://www.douane.gouv.fr>

Major trade shows:

- Lingerie trade show – <http://www.lingerie-paris.com>
(January 2009)
- Paris Mode City (lingerie, swimwear and fabrics)
<http://www.mode-city.com>
(September 5- 7, 2009)
- Interselection trade show (International fashion exhibition for multiple retailers)
<http://www.interselection.net/>
(April 6-8, 2009 / November 2009)
- Women's wear trade show – <http://www.pretaporter.fr>
(September 4-7, 2009 / January, 2010)
- Who's Next trade show (International Fashion Show) –
<http://www.whosnext.com>
(September 4-7, 2009 /January, 2010)
- Premiere Vision (Fabrics trade show) – <http://www.premierevision.fr>
(September 15-18, 2009)

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	2007	2008*	2009 *
Total Market Size	30	38	44
Total Local Production	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A
Imports from the U.S.	Euro 0.6	Euro 0.5	Euro 0.5

*(Figures in USD millions; * Estimated figures)*

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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, with a 20 percent growth rate between 2006 and 2007. This market represents over 5 percent of the non-food retail business in France. It was valued at USD 30 (Euro 22 billion) in 2007, with product sales accounting for 57 percent of total sales, and sales of services accounting for 43 percent.

In 2007, 73 percent of the French used distance purchasing through mail order, internet, telephone and mobile phones. A general downward trend has been observed in recent years in sales made through the mail due to rapid expansion in Internet sales.

The total number of Internet users in France and the total number of commercial websites has increased drastically. Currently, there are approximately 32 million Internet users and over 21 million online buyers in France.

Retail online sales estimates (B-to-C) in 2007 were USD 22 billion (16 billion euro) and accounted for 72 percent of total direct marketing sales, while they represented only 8 percent in 2000. Total online sales of products and services increased by 33 percent from 2006 to 2007, confirming the expected prominent role that the Internet will have in the future of direct marketing sales. Today 66 percent of Internet users have already purchased on-line, primary services and travel packages, followed by hi-tech and cultural products. The average purchase on-line is (91 Euro).

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The categories of products that reported the best growth rates in 2007 are consumer electronics; computers, cameras, mobile phones, then travel and tourism followed by miscellaneous services (subscriptions, downloading, tickets sales).

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

E-commerce Trade Association (Association pour le commerce et les services en ligne – ACSEL):

Website: <http://www.acsel.asso.fr>

Trade events:

- Direct Marketing Show (product and service providers to the industry)
MD Expo Paris
Website: <http://www.md-expo.com>
- **E-Commerce Paris** (service providers to the industry)
Website: <http://www.ecommerceparis.com>

U.S. Commercial Service Trade Specialist: Rose.Marie.Faria@mail.doc.gov

Phone: (33-1) 43 12 71 49

Website: <http://www.buyusa.gov/france/en>

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Chapter 5: Trade Regulations and Standards

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Import Tariffs

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Member states of the European Union have established a Community Integrated Tariff (TARIC) system, where duties are applied to imports from non-EU countries. TARIC was established by the 1958 Treaty of Rome as part of the European Economic Community (EEC). The Uruguay Round has reinforced the Single Market program. It focuses on the consolidation of an integrated European market, rather than on developing new policy directions. There are combined bilateral, regional, and multilateral policies.

Duties levied on imports from non-EU countries, including the United States, are moderate. Most raw materials enter duty-free or at low rates, most manufactured goods are subject to rates between 5 and 17 percent. Most agricultural product imports are covered by the Common Agricultural Policy (CAP), subjecting many items to varied levies designed to equalize the prices of imported commodities with those produced in the EU. Agricultural products are strictly regulated based on EU and French standards.

France and other EU member states have a network of bilateral and regional trade agreements. The EU has entered into customs union agreements (with Turkey, Cyprus, Andorra and Malta) and 26 free trade agreements under either GATT Article XXIV or GATS Article V. There are free trade agreements (two-way free trade without common external tariffs) and other sorts of preferential trade agreements with Norway, Iceland, Switzerland, Liechtenstein, Israel, the Palestinian Authority, Tunisia, Morocco, Jordan, Egypt, Lebanon, Syria and Algeria. Free Trade Agreements with Mexico and South Africa were concluded in 1999. The EU provides non-reciprocal preferential access to its markets to ACP countries (African, Caribbean and Pacific developing countries) under the Cotonou Agreement, and to other developing countries under the Generalized System of Preferences (GSP).

To export consumer-ready food products to France, a U.S. exporter should consider market access restrictions and food laws. Most processed products entering the European Union and France are subject to additional import charges based on the percentage of sugar, milk fat, milk protein and starch in the product. These additional

import charges may make certain imported processed products non-competitive in the European market, vis-à-vis similar products produced in the EU. Interested U.S. exporters should contact the Office of Agricultural Affairs for up-to-date information on this issue.

The EU tariff schedule is based on the Customs Cooperation Council Nomenclature (CCCN), which is also referred to as the Harmonized System. This system was introduced to provide a standard tariff classification regime for all products imported and exported throughout the world. Agriculture has high import tariffs in order to maintain a strict regime of what type of produce and meat are accepted into the EU. Hormone-treated beef continues to be banned by the EU despite WTO rulings that the ban violates international trade agreements. The decreasing average for industrial manufacturing goods is expected to be around 3 per cent over the next few years.

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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:

http://www.ustr.gov/assets/Document_Library/Reports_Publications/2008/2008_NTE_Report/asset_upload_file991_14650.pdf

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

<http://useu.usmission.gov/agri/>

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://www.buyusa.gov/europeanunion>.

Import Requirements and Documentation

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The Integrated Tariff of the Community, referred to as TARIC (*Tarif Intégré de la Communauté*), 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 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.

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. For information relevant to Member State import licenses, please consult the relevant Member State Country Commercial Guide.

Key Link: http://ec.europa.eu/taxation_customs/common/databases/taric/index_en.htm

Import Documentation

Non-agricultural Documentation

The official model for written declarations to customs is the Single Administrative Document (SAD). European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. However, other forms may be used for this purpose. Information on import/export forms is contained in Title VII, of Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing 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.

Additional information on import/export documentation can be found in Title III, of Council Regulation (EEC) No. 2913/92 of October 12, 1992, establishing the Community Customs Code (Articles 37 through 57). Goods brought into the customs territory of the Community are, from the time of their entry, subject to customs supervision until customs formalities are completed.

Goods presented to customs are covered by a summary declaration, which is lodged once the goods have been presented to customs. The customs authorities may, however, allow a period for lodging 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 can be made on a form corresponding to the model prescribed by the customs authorities. However, the customs authorities may permit the use, as a summary declaration, of any commercial or official document that contains the particulars necessary for identification of the goods. It is encouraged that the summary declaration be made in computerized form.

The summary declaration is to be lodged 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.

Non-EU goods presented to customs must be assigned a customs-approved treatment or use authorized for such non-Community goods. Where goods are covered by a summary declaration, the formalities for them to be assigned a customs-approved treatment or use must be carried out:

- 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;
- 20 days from the date on which the summary declaration is lodged in the case of goods carried other than by sea.

Where circumstances so warrant, the customs authorities may set a shorter period or authorize an extension of the period.

The Modernized Customs Code (MCC) of the European Union is expected to be passed into law in the first half of 2008. The MCC will replace the existing Regulation 2913/92 and simplify various procedures such as introducing a paperless environment, centralized clearance, and more. Check the EU's Customs website periodically for updates:

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

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 updated Directive applies to all batteries and accumulators put 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. EU Member States must implement the EU Directive into their national law by September 26, 2008. For more information, see our market research report:

http://www.buyusainfo.net/docs/x_8086174.pdf

REACH – Control of Chemicals

REACH is a major reform of EU chemicals policy that was adopted in December 2006 and became national law in the 27 EU Member States in June 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by the new policy. REACH stands for the "Registration, Evaluation and Authorization and Restriction of Chemicals." Starting June 1 2008, REACH requires chemicals produced or imported into the EU in volumes above 1 ton per year per to be registered with a central European Chemicals Agency (ECHA), including information on their properties, uses and safe ways of handling them. Chemicals pre-registered before December 1 2008 benefit from extended registration deadlines, from three to eleven years depending on the volume of the substance and its hazard properties. 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 can be found on the website of the U.S. Mission to the EU:

<http://www.buyusa.gov/europeanunion/reach.html>.

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of substances of very high concern. Substances on that list are subject to communication requirements and may at a later stage require Authorization for the EU market. For more information, see the ECHA website:

http://echa.europa.eu/doc/press/pr_08_38_candidate_list_20081028.pdf

WEEE & RoHS

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. They require U.S. exporters to register the products with a national WEEE authority, or arrange for this to be done by a local partner. Similarly, related rules for EEE restricting the use of the hazardous substances (RoHS) lead, cadmium, mercury, hexavalent chromium, PBBs, and PBDEs, do not entail customs or importation paperwork. However, U.S. exporters may be asked by a European RoHS enforcement authority or by a customer to provide evidence of due diligence in compliance with the substance bans on a case-by-case basis. Work is underway to revise the WEEE and RoHS Directives; some new rules could take effect as early as 2011. U.S. exporters seeking more information on WEEE and RoHS regulations should visit: <http://www.buyusa.gov/europeanunion/weee.html>

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). Many of these certificates are uniform throughout the EU, but the harmonization process has not been finalized yet. 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://useu.usmission.gov/agri/certificates-overview.html>.

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. Commission Decision 2006/199/EC places specific conditions on imports of fishery products from the U.S. Sanitary certificates for live shellfish are covered by Commission Regulation (EC) 1664/2006 and must be used for gastropods, bivalve mollusks, tunicates and echinoderms. The two competent Authorities for issuing sanitary certificates are the FDA and the U.S. Department of Commerce, National Marine Fisheries Service (NMFS/NOAA/USDC).

Since May 1, 2007, with the implementation of the second Hygiene Package, aquaculture products coming from the United States must be accompanied by a public health certificate according to Commission Decision 2006/199/EC and the animal health attestation included in the new fishery products certificate covered by Regulation (EC) 1664/2006. This animal health attestation is not required in the case of live bivalve mollusks intended for immediate human consumption (retail).

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@mail.doc.gov) or visit the following FDA dedicated web site: <http://www.cfsan.fda.gov/>.

U.S. Export Controls

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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:
http://www.ustr.gov/Document_Library/Reports_Publications/2007/2007_NTE_Report/Section_Index.html?ht=

Information on **agricultural trade barriers** can be found at the following website:
<http://www.useu.usmission.gov/agri/usda.html>

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://www.buyusa.gov/europeanunion>

The following concerns **trade barriers specific to France**.

Enforcement of complex technical standards and lengthy testing procedures sometimes appears to exceed reasonable requirement levels needed to assure proper performance and safety, for example in the areas of electronics, telecommunications equipment, and agriculture phytosanitary standards. There has been progress towards removal of non-tariff barriers in trade with France and other EU countries under WTO agreements and in the context of the transatlantic dialogue, and toward harmonization of standards through mutual recognition agreements (MRAs).

The 1989 EU Broadcast Directive requiring a "majority proportion" of television programming to be of European origin was incorporated into French legislation on January 21, 1992. France specifies a percentage of European programming (60 percent) and French programming (40 percent). These broadcast quotas were approved by the EU Commission and became effective on July 1, 1992. They are less stringent than France's previous quota provisions, which required that 60 percent of all broadcasts be of EU origin, and that 50 percent be originally produced in French. The 60 percent European/40 percent French quotas are applicable throughout the day, as well as during prime time slots. The prime time rules go beyond the requirements of the EU Broadcast Directive and limit market access for U.S. programs. Nevertheless, the market share of U.S. films and television shows remains high. Similar quotas affect radio broadcasting as well.

Under legislation enacted in the early 1990s, the French government requires non-EU lawyers to qualify as "*avocats*", on the basis of full-fledged membership in the French bar. Legal consulting service providers in foreign and international law are required to be licensed in French law. Non-EU firms are not permitted to establish branch offices in France under their own names. Also, foreign lawyers and firms are not permitted to form partnerships with or hire French lawyers. Furthermore, the professional category of "legal consultant" no longer exists in France.

Concerning accounting services, there is a nationality requirement for establishment, which can be waived at the discretion of the French authorities. However, an applicant for such a permit must have lived in France for at least five years.

Temporary Entry

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The Integrated Tariff of the Community, referred to as TARIC (*Tarif Intégré de la Communauté*), 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 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.

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. For information relevant to Member State import licenses, please consult the relevant Member State Country Commercial Guide.

Key Link: http://ec.europa.eu/taxation_customs/common/databases/taric/index_en.htm

Labeling and Marking Requirements

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An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at: http://www.buyusainfo.net/docs/x_4171929.pdf.

The subject has been also been covered in the section about standards (see below).

Prohibited and Restricted Imports

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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 that product 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: http://ec.europa.eu/taxation_customs/common/databases/taric/index_en.htm

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 that product for the following codes:

CITES	Convention on International Trade of Endangered Species
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For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link: http://ec.europa.eu/taxation_customs/common/databases/taric/index_en.htm

Customs Regulations and Contact Information

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Homepage of Customs and Taxation Union Directorate (TAXUD) Website

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

Major Regulatory Efforts of the EC Customs and Taxation Union Directorate:

Electronic Customs Initiative – Deals with major EU Customs modernization developments to improve and facilitate trade in the EU Member States. The electronic customs initiative is essentially 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](#) which provides for the completion of the computerization of customs

Key Link:

http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/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.

The EU imports in excess of one trillion euro worth of goods (year 2004 estimate). It is vitally 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

Customs and Security – At the end of July 2003, the Commission presented to the Parliament and Council a series of measures to address security issues. These measures can be found in [two communications and a proposal for amending the Community Customs Code](#). This package brings together the basic concepts underlying the new security-management model for the EU's external borders, such as a harmonized risk assessment system. The security amendment to the Community Customs Code ([Regulation \(EC\) n° 648/2005 of 13 April 2005](#)) has been published in the Official Journal of the European Union on 4 May 2005. With this amendment the European Union introduces a number of measures to tighten security around goods crossing international borders. The measures will mean faster and better-targeted checks. The results are positive for customs authorities, the public and industry.

The measures cover three major changes to the Customs Code:

- require traders to provide customs authorities with information on goods prior to import to or export from the European Union (see [Pre Arrival / Pre Departure Declarations](#));
- provide reliable traders with trade facilitation measures (see [Authorized Economic Operator - AEO](#));
- introduce a mechanism for setting uniform Community risk-selection criteria for controls, supported by computerized systems.

Key Link:

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Contact Information at national customs authorities:

http://ec.europa.eu/taxation_customs/common/links/customs/index_en.htm

French Customs:

Direction générale des douanes et droits indirects

11, rue des deux Communes
93558 Montreuil CEDEX.

FRANCE

fax: 01 57 53 49 37

Phone: (+33-1) 40.04.04.04

Website: <http://www.douane.gouv.fr/>

<http://www.douane.minefi.gouv.fr/>

French Customs regional offices:

<http://www.douane.gouv.fr/page.asp?id=140>

French Customs Legislation “Code des Douanes”:

Website: <http://www.legifrance.gouv.fr/>

Standards

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Overview

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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 standards created under the New Approach are harmonized across the 27 EU 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 www.newapproach.org. This list shows that not all products are covered by EU legislation calling for CE marking.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations and technical standards 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://useu.usmission.gov/agri/>.

Standards Organizations

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French Standards & Certification Bodies:

AFAQ ASCERT International Inc.
376 Mill Street
Hagerstown, MD 21740
USA
Phone: (240) 313 94 45
Fax: (240) 313 94 64
Email: USA.EAST@afaq.afnor.org

AFNOR
Website: <http://www.afnor.fr>
Standards on Line: <http://www.boutique.afnor.fr/boutique.asp>
AFNOR Email Contacts: certification@afnor.fr

French Body for Standards and Testing for Medical Devices:

Agence française de Sécurité Sanitaire des Produits de Santé (A.F.S.S.A.P.S.)
Website: <http://agmed.sante.gouv.fr>

LNE Laboratoire National d'Essais
Website: <http://www.lne.fr>

Questions regarding standards and certification of machinery, heavy equipment, and plant facilities should be directed to U.S. the office of APAVE, the primary French technical inspection organization:

APAVE
American European Services, Inc.
Suite 120 1054 31st Street, NW
Washington, DC 20007
Phone: (202) 337. 3214 ; Fax: (202) 337.3709
Website: <http://www.aes.com>

AFAQ - Association française pour l'Assurance de la Qualité
Website: <http://www.afaq.org>

French Consumer Organization working with the European Union Consumer Affairs on standards on Safety and Security related Standards:

French Consumer Union:
FÉDÉRALE DES CONSOMMATEURS (UFC - QUE CHOISIR)
Email: quechoisir@quechoisir.org; Website: www.quechoisir.org

Residential Housing and Life Style French Consumer Union:
CONFÉDÉRATION DE LA CONSOMMATION, DU LOGEMENT ET DU CADRE DE VIE (CLCV)
Email: clcv@clcv.org; Website: <http://www.clcv.org>

French Consumer Awareness Union:
ADÉIC (ASSOCIATION DE DEFENSE, D'EDUCATION ET D'INFORMATION DU CONSOMMATEUR)
Email: adeicfen@wanadoo.fr

French Workers Consumer Union:
Association Force Ouvrière Consommateurs (AFOC)
Email: afoc@wanadoo.fr; Website: <http://www.foconsommateurs.net>

French Workers Consumer Union:
ASSOCIATION ÉTUDES ET CONSOMMATION (ASSECO- CFTD)
Email: asseco-cfdt@wanadoo.fr; Website: <http://www.cfdt.fr>

French Consumer Union:
ASSOCIATION LÉO LAGRANGE POUR LA DÉFENSE DES CONSOMMATEURS (ALLDC)
Email: leo.lagrange.consom@wanadoo.fr; Website: <http://www.leolagrange-conso.org>

Union of French Catholic Families:
CONFÉDÉRATION NATIONALE DES ASSOC. FAMILIALES CATHOLIQUES (CNAFC)
Email: cnafc@afc-france.org; Website: <http://www.afc-france.org>

French Families Union:
CONFÉDÉRATION SYNDICALE DES FAMILLES (CSF)
Email: C.S.F.@wanadoo.fr; Website: <http://www.csfriquet.org>

Non-Religious Union of French Families:
UNION OF CONSEIL NATIONAL DES ASSOCIATIONS FAMILIALES LAÏQUES (CNAFAL)
Email: cdafal75@libertysurf.fr; Website: <http://www.cnafal.com>

Union of French Families:
FAMILLES DE FRANCE (FF)
Email: famillesdefrance@wanadoo.fr

Union of French Countryside Families
FAMILLES RURALES (FR)
Email: famillesrurales@wanadoo.fr

Association of Defense of Salaried French Consumers:
ASSOCIATION POUR L'INFORMATION ET LA DÉFENSE DES CONSOMMATEURS
SALARIÉS (INDECOSA-CGT)
Email: indecosa@cgt.fr
Website: <http://www.cgt.fr/indecosa>

Association of French Consumers:
ORGANISATION GÉNÉRALE DES CONSOMMATEURS (ORGECO)
Email: orgeco@wanadoo.fr
Website: <http://www.orgeco.free.fr>

Association of French Women:
UNION FÉMININE CIVIQUE ET SOCIALE (UFCS)
Email: ufcs-conso@wanadoo.fr
Website: <http://www.ufcs.org>

French Families Association:
UNION NATIONALE DES ASSOCIATIONS FAMILIALES (UNAF)
Email: afcfrance@compuserve.com

Association of French Public Transports Users:
FÉDÉRATION NATIONALE DES ASSOCIATIONS D'USAGERS DES TRANSPORTS
(FNAUT)
Email: fnaut@wanadoo.fr
Website: <http://www.fnaut.asso.fr>

Contacts in the United States:

American National Standards Institute
25 West 43rd Street, 4th Fl.
New York, NY 10036
Tel: (212) 642-4900; Fax: (212) 398-0023
Email: info@ansi.org Website: <http://www.ansi.org>

National Institute of Standards and Technology (NIST)
National Center for Standards and Certification Information
U.S. Department of Commerce
100 Bureau Drive Stop 2150
Gaithersburg, MD 20899
Tel: (301) 975-4040; Fax: (301) 926-1559
Email: ncsci@nist.gov Website: <http://www.nist.gov>

Underwriters Laboratories, Inc. can assist U.S. exporters in understanding and complying with French and EU standards. UL is authorized by the French government to test and certify electrical equipment:

Underwriters Laboratories
International Compliance Services Department
1285 Walt Whitman Road
Melville, NY 11747
Tel: (516) 271-6200; Fax: (516) 271-8259
Website: <http://www.ul.com>

AFAQ, Ascort Inc.
105431st Street, NY Suite 301
Washington, DC 20007
Tel: (202) 338-4365; Fax: (202) 337 – 3709
Email: frederic.sevin@afaq.org

AES - American European Services
1054 31st Street, NW Ste. 320
Washington, DC 20007
Tel: (202) 337-3214; Fax: (202) 337-3709
Email: sales@aes-apave.com Website: <http://www.aes-apave.com>

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

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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 of the production process to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice with regard to 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. You can find conformity assessment bodies in individual Member State country in this list by the European Commission.

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 systems are the Keymark, the CENCER mark, CEN workshop agreements (CWA) and the European Standard Agreement Group. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

To sell products on the EU market of 27 Member States as well as 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 and ETSI, and published 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. Although CE marking is intended primarily for inspection purposes by Member State inspectors, the consumer may well perceive it as a quality mark.

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 authorized representative 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.

French Certification body "AFNOR CERTIFICATION":

NF network

To expand its activities and thus improve recognition of its labels, AFNOR CERTIFICATION relies on the strength and expertise of a network of impartial and competent bodies whose scientific knowledge and technical know-how ensure the value and credibility of its certifications.

AFNOR Certification calls upon mandated bodies (to which all the certification operations are assigned), technical secretariats (to which part of the certification process is subcontracted), specialized laboratories and inspection and auditing bodies, a network of specialized auditors. All these bodies meet the requirements for impartiality, competence and integrity described in NF EN 45011 or NF EN ISO/IEC 17025 that define the respective obligations to be fulfilled by the product certifying bodies and

laboratories. AFNOR CERTIFICATION controls the entire NF network and ensures its consistency.

Mandated Bodies for Certification

The "mandated" bodies occupy a special position in this NF network, as they are highly experienced in the certification business and experts in their respective fields. In addition, they undertake to develop new NF mark applications. AFNOR CERTIFICATION delegates all the certification operations to certified bodies (see full contacts information at the end of this section).

Laboratories and inspection and auditing bodies for Certification:

The network also includes several dozen laboratories and auditing and inspection bodies. These partners are recognized on a national, European or even international level and carry out the tests and audits specified by the NF mark. They are experts in specific applications and leading practitioners in test methods and industry developments in their sector. For all practical information on mandated bodies, contact catherine.vincensini@afnor.fr and on other subcontractors, contact arnaud.desaxce@afnor.fr

Technical Secretariats mandated for Certification

For certain certifications only, AFNOR CERTIFICATION subcontracts some of the certification operations to a body known as a "technical secretariat". AFNOR CERTIFICATION nevertheless remains in overall control of the certification process

ATCG

Association Technique de Certification des Granulats

ATITA

Association Technique des Industries Thermiques et Aérauliques

Website: <http://www.atita.com>

CEBTP

Centre Expérimental de recherches et d'études du Bâtiment et des Travaux Publics

Website: <http://www.cebtp.fr/menu.html>

CSTB

Centre Scientifique et Technique du Bâtiment

Website: <http://www.cstb.fr>

CTTB

Centre Technique des Tuiles et Briques

Website: <http://www.cttb.fr>

INFOCERT

Infocert

Website: <http://www.infocert.org>

LEMVP
Laboratoire d'Essais des Matériaux de la Ville de Paris

QUALIBAT
Website: <http://www.qualibat.com>

SETRA
Service d'Etudes Techniques des routes et autoroutes
Website: <http://www.setra.fr>

Laboratories mandated for Certification:

ATS
Assistance Technique Scientifique
Website: <http://www.atsfrance.fr>

CEBTP
Centre Expérimental de recherches et d'études du Bâtiment et des Travaux Publics
Website: <http://www.cebtp.fr/menu.html>

CEMAGREF
Centre de recherche pour l'ingénierie de l'agriculture et l'environnement
Website: <http://www.cemagref.fr>

CERIB
Centre d'Etudes et de Recherches de l'Industrie du Béton
Website: <http://www.cerib.com>

CESAME LNE
Centre Atlantique de Métrologie et d'Essais

CETIAT
Centre Technique des Industries Aérauliques et Thermiques
Website: <http://www.cetiat.fr>

CETIM
Centre Technique des Industries Mécaniques
Website: <http://www.cetim.fr>

CNPP
Centre National de Prévention et de Protection
Website: <http://www.cnpp.com>

CRITT Sports et loisirs
Centre Régional d'Innovation et de Transfert de Technologie Sports et loisirs

CSTB
Centre Scientifique et Technique du Bâtiment
Website: <http://www.cstb.fr>

CTICM

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Centre Technique Industriel de la Construction Métallique
Website: <http://www.cticm.fr>

CTIF
Centre Technique de l'Industrie de la Fonderie
Website: <http://www.ctif.com>

CTP
Centre Technique du Papier
Website: <http://www.ctp.inpg.fr>

CTTB
Centre Technique des Tuiles et Briques
Website: <http://www.cttb.fr>

CTTN
Centre Technique de la Teinture et du Nettoyage
Website: <http://www.cttn-iren.com>

EDF-CEMETE
Electricité de France

GDF CERUG
Gaz de France

INERIS
Institut National de l'Environnement Industriel et des Risques
Website: <http://www.ineris.fr>

LCA
Laboratoire Centre Atlantique
Website: <http://lca-web.net>

LCIE
Laboratoire Central des Industries Electriques
Website: <http://www.lcie.fr>

LCPP
Laboratoire Central de la Préfecture de Police

LEMPA
Laboratoire d'Essais des Matériels et Produits Alimentaires
Website: <http://www.inbp.com/lempa.html>

LEMVP
Laboratoire d'Essais des Matériaux de la Ville de Paris

LILCO
Laboratoire Interprofessionnel Laitier de la Côte D'Or

LNE

Laboratoire National d'Essais
Website: <http://www.lne.fr>

LPGL-IFP
Laboratoire Professionnel des Gaz Liquéfiés - Institut français du Pétrole
1 et 4 avenue de Bois Préau, BP 311
92852 RUEIL MALMAISON CEDEX - FRANCE

LRCCP
Laboratoire de Recherche et de Contrôle du Caoutchouc et des Plastiques
Website: <http://www.lrccp.com>

Laboratoire Wolff
20 22 Rue Charles Paradinas, Clichy, Hauts-de-Seine 92110
Fax: 0147304096

Labosport
Website: <http://www.labosport.com>

Lerpac
Laboratoire d'Etudes et de Recherches pour l'Alimentation Collective
Website: <http://www.afssa.fr>

MRT
Centre technique électronique et informatique multimédia.
Website: www.mrt72.com

NF
List of 'Normes françaises' (NF) mark laboratories
Website: http://www.marque-nf.com/pages.asp?ref=reseau_liste_laboratoires&Lang=French

PRIMACONTROL

RLPC
Réseau des Laboratoires des Ponts et Chaussées

SFC
Société française de Céramique
Website: <http://www.ceramique.fr>

SLG
Prüfung und Zertifizierung GmbH

SNPE
Société Nationale des Poudres et Explosifs
Website: <http://www.snpe.com>

UTAC
Union Technique de l'Automobile du Motocycle et du Cycle
Website: <http://www.utac.com>

Inspection and Auditing Bodies mandated for Certification

AFG
Association française du Gaz
Website: <http://www.afgaz.fr>

ATITA
Association Technique des Industries Thermiques et Aérauliques
Website: <http://www.atita.com>

CEBTP
Centre Expérimental de recherches et d'études du Bâtiment et des Travaux Publics
Website: <http://www.cebtp.fr>

CEMAGREF
Centre de recherche pour l'ingénierie de l'agriculture et l'environnement
Website: <http://www.cemagref.fr>

CSTB
Centre Scientifique et Technique du Bâtiment
Website: <http://www.cstb.fr>

CTTB
Centre Technique des Tuiles et Briques
Website: <http://www.cttb.fr>

CTTN
Centre Technique de la Teinture et du Nettoyage
Website: <http://www.cttn-iren.com>

EDF-CEMETE
Electricité de France

JIA
The Japan Gas Appliances Inspection Association
Website: <http://www.jia-page.or.jp/jia/english/main.html>

LCIE
Laboratoire Central des Industries Electriques
Website: <http://www.lcie.fr>

LEMVP
Laboratoire d'Essais des Matériaux de la Ville de Paris

LNE
Laboratoire National d'Essais
Website: <http://www.lne.fr>

Labosport
Website: <http://www.labosport.com>

RLPC
Réseau des Laboratoires des Ponts et Chaussées

SFC
Société française de Céramique
Website: <http://www.ceramique.fr>

SNCF DEPART OUVRAGE D'ART
Société Nationale des Chemins de Fer

SNPE
Société Nationale des Poudres et Explosifs
Website: <http://www.snpe.com>

Certification Bodies mandated by AFNOR:

Environmental Measuring Instrumentation:
ACIME - Association pour la Certification des Instruments de Mesure pour
l'Environnement
Phone: (+33-1) 40 43 39 56
Web: <http://www.ine.fr> & <http://www.ineris.fr>

Industrial, Asbestos and Food Industry
AFAQ ASCERT International
Phone: (+33-1) 46 15 74 46
Website: <http://www.afaq.org/>

Reinforced concrete structures
AFCAB
Association française des Armatures du Béton
Phone: (+33-1) 44 90 88 80
Website: <http://www.afcab.org>
Contact: info@afcab.org

Roads and Highways Equipment
ASQUER
Association pour la Qualification des Equipements de la Route - ASQUER
Phone: (+33-1) 46 11 33 18
Website: <http://www.asquer.asso.fr>

Residential homes
CEQUAMI
Phone: (+33-1) 44 96 52 50
Website: <http://www.construceteurs.fr>

Concrete
CERIB (Centre d'Etudes et de Recherches de l'Industrie du Béton)
Phone: (+33-2) 37 18 48 00
Website: <http://www.cerib.com>

Gas related Equipment
CERTIGAZ sas
Phone: (+33-1) 44 01 87 61
Website: <http://www.afgaz.fr/francais/certification.shtml>

CNMIS sas
Phone: (+33-1) 53 89 00 40
Website: <http://www.cnmis.org>

Building Construction
CSTB
Centre Scientifique et Technique du Bâtiment
Phone: (+33-1) 40 50 28 28
Website: <http://www.cstb.fr>

Furniture and wooden-made building construction components
CTBA - Centre Technique du Bois et de l'Ameublement
Phone: (+33-1) 40 19 49 19
Website: <http://www.ctba.fr>

Electrical equipment & apparatus
LCIE
Laboratoire Central des Industries Electriques (LCIE)
Phone: (+33-1) 40 95 60 60
Website: <http://www.lcie.fr>

LNE
Laboratoire National d'Essais
Phone: (+33-1) 40 43 37 00
Website: <http://www.lne.fr>

Residential buildings
QUALITEL
Phone: (+33-1) 42 34 53 29
Website: <http://www.qualitel.org>

Accreditation

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Independent certification bodies, known as notified bodies, have been officially accredited by competent authorities to test and certify to EU requirements. However, under U.S.-EU Mutual Recognition Agreements (MRAs), notified bodies based in the United States and referred to as conformity assessment bodies, are allowed to test in the United States to EU specifications, and vice versa. The costs are significantly lower which results in U.S. products becoming more competitive. At this time, the U.S.-EU MRAs cover the following sectors: EMC (in force), RTTE (in force), medical devices (in

transition), pharmaceutical (on hold), recreational craft (in force) and marine equipment (in force). The U.S. Department of Commerce, National Institute of Standards and Technology (NIST), has a link on its website to American and European Conformity Assessment bodies operating under a mutual recognition agreement.

Key Link: <http://ts.nist.gov/Standards/Global/mra.cfm>

Accreditation is handled at Member State level. "European Accreditation" (http://www.european-accreditation.org/default_flash.htm) 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 with EN45003 or ISO/IEC Guide 58.

Publication of Technical Regulations

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Labeling and Marking

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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 until end of December 2009. 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 language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC, to replace 80/232/EC in April 2009, harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers.

Key Link: http://ec.europa.eu/enterprise/prepack/packsiz/packsiz_en.htm

The Eco-label

EU legislation in 1992, revised in 2000, distinguishes environmentally friendly products and services through a voluntary labeling scheme called the Eco-label. Currently, the scheme applies to 28 product types in 7 categories: cleaning products, appliances, paper products, clothing, lubricants, home and garden products and tourism services. The symbol, a green flower, is a voluntary mark. The Eco-label is awarded to producers who can show that their product is less harmful to the environment than similar products. This "green label" also aims to encourage consumers to buy green products. However, the scheme does not establish ecological standards that all manufacturers are required to meet to place product on the market. Products without the EU Eco-label can still enter the EU as long as they meet the existing health, safety, and environmental standards and Regulations.

The EU Eco-label is a costly scheme (up to EUR 1,300 for registration and up to EUR 25,000/year for the use of the label, with a reduction of 25% for SMEs) and has therefore not been widely used so far. However, the Eco-label can be a good marketing tool and, given the growing demand for green products in Europe, it is likely that the Eco-label will become more and more a reference for green consumers.

Key Links: http://buyusainfo.net/docs/x_4284752.pdf
http://ec.europa.eu/comm/environment/ecolabel/index_en.htm
<http://www.eco-label.com/default.htm>

Biotech:

Prior to 2008, France was the second largest producer of biotech corn in the EU. There was a fourfold increase between 2006 and 2007 to 22,000 ha, due to the favorable results of the 2006 crop. In addition, the implementation of new a EU regulation on mycotoxin levels for grains spurred French farmer interest.

However, this dramatically changed in 2008 when the current French government, under the lead of the Ministry of Environment, implemented a number of policy initiatives threatening the future of agricultural biotechnology in France. First, France banned MON810 production in January 2008 (pending its ten-year reevaluation by EU authorities). Please see the full text of the decree at:

http://www.legifrance.gouv.fr/affichTexte.do;jsessionid=0B42F0CDB7535ADBC44B690111653AA2.tpdjo02v_3?cidTexte=JORFTEXT000018089220&dateTexte=&oldAction=rec hJO&categorieLien=id

Second, the GOF passed a new biotech bill in May 2008 mandating public disclosure of commercial biotech fields at the plot level. The law also reorganized the national authority evaluating genetically-engineered products, to include not only scientists but also a socio-economic committee. For the full text of the bill, please see:

<http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000019066077&dateTexte=>

The French Presidency to the EU (in the second half of 2008) took action on biotechnology, resulting in the Council of Environmental Ministers in December. The Council unanimously adopted a document that lays the groundwork for broadening biotech reviews in terms of increased MS involvement in assessment and monitoring, and for eliciting input from a wider range of scientists and other stakeholders. The Council also urged the Commission to establish an adventitious presence threshold for seeds. While the societal preference issue failed to get traction in the Ag Council, the Environmental Council under the French Presidency adopted language encouraging MS to gather socio-economic data on biotechnology for further discussion. For full conclusions of the December 4 EU Council on biotechnology, please see: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/envir/104509.pdf

France implemented the EU Novel Food/Novel Feed and Traceability and Labeling Regulations on April 18, 2004, and the Fraud Control Office of the French Ministry of Economy, Finance and Industry (DGCCRF) is the enforcing authority.

Web Resources

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(EU websites:

Online customs tariff database (TARIC):

http://ec.europa.eu/taxation_customs/common/databases/taric/index_en.htm

The Modernized Community Customs Code MCCC):

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

ECHA: http://echa.europa.eu/doc/press/pr_08_38_candidate_list_20081028.pdf

Taxation and Customs Union:

http://ec.europa.eu/taxation_customs/customs/index_en.htm

Regulation (EC) 648/2005: [Regulation \(EC\) 648/2005 Security and Safety Amendment to the Customs Code](#)

Decision N° 70/2008/EC: [Electronic Customs Decision](#)

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

Legislation related to the Electronic Customs Initiative:

http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

International Level: [Customs value](#)

What is Customs Valuation?

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

Customs and Security:

Two communications and a proposal for amending the Community Customs Code
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code:

[Regulation \(EC\) n° 648/2005 of 13 April 2005](#)

Pre Arrival/Pre Departure Declarations: [Pre Arrival / Pre Departure Declarations](#)

AEO: [Authorized Economic Operator](#)

Contact Information at National Customs Authorities:

http://ec.europa.eu/taxation_customs/common/links/customs/index_en.htm

New Approach Legislation: www.newapproach.org

Cenelec, European Committee for Electrotechnical Standardization:

<http://www.cenelec.org/Cenelec/Homepage.htm>

ETSI, European Telecommunications Standards Institute: <http://www.etsi.org/>

CEN, European Committee for Standardization, handling all other standards:

<http://www.cen.eu/cenorm/homepage.htm>

Standardisation – Mandates: http://ec.europa.eu/enterprise/standards_policy/mandates/.

ETSI – Portal – E-Standardisation: http://portal.etsi.org/Portal_Common/home.asp

CEN – Sector For a: <http://www.cenorm.be/cenorm/workarea/sectorfora/index.asp>

Nando (New Approach Notified and Designated Organizations) Information System:

<http://ec.europa.eu/enterprise/newapproach/nando/>

Mutual Recognition Agreements (MRAs): <http://ts.nist.gov/Standards/Global/mra.cfm>

European Co-operation for Accreditation:

http://www.european-accreditation.org/default_flash.htm

Eur-Lex – Access to European Union Law:

<http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en>

Standards Reference Numbers linked to Legislation:

<http://ec.europa.eu/enterprise/newapproach/standardization/harmstds/whatsnew.html>

National technical Regulations: <http://ec.europa.eu/comm/enterprise/tris/>

NIST - Notify us: <http://tsapps.nist.gov/notifyus/data/index/index.cfm>

Metrology, Pre-Packaging – Pack Size:
http://ec.europa.eu/enterprise/prepack/packsize/packsiz_en.htm

European Union Eco-label Homepage:
http://ec.europa.eu/comm/environment/ecolabel/index_en.htm

Eco-Label Catalogue: <http://www.eco-label.com/default.htm>

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers:
http://www.ustr.gov/assets/Document_Library/Reports_Publications/2008/2008_NTE_Report/asset_upload_file991_14650.pdf

Agricultural Trade Barriers: <http://useu.usmission.gov/agri/>

Trade Compliance Center: <http://www.trade.gov/tcc>

U.S. Mission to the European Union: <http://www.buyusa.gov/europeanunion>

The New EU Battery Directive: http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH: <http://www.buyusa.gov/europeanunion/reach.html>.

WEEE and RoHS in the EU: <http://www.buyusa.gov/europeanunion/weee.html>

Overview of EU Certificates:
<http://useu.usmission.gov/agri/certificates-overview.html>

Center for Food Safety and Applied Nutrition: <http://www.cfsan.fda.gov/>

EU Marking, Labeling and Packaging – An Overview
http://www.buyusainfo.net/docs/x_4171929.pdf.

The European Union Eco-Label: http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements: http://tcc.export.gov/Trade_Agreements/index.asp

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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Ensuring that France's investment climate is attractive to foreign investors is a stated priority for the French government, which sees foreign investment as a way to create jobs and stimulate growth. Past debate in France over “economic patriotism” has caused some observers to question the depth of this commitment. Nevertheless, investment regulations are simple, and a range of financial incentives for foreign investors are available. A public and commercial establishment, the French Agency for International Investment (*Agence Française pour les Investissements Internationaux – AFI*) integrates all offices responsible for promoting investment in France. The agency combines the overseas offices of the Invest in France Agencies (IFA), with the Invest in France Network (IFN) association.

Foreign investors say they are attracted to France by its skilled and productive labor force, good infrastructure, technology, and central location in Europe. EU membership, which mandates the free (with certain limitations) movement of people, services, capital and goods across the European Union, took on even greater significance with the introduction of Euro coins and bills in January 2002. However, despite considerable economic reform and market liberalization over the past decade, U.S. and foreign companies often point to the tax environment, high cost of labor, rigid labor markets and occasional negative attitudes toward foreign investors as disincentives to investing in France. U.S. investors welcomed tax, labor and pension reform initiatives launched by President Sarkozy in 2007. Initially optimistic perceptions of France's economic outlook for 2008 have been followed by an apprehensive and uneven vision for 2009-2010, in the context of the international financial crisis.

The Formal Investment Regime:

The formal French investment regime remains among the least restrictive in the world. While there is no generalized screening of foreign investment, legislation passed at the end of 2005 dictates that acquisitions, irrespective of size or nationality, involving “sensitive” sectors are subject to prior approval by the Finance Minister (<http://www.legifrance.gouv.fr> – search for the 31 December 2005 French Official Journal, decree 2005-1739 of 30 December 2005). Acquisitions involving sensitive sectors are screened. Sensitive sectors include: gambling activities, private security services, research, development or production of chemical or biological medicines, equipment for intercepting communications or eavesdropping, security services for computer systems, dual-use (civil and military) technologies; cryptology, firms that are repositories of defense secrets, firms that research, produce and sell military equipment, and lastly any other industry supplying the defense ministry any of the goods or services described above. Some investments in sensitive sectors require the consensus of several ministries, including the Defense Ministry. Only a few dozen cases are examined by the Finance Ministry each year and virtually all are approved. Only two transactions related to defense matters were rejected in the last ten years.

The EU Commission initially questioned whether the December 2005 decree respected the free circulation of capital and the freedom of establishment within the EU. The 2005 decree introduced a distinction between E.U. investors and non-EU investors, with a less restrictive regime applying to the former. However, the difference in treatment is often minimal.

The decree also changes the triggers for Government of France (GOF) investment scrutiny for firms in the sensitive sectors, stating that any investment that grants control of a firm, or surpasses the 33 percent threshold, or involves any part of any branch of any firm that has established headquarters in France, is subject to GOF review.

Authorities also consider the place of residence rather than the nationality of a potential investor. The place of residence of a corporate investor is determined by the location of its owners, without regard to place of incorporation. While firms owned or controlled by American citizens who are legal residents in an EU country will usually be considered as EU residents, France will normally consider firms established or incorporated in other EU countries, and owned or controlled by American residents as non-EU residents.

To determine if non-EU investors control a firm, the French government looks at the residency of the headquarters (“siege social”) and the ability of non-EU investors to veto key management decisions or commercial ties (such as loans, guarantees, options, licenses, or contracts) that might effectively make the French company dependent on foreign investors. Firms with questions about their residency status should contact the Office of Foreign Investments at the following addresses:

Ministère de l'Economie, de l'Industrie et de l'Emploi,
Direction Générale du Trésor et de la Politique Economique:
Multicom 2 - Services, Investissements et Propriété Intellectuelle
139, rue de Bercy
75012 Paris, France
Tel: (33)1 44-87-72-87

Agence des Participations de l'Etat
139, rue de Bercy
75012 Paris, France
Tel: (33)1 40-04-04-04
Information may be found on the Finance Ministry's website:
<http://www.ape.bercy.gouv.fr/> .

AFII's website (<http://www.investinfrance.org/NorthAmerica> in English) explains the basic regulations covering foreign direct investment. It provides a general framework on legal issues to help businesses in its "Doing Business in France" section. The website of the Paris Chamber of Commerce and Industry provides French summaries of regulations applicable to foreign direct investment: (<http://www.inforeg.CCIP.fr>; search "Fiches pratiques" – "S'implanter en France").

Informal Impediments to Foreign Investors:

France has pursued economic reform that increases the attractiveness of the French economy to foreign investors, and French authorities offer a variety of investment incentives. France is closing the gap with the U.S. and some other European countries in personal computer use and Internet access.

Yet, while today's foreign investors face less interference than before, France has not entirely overcome a traditional preference for state intervention and a sometimes reflexive opposition to foreign investment. In some cases, this can be seen in labor organization opposition to acquisitions of French businesses by U.S. firms, often reflecting a perception that U.S. firms focus on short-term profits at the expense of employment. In other cases, French firms have stated a preference for working with French and European rather than U.S. firms. A degree of opaqueness in the privatization process (see below) can also aggravate suspicions about the equal treatment of foreign investors in publicly held firms. In addition, official comments regarding the purpose of the recently-established French "Strategic Investment Fund," sometimes misleadingly referred to as a French sovereign wealth fund, highlighted French sensitivity about hostile foreign takeovers.

Most businesses must deal with significant tax and labor market regulatory issues. Corporate tax rates are high in comparison to other leading industrial countries. Foreign investors most often cite complicated and pervasive labor regulation, and high income and payroll taxes as the greatest disincentives to investing in France. In the case of labor market regulation, the impact on companies of the 35-hour legal workweek is mixed. Many companies used the transition to the 35-hour workweek as an opportunity to negotiate work-hour annualization programs with employees that allow for greater labor flexibility. Companies also benefited from a further cut in payroll taxes on low wages. On the negative side, the 35-hour workweek increased unit labor costs since total wages remained unchanged even though the number of hours worked declined. The current government has taken measures to make the law less rigid. It also has introduced more flexibility in employment contracts (See D. Labor).

Successive 2008 increases in minimum wage (*Salaire Minimum Interprofessionnel de Croissance – SMIC*) of 2.3% and 0.9% kept pace with inflation. Gross wages per employee in the private sector are expected to increase at a slightly lower rate in 2009 (3.1 percent) compared with 2008 (3.3 percent) as inflation is expected to decelerate.

The government decision to further cut income and payroll taxes on low wage positions in 2009 should make France a more attractive place for both French and foreign investment.

The French have two social security taxes, the "Contribution Sociale Généralisée" (CSG) and the "Contribution au Remboursement de la Dette Sociale" (CRDS). U.S. contributors to the U.S. Social Security system do not pay these taxes. (Based on the "May 2 2001-377 ordonnance" to apply the 1408/71 EEC regulation, only "individuals who are subject to income taxes in France and contribute to the French social security system including health insurance pay CSG and CRDS".) The related "circulaire d'application" was published in the May 20, 2001 "Bulletin Officiel du Travail, de l'Emploi et de la Formation Professionnelle" <http://www.travail-solidarite.gouv.fr/documentation-publications-videotheque/bulletins-officiels/annee-2001/bulletin-officiel-no-2001-09-du-20-mai-2001-.html>

On December 8, 2004, the United States amended the income tax convention between the United States and France to avoid double taxation and prevent tax evasion; along with the estate and gift tax convention to avoid double taxation with respect to taxes on estates, inheritances and gifts: <http://www.ustreas.gov/offices/tax-policy/library/franceegprotocol04.pdf>. In December 2005, the French government ratified the two amendments, and they entered into force on December 21, 2006. The provisions resolve problems related to the double taxation of partnerships and estates. The U.S. Treasury provided a technical explanation in February 2006: <http://www.treas.gov/press/releases/reports/tefrencheg06.pdf>.

On January 13, 2009 the United States and France signed another protocol, further amending the tax convention, as well as a Memorandum of Understanding as to how this protocol is to be implemented. The agreement provides for the elimination of source-country taxation of certain direct dividends as well as the elimination of source-country taxation of cross-border royalty payments. The protocol has yet to be ratified but is retroactively effective on January 1 of the year in which it is ratified. <http://www.treas.gov/offices/tax-policy/library/FranceProtocol2009.pdf>
http://www.treas.gov/press/releases/reports/memorandum%20of%20understanding_.pdf

English summaries of labor and tax regulations applicable to foreign companies in France are available at the AFII's website <http://www.investinfrance.org/>, search "Your project in France" and at the Paris Chamber of Commerce and Industries' website (<http://www.inforeg.CCIP.fr> search "fiches pratiques" – droit fiscal).

France's Privatization Program:

The Socialist-led government that took office in July 1997 returned to the private sector all or parts of the government's stakes in a number of large companies, banks and insurance groups. U.S. firms showed interest in some of these sales. A center-right government elected in 2002 announced preliminary plans for further privatization, but the global slump in air transportation and equity markets put a brake in privatizations

through the sale of shares. In 2003 and 2004 the government reduced its stakes in large companies such as Air France-KLM, France Telecom, Thales (formerly Thomson CSF), Renault, and Thomson through TSA). Smaller projects, including the privatization of SAPRR (Paris-Rhine-Rhone Highway Company) and of the electricity company SNET, also were carried out. In the energy sector, the government sold shares in EDF and GDF, but postponed the privatization of the nuclear power company, Areva. A December 7, 2006 law authorized the reduction of the government stake in GDF to 33.33 percent from 70 percent to permit the merger of Gaz de France (GDF) and Suez. The government sold a 2.5 percent stake in EDF in 2007 and a 5.0 percent stake in France Telecom to reduce the public debt. In January 2009, the government has stakes in listed companies including Aéroports de Paris (60.38 percent), Air France KLM (15.65 percent), CNP Assurances (1.09 percent), EADS (15.08 percent), EDF (84.67 percent), France Telecom (26.65 percent), GDF-Suez (35,66 percent), Renault (15.01 percent), Safran (30.20 percent), and Thalès (27.10 percent), and in unlisted companies including SNCF, RATP, CDC and La Banque Postale. In November 2008, the government acquired a 33.34% stake in STX France Cruise, the major shareholder of the Chantiers de l'Atlantique shipyard. Based on a 2006 survey released in 2008, the government had a majority stake in 845 smaller firms in a variety of sectors, and a minority stake in 500 other firms.

Sales of government interests are conducted either through market-based public offerings or, more often, through an off-market bidding process. In both cases, key decisions are made by the Ministry of Economy, Industry and Employment on the advice of the quasi-independent "Commission des Participations et des Transferts" (formerly known as the Privatization Commission). Both consider the financial and business plans submitted by bidders. There is a strict legal and procedural process regulating these decisions, but the confidential nature of off-market sales can raise suspicions about the equal treatment of foreign versus French bidders. This can have a chilling effect on foreign investment. In the past, a policy of selling former holdings to "core" shareholders in an effort to avoid the splitting-up of companies or sales of sensitive state assets to foreign investors also hampered market efficiency and tended to favor French firms.

When privatizing state-owned firms either through off-market placements or market-based offerings, the 1993 privatization law gives the French government the option to maintain a so-called "golden share" to "protect national interests." This provision is not targeted at foreign companies and has not been a part of every privatization process. A golden share gives the government three legal rights:

- To require prior authorization from the Ministry of the Economy, Industry and Employment for any investor or group of investors acting in concert to own more than a certain percentage of a firm's capital. The thresholds would apply to all investors;
- To name up to two non-voting members to the firm's board of directors; and
- To block the sale of any asset to protect "national interests." Assets could include shares, but also buildings, technology, patents, trademarks, and any other tangible or intangible property.

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 by some EU countries, including France, of golden shares was a serious impediment to that principle. Nonetheless, a December 7, 2006 French law related to the energy sector included the possibility for the government to keep a golden share in Gaz de France (GDF) to oppose any measure that might jeopardize the security of energy supplies. The Government maintained its golden share following the merger of GDF with Suez, with the blessing of the European Commission. The Government has also considered retaining a golden share in any restructuring of Areva through loopholes in the court's decision. Areva's chairman has stated that the golden share could be consistent with EU requirements.

French Government Participation in R&D Programs:

Total annual R&D expenditures as a percentage of GDP in 2007 remained stable (2.14 percent in 2006, 2.13 percent in 2007). The GOF has confirmed for the 2009-2011 period its commitment to promote higher education and research: the higher education and research budget will rise by 1.8 billion euro in 2009, up 6.5% compared with 2008 (including 800 million euro for research and innovation). A similar increase is scheduled in 2010 and 2011 when funding is expected to reach 26 billion euro. The French government relies on increased tax credits and incentives for the development of new investment structures to boost industrial research and eventually reach the EU's "Lisbon agenda" goal to increase total R&D funding to 3 percent of GDP by 2010, with 2 percent coming from the private sector. Four areas (automobile, pharmaceutical, communication and aeronautics) account for more than 53 percent of research expenditure in the private sector. In the public sector, research is handled by research organizations, higher education research centers and Defense ministry laboratories.

The Research and Innovation Bill, adopted in 2006, reinforces science-industry relations and promotes greater strategic direction. In 2007 and 2008, the government gave a new impulse to government-funded research via a new university governance law giving universities a stronger role in driving research. The new legislation provides for a High Council for Science and Technology, a National Research Agency, and reinforcement of "competitiveness clusters," and an Industrial Innovation Agency. Private enterprise benefits from more flexible working arrangements with government scientists, as well as by receiving R&D tax incentives. The GOF also supports partnerships between public research agencies and universities within the framework of "Research and Higher Education Hubs," and "Advanced Research Thematic Foundations."

The GOF sponsors R&D and technology development programs at three different levels:

1. International/European programs (e.g. ESA, CERN, EUREKA, EU Framework program);
2. Technology development programs in the private sector (approx. 45 percent of R&D expenditures are funded by the French government), with specific programs to encourage transfer of research and to aid small and medium firms; and
3. National research programs (mostly administered by the Research Ministry), with specific emphasis given to health and biotech (fight against cancer, research on aging and handicaps, focus on new epidemics, genomics/genetics); resource

management (including food resources, food safety, water management), sustainable development and the fight against greenhouse gases (research on new sources of energy, clean vehicles, energy storage and use of hydrogen, nuclear systems and nuclear fusion); information and communication technologies; nanotechnologies; and space.

Visas, Work Requirements:

The government of France requires foreign citizens to complete extensive procedures if they wish to work in France. The requirements are essentially the same whether foreign citizens work for French or foreign-controlled firms. Non-EU nationals who intend to work or conduct any commercial activity in France must receive a long-term visa and a work permit (*Carte de travail*) or business permit (*Carte de commerçant - foreign trader's card*) before establishing residence in France. Information can be obtained from French consulates in the United States.

The web address is

http://www.expatries.org/default.aspx?SID=12291&DYN_VIEW=DETAIL&PAYS=ETATS-UNIS+D'AMERIQUE .

For more information on the foreign trader's card, please consult the Invest in France agency web site at: <http://www.invest-in-france.org/north-america/en/launching-your-project.html>.

For more information on other types of visas and applicable fees, contact your local Consulate General of France. A foreigner's ability to practice a profession may be restricted by government regulation and the regulations of French professional associations. For example, lawyers seeking to practice in France must become members of the French bar before they can practice any type of law under their own names. This requires passing the bar examination in French.

Conversion and Transfer Policies

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All inward and outward payments must be made through approved banking intermediaries by bank transfers. There is no restriction on 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 exchange control purposes, the French government considers foreigners as 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 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.

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. As part of fight against money laundering, seventeen OECD members including France tasked the

OECD with drafting a new expanded blacklist of countries failing to cooperate on tax evasion and transparency by the end of June 2009.

France sometimes uses its powers under national law to freeze assets of terrorists.

Expropriation and Compensation

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Under French law, private investors are entitled to compensation if their properties are expropriated, and such compensation must be adequate and paid promptly. In France's bilateral investment treaties, the French government promises to provide both prompt and adequate compensation. There have been no recent disputes involving expropriation of U.S. investments.

Dispute Settlement

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There have been few major disputes involving established U.S. firms in recent years. Government decisions in investment cases can be appealed to administrative tribunals and ultimately to the Council of State (*Conseil d'Etat*). The rights of U.S. investors are also protected by the U.S.-French bilateral convention (see Section B below).

The judicial system is independent. Property and contractual rights are enforced by the French civil code. Judgments of foreign courts are accepted and enforced by courts in France once they have been "declared executor" by a French judge through "executor" proceedings (Art. 2123 of the French Civil Code and Art. 509 of the Civil Procedure Code). However, in some civil cases and in bankruptcy cases, foreign judgments are recognized and enforced by French courts without executor proceedings.

France is a member of the World Bank's International Center for the Settlement of Investment Disputes (ICSID – <http://www.worldbank.org/icsid>). In addition, in most of its bilateral investment treaties (BIT's) France has agreed to accept binding arbitration to resolve investor-state disputes. However, most of France's BIT partners are developing countries whose investors have few investments in France. (See below).

Performance Requirements and Incentives

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Investment Incentives:

France offers a range of financial incentives to foreign investors. The following information reflects incentives as they existed at time of this writing.

France's domestic planning and investment promotion agency, DIACT (*Délégation Interministérielle à l'Aménagement et à la Compétitivité des Territoires*) has a broad mandate, including increasing the "attractiveness" of France for foreign investors and assisting potential investors. In addition, financial subsidies and tax incentives are offered at the local, regional and national government level to attract investment to France's less affluent areas. Incentives are available equally to French and foreign investors and eligibility requirements are the same.

Within the French government, foreign investment promotion is the responsibility of the AFII "Invest in France Mission" headed by an ambassador-at-large, who is based at the Ministry of the Economy, and backed up by DIACT. DIACT maintains offices throughout France and around the world to seek out and advise potential investors on project development, site selection, investment incentives (the largest of which are administered by DIACT) and administrative and legal requirements. DIACT's overseas offices were re-named "Invest in France Agencies" (IFA - IFANA in North America) in 2001.

AFII's internet address is <http://www.InvestinFrance.org>.
DATAR's site, <http://www.datar.gouv.fr/> or <http://www.diact.gouv.fr/>

There are three DIACT/IFANA offices in the United States:

Northern and Eastern States

IFANA New York
810 Seventh Avenue, Suite 3800
New York, NY 10019
Tel: (212) 757-9340; Fax: (212) 245-1568

Western and Southern States

IFANA San Francisco
88 Kearny Street, Suite 700
San Francisco,
CA 94108
Tel: (415) 781 0986; Fax: (415) 781 0987

Midwestern States

IFANA Chicago
205 North Michigan Avenue, Suite 3750
Chicago, IL 60611
Tel: (312) 628-1054; Fax: (312) 628-1033

The primary investment incentive offered through DIACT is the Prime d'Aménagement du Territoire (PAT). The government defined a new list of eligible zones for the period 2007-2013. Two implementing decrees issued in May and June 2007 (2007-809 decree on May 11, 2007 and 2007-1029 on June 15 2007) provide details on the current PAT system. The system requires job creation from investors (see Performance Requirements), but its subsidies can be generous. PAT may also be collected by firms that maintain employment when the investment is significant. The system is even more flexible for small and medium sized companies. Other investment incentives may also be available. Potential investors should consult DIACT and AFII to determine the full range of possibilities, including:

- Research and development project grants, notably for businesses located in competitiveness clusters
- Special tax treatment for company headquarters
- Local and regional tax holidays and special subsidies
- "Industrial conversion" zones featuring tax breaks and grants for job-creation
- Special access to credit for small and medium-sized enterprises

- Assistance for training, including a portion of wages paid to employees in training.

Besides DIACT/IFA at the national level, several French cities and regions have developed their own investment promotion agencies that advise potential investors, offer administrative assistance, and oversee investment incentives. The February 27, 2002 Local Democracy Law (*Démocratie de proximité*: <http://www.legifrance.gouv.fr>) gives regional councils (*Conseils Régionaux*) full powers to establish (without decree or national convention) schemes for direct aid to companies (subsidies, reduced interest rates on loans, and advances). Each "Conseil Régional" has its own website, which can be found with any internet search engine using "conseil régional" and the name of the appropriate region.

All incentives are covered under regulations set by the European Commission.

Performance Requirements:

Other than those linked to incentives, there are no mandatory performance requirements established by law. However, the French government will generally require commitments regarding employment or research and development from both foreign and domestic investors seeking government financial incentives. PAT and R&D subsidies are based on the number of jobs created. In addition, the authorities have occasionally sought commitments as part of the approval process for acquisitions by foreign investors.

Nonetheless, foreign firms need the French government's approval on a variety of regulatory issues, and in France, officials generally have much wider discretion than their U.S. counterparts. This can leave firms subject to "unwritten" performance requirements, with regulatory officials making it known that a firm's request would be more favorably viewed if it increased employment, R&D, or exports.

Right to Private Ownership and Establishment

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The French government maintains legal monopolies in the following sectors: postal services (La Poste maintains a monopoly on letter mail below 50 grams), national rail transportation (SNCF), Parisian bus and metro services (RATP), and tobacco manufacturing and distribution (Altadis – former Seita). The electricity and gas Companies (EDF/GDF) no longer have monopolies on production, distribution and sale of electricity and gas. Market opening in Europe has continued to increase -- meaning that consumers are free to choose another supplier, although few have. In July 2004, the option to switch suppliers was opened to all commercial customers. After a critical piece of energy sector reform legislation passed that same month, the first public sales of shares for EDF and GDF began in 2005, leading effectively to a partial privatization of the two companies.

The French government continues its efforts to enforce intellectual property rights. In April 2007, the GOF issued its implementing decree regarding the French Digital Copyright Law of August 2006. The decree established a Technical Measures Regulation Authority (TMRA) to regulate issues relating to the “mandated” interoperability of digital rights management (DRM) systems, as well as rights to copy original works for private use. To address what President Sarkozy called the challenge of the “protection of cultural works in the new networks of communication,” a new bill has been introduced in Parliament titled “Creation and the Internet” which is the result of the work of a commission chaired by Denis Olivennes, former CEO of the leading French entertainment retailer FNAC, following negotiations with French entertainment producers, copyright holders, and Internet service providers (ISPs). These negotiations led to a series of proposals on combating internet piracy and stimulating the growth of a legal digital music and movie market. It is anticipated this bill will be passed by parliament during the first quarter of 2009.

The most important of the bill’s provisions is the “three strikes and you’re out” rule, which would deny internet access to repeat offenders who illegally download. A new independent authority would also have the authority to issue alerts, warnings and finally suspend or terminate internet service for individuals suspected of illegal downloading. This authority would also have the power to sanction ISP providers that fail to comply with its injunctions.

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

The French government has made considerable progress in recent years improving the transparency and accessibility of its regulatory system. Government Ministers, companies, consumer organizations and trade associations may petition the Competition Authority to investigate anti-competitive practices.

Of most concern to foreign companies has been standards setting. With standards different from those in the U.S., rigorous testing and approval procedures must sometimes be undertaken before goods can be sold in France. Where EU-wide standards do not exist, specific French standards apply. The United States and the EU have negotiated mutual recognition agreements covering the testing and certification of certain specified regulated products. Information about these agreements and efforts to extend them can be found at the website of the Trans-Atlantic Business Dialogue, <http://www.tabd.com/>. The Transatlantic Economic Council, established in Spring 2007 at U.S.-EU annual Summit, and which met on December 12, 2008, focuses on improving regulatory cooperation.

The National Institute of Standards and Technology (<http://www.nist.gov/>) is represented at the International Bureau of Weights and Measures (<http://www.bipm.fr/>), located in Sevres, France, and may be of assistance to firms.

Industry associations have an influential role in developing both government policies and influencing self-regulatory organizations. U.S. firms may find it useful to become members of local industry groups. Experience has shown that even "observer" status can offer U.S. firms an insight into new investment opportunities and greater access to government-sponsored projects; even if U.S. firms sometimes feel they are not always given an adequate opportunity to participate in the determination of regulations.

Efficient Capital Markets and Portfolio Investment

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Access to Capital and Capital Markets:

France has an open financial market that allows firms easy access to a variety of financial products in both French and international markets. As markets expand, foreign and domestic portfolio investment has become increasingly important. France continues to modernize its marketplace and in 2007 its main market, Euronext, merged with the New York Stock Exchange.

As with most EU companies, French-listed companies have been required to use international accounting standards since 2005. Some aspects of French legal, regulatory and accounting systems may not be as transparent as U.S. systems, but they are consistent with international norms. Under special arrangement between the SEC and European counterparts, U.S.-listed firms applying U.S. GAAP do not need to reconcile their accounts under IFRS.

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, mergers, acquisitions and takeovers. Banks offer hedging services against interest rate and currency fluctuations. France has 161 foreign banks, one third of which are non-EU banks (some with sizable branch networks) with total assets accounting for around 10 percent of total bank assets at the end of 2007. Foreign companies have access to all banking services. Although some subsidies are available for home mortgages and small business financing, most loans are provided at market rates.

Increasingly, firms in France are bypassing banks and going directly to financial markets for their financing needs. The center of the French market is the Euronext stock exchange, formed on 22 September 2000 when the exchanges of Amsterdam, Brussels and Paris merged. The Euronext group expanded at the beginning of 2002 with the acquisition of LIFFE (London International Financial Futures and Options Exchange) and the merger with the Portuguese exchange BVLP (*Bolsa de Valores de Lisboa e Porto*). In February 2005, Euronext Paris merged the three separate markets of the Paris exchange, the cash market (*Marché au Comptant*), the regulated market (*Second Marché*) and the "Nouveau Marché" (growth segment) on which new companies, especially smaller ones with an emphasis on growth and technology, can raise start-up capital. The new market list ("Eurolist") was split in three segments based on the capitalization of companies (150 million euro, 150 million to 1 billion euro, and more than

1 billion euro). In 2005, Euronext created a market, "Alternext," to offer companies a new unregulated market (based on the legal definition of the European investment services directive) with more consumer protection than the *Marché Libre* still used by some 260 small businesses for their first stock listing. Euronext also administers the financial futures market Euronext LIFFE, sometimes referred to as MATIF (*Marché à Terme des Instruments Financiers*), for trading of standard contracts on interest rates, short- and long-term bonds, stock market indices, and commodities. It has established linkages with its German and Swiss counterparts as well as with the Chicago Mercantile Exchange. Euronext LIFFE is also the market for options trading (aka MONEP, or *Marché des Options Négociables de Paris*). Finally, though not nearly as developed as in the United States or the United Kingdom, venture capital has become an increasingly important way for start-up firms to raise capital. The NYSE merged with Euronext in March 2007. As of November 2008, NYSE Euronext listed 6,500 companies, with a total capitalization of USD 3 trillion. The merger has increased international exposure to the European exchange and reduced trading fees, which should attract more investors.

Foreigners hold approximately 45% percent of the capital of large publicly traded French companies (CAC 40). For a foreign company incorporated in an OECD country to be listed on the NYSE Euronext stock exchange, it must be sponsored by a French bank or broker. It must also prepare a French language prospectus to get a permit from *Autorité des Marchés Financiers - AMF*, the French equivalent of the SEC. Foreign companies are authorized to provide statements in English and a short summary in French. Since July 1, 2005, France has applied European regulation 809-2004 that details the content of prospectuses. An application to the AMF must include a summary in French or any other language commonly used in financial issues that describes "essential information related to the content and modalities of operations" as well as to the "organization, financial situation and development of the activity of the company". Details may be found on the AMF web site <http://www.amf-france.org>, which merged with the COB web site <http://www.cob.fr>.

The sponsoring bank or broker is responsible for placing the securities with investors when the securities are listed and for acting as a market maker. More information is available on the Paris Stock Exchange website, <http://www.euronext.com/index-2166-FR.html>.

Cross-Shareholding:

An intricate network of cross-shareholdings among French corporations has often been seen as a barrier to foreign acquisition of French firms. Often, two French companies will each own a significant share of the other. This system, which was traditionally a means to help ensure state-control of the economy, has weakened in recent years under the pressure of the marketplace.

Mergers and Acquisitions:

Although French laws regarding takeovers do not discriminate against foreign investors, a hostile takeover in France by a foreign investor could face public and even official scrutiny. Provisions of the company takeover law are designed to limit hostile takeovers of publicly traded companies. For example, according to a regulation passed by the Parliament on December 15, 2005, stockholders are required to notify company management and AMF when they have decided to prepare a takeover. France

extended its public offering rules by imposing some additional obligations on investors taking control of a company listed on a French market depending on the level of voting rights in the targeted company and the nature of the proposed acquisition. In October 2008, AMF announced it planned to reduce the threshold of shares or voting rights that obliges a company to launch a mandatory tender offer from 33 percent to 25 or 30 percent. To date nothing indicates the proposed measures are anything other than an attempt to increase transparency of all market participants.

In transposing the European takeover directive, France has tried to reconcile its objectives of reestablishing its credentials as an investor-friendly country, while allowing companies to defend themselves against “predators.” French companies may suspend implementation of a takeover if they are targeted by a foreign company that does not apply reciprocal rules. The government also introduced an amendment allowing a U.S.-style “poison pill” takeover defense, including granting existing shareholders and employees the right to increase their leverage by buying more shares through stock purchase warrants (*bons de souscription d'actions* - BSA) at a discount in case of an unwanted takeover. New provisions include a reform of AMF supervisory procedures. Procedures cover declaration of conformity, offer price, declaration of a bid in relation to takeover rumors and nomination of an independent appraiser when conflicts of interest exist http://www.amf-France.org/affiche_page.asp?urldoc=mediateur.htm&lang=fr&Id_Tab=0.

Political Violence

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Occasionally anti-American sentiments, particularly by those who see themselves as threatened by U.S. policies, result in demonstrations against U.S. investments. That said, such incidents are rare. France is one of the world's leading democracies and a founding member of the EU; there is little danger of insurrection, belligerent neighbors, or widespread civil disturbances. Perceived discrimination and a lack of economic opportunity contributed to disturbances that affected poorer, largely Muslim suburbs of France's largest cities in recent years. Most observers believe the unrest was fanned by small groups of youths looking for trouble, and incidents of violence have largely dissipated. Moreover, since the terrorist attacks of September 11, 2001, there have been relatively fewer anti-American demonstrations in France as compared to prior years.

Corruption

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France has laws, regulations and penalties that effectively combat acts of corruption committed in France. A 1993 law established a Central Service for the Prevention of Corruption under the aegis of the Ministry of Justice. The French judiciary is responsible for prosecution, and is active in doing so.

French magistrates launched a probe in December 2006 of officials from French oil company Total for the bribery of foreign civil servants, a criminal offence in France subsequent to the GOF's 2000 ratification of the OECD Anti-Bribery Convention and enactment of related implementing legislation. The OECD Anti-Bribery Conventions are enforced via amendments to the Criminal code, which have been integrated into Articles

435-3 and 435-4 of a new chapter on international corruption (Chapter V, Title III, Book IV). Article 435-3 incriminates the offer or promise of a bribe, but not the actual payment of a bribe, which is explicitly mentioned in the convention. Furthermore, there is a difference in the treatment of victims of bribery, depending on whether the bribery is domestic, EU or foreign. In cases of bribery of GOF/EU officials, any victim may initiate prosecution. In cases involving the bribery of other foreign government officials, criminal proceedings may be initiated only by the public prosecutor on the basis of a complaint from a Government official in the country where the bribery took place.

The OECD Anti-Bribery convention is further enforced via amendments to the Tax Code and to the Code of Criminal Procedure. Article 39-2 of the French Tax Code puts an end to the tax deductibility of bribes as of the entry into force in France of the Convention (September 29, 2000). Finally, Article 706-1 of the amended Code of Criminal Procedure provides that acts criminalized by the OECD Convention will be prosecuted in the Economic and Financial Unit of the Paris Court of Justice.

In July 2007, French Parliament approved the additional protocol to the Council of Europe's criminal convention on corruption.

There have been no specific complaints from U.S. firms of unfair competition or investment obstacles due to corrupt practices in France in recent years. More information on the international fight against corruption can be found at the Internet site of Transparency International <http://www.Transparency.org>. According to Transparency International's French Chapter, the sectors most affected by corrupt practices tend to be public works and the defense industry.

Bilateral Investment Agreements

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1959 U.S.-France Convention on Establishment:

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 is still in force. Some of the rights it provides to U.S. nationals and companies include:

- The right to be treated like domestic nationals in all types of commercial activities including the right to establish offices and acquire majority control of French firms, and in obtaining and maintaining patent and trademarks. (This right does not apply to firms involved in communications, air transportation, water transportation, banking, the exploitation of natural resources, certain "professions," and the production of electricity);
- The right to receive the best treatment accorded to either domestic nationals and companies or third country nationals and companies with respect to transferring funds between France and the U.S.;
- The requirement that property may only be expropriated for a public purpose and that payment must be just, realizable and prompt.

The treaty does not apply to the use or production of fissionable materials, arms or any materials that are used directly or indirectly to supply military establishments. The treaty does not prevent application of measures necessary to protect essential security interests.

Bilateral Investment Treaties:

Investments in France by other EU member states are governed by the provisions of the Treaty of Rome and by Union Law. France has also signed Bilateral Investment Treaties (BITs - "Accords de protection et d'encouragement reciproques des investissements") with the following 85 countries: Albania, Algeria, Argentina, Armenia, Azerbaijan, Bangladesh, Bolivia, Bulgaria, Cambodia, Chile, China, the Democratic Republic of the Congo, Costa Rica, Croatia, Cuba, Czech Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Estonia, Ethiopia, Georgia, Guatemala, Haiti, Hong Kong, Honduras, Hungary, India, Indonesia, Iran, Israel, Jamaica, Jordan, Kazakhstan, Korea (South), Kuwait, Kyrgyz Republic, Laos, Latvia, Lebanon, Liberia, Lithuania, Macedonia, Malaysia, Malta, Mauritius, Mexico, Moldova, Mongolia, Morocco, Nepal, Nicaragua, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, the Dominican Republic, Qatar, Romania, Saudi Arabia, Russia, Singapore, Slovakia, Slovenia, South Africa, Sri Lanka, Sudan, Syria, Trinidad and Tobago, Tajikistan, Tunisia, Turkmenistan, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Venezuela, Vietnam, Yemen, and the former Federal Republic of Yugoslavia.

Bilateral Investment Treaties signed with the following 12 countries have not yet been ratified: Bahrain, Belarus, Bosnia, Brazil, Ghana, Libya, Madagascar, Mozambique, Namibia, Uganda, Zambia and Zimbabwe. In October 2008, the Foreign and European Affairs Minister introduced three bills authorizing the approval of BITs with China, Kenya and Equatorial Guinea. The agreement signed with China replaces the 1984 agreement, and includes norms related to international arbitrage and free capital flows. The agreements signed with Equatorial Guinea and Kenya will provide investors with a protective and consistent legal framework.

French BITs generally cover the following:

- Just and equitable treatment that is no less favorable than that accorded to domestic investors or the most favored investor 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.

OPIC and Other Investment Insurance Programs

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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 at <http://www.opic.gov>.

France's private sector labor force is one of the country's strongest points in attracting foreign investment, combining high quality with relatively competitive unit-wage costs compared with those of other industrialized countries.

The labor code sets minimum standards for working conditions including the workweek, layoffs, overtime, vacation and personal leave. Part of President Nicolas Sarkozy's economic reforms ("Work more to earn more") has aimed at greater flexibility regarding the 35-hour workweek. Tax exemptions on overtime work were included in the GOF's fiscal package approved by Parliament and took effect October 1, 2007. Employees working overtime are exempt from personal income tax on those hours, and employees and employers benefit from reduced payroll taxes on overtime work. Business welcomed the GOF's efforts, but has complained that the implementing regulations are confusing and costly for French companies.

Talks between employers and unions on revising labor contracts to make hiring and firing easier resulted in agreement on a number of points in early 2008. The government had threatened to introduce a tougher draft bill in Parliament if the talks had broken down. The agreed-upon measures have subsequently been ratified by Parliament, as required by law.

The President's proposal to streamline assistance to job-seekers by merging France's national job placement and unemployment agencies was passed by the Parliament in January 2008, and enacted in September 2008.

At the end of 2006, France adopted an employees' shareholding law (*Loi sur la Participation*), which involves some changes in the labor code. The law encourages the purchase of shares by employees, the development of employees' investment/retirement savings accounts, and better representation of employees as shareholders. Employees in large companies who are laid off for economic reasons may benefit from "mobility leave" which involves training, short-term contracts, or transfer to another company. A new "transport allowance" will benefit employees who commute using public or private transportation. (<http://www.legifrance.gouv.fr> – search the 31 December 2006 French Official Journal – law 2006-1770 of 30 December 2006).

Other labor standards are contained in collective agreements, which are usually negotiated by sector on a national or regional basis by the various trade union federations and employers' associations. French absenteeism is modest by European standards, and in the private sector peaceful labor relations generally prevail.

While the rate of unionization in France has steadily declined to a little more than half that of the United States, French labor law provides an extensive institutional role for employee representatives and for organized labor.

- In companies with more than 10 employees, employee delegates are elected for a one-year term. They are authorized to present individual or collective claims and grievances relating to working conditions, to inform government labor inspectors of any complaints under the labor law, and to concur with management in any reorganization of the workweek. Management is required to meet with employee delegates at least monthly.

- A company with more than 50 employees must have a joint management/employee enterprise committee, to which employee representatives are elected. The committee must be consulted for all major corporate decisions, but has no veto. The enterprise committee must be provided with the same information that is made available to shareholders. It is funded by the company at a rate equal to at least 0.2 percent of the firm's payroll, and uses this money to finance social and cultural activities for the benefit of employees.
- Workers also hold most slots on occupational health and safety committees, which are mandatory in medium and large size companies. Labor tribunals (playing a role largely equivalent to the NLRB 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.

Due to a variety of macro and microeconomic factors, including high payroll taxes, a high minimum wage, and rigid labor laws, French businesses traditionally have tended to use less labor-intensive procedures and rely more on labor saving technology than businesses in other countries. This is one reason for France's high unemployment rate.

Foreign-Trade Zones/Free Ports

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France is subject to all European Union free trade zone regulations and arrangements. These allow member countries to designate portions of their customs territory as free trade zones and free warehouses in return for commitments in favor of employment. France has taken advantage of these regulations in several specific instances. The French Customs Service administers these zones and can provide more details. Customs can be contacted at the finance ministry web address: <http://www.douane.gouv.fr> use search to find information about "zones franches").

France has redesignated trade zones in May 2007 http://www.zones-franches.org/PDF/textes_lois/decret2007894.pdf.

In addition, the French government has extended the tax exemption program for five years, until December 31, 2011, in the existing urban "enterprise zones" (*Zones Franches Urbaines*). Since January 2004, all such zones have benefited from tax exemptions on corporate tax, payroll taxes, professional tax and real estate tax. The December 19, 2006 decree designated new urban zones. Related information is available at the City Government web site <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000641190&dateTexte=>.

More information on enterprise and investment zones is available from various sources: <http://www.zones-franches.org> <http://www.InvestinFrance.org> <http://www.diact.gouv.fr> <http://www.oseo.fr> for assistance to small and medium sized companies.

France has 71 "competitiveness clusters" designed to reinforce innovation and encourage innovative businesses to remain in France. Many clusters are pursuing projects with international partners. Clusters benefit from income and social tax exemptions. Clusters involved in research and innovation also benefit from financial support from the state-owned investment bank *Caisse des Dépôts*.

Directory of French clusters:

<http://www.competitivite.gouv.fr/spip.php?rubrique36&lang=en>;

Map of clusters: <http://www.competitivite.gouv.fr/spip.php?rubrique44&lang=en>

Foreign Direct Investment Statistics

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Foreign investment represents a significant percentage of production in many sectors. Rapid growth in the new technologies sector has given way to renewed growth in traditional sectors: automobiles, metalworking, aerospace, capital goods, consultancy and services. Although the current recessionary environment will impact foreign investment, France remains one of the main destinations of foreign direct investment (FDI) in the world. According to preliminary UNCTAD estimates, France was the second largest recipient of foreign direct investment inflows in 2008, despite a 27 percent drop compared to 2007. Foreign direct investment inflows accounted for 6.4 percent of GDP in 2007. The U.S. remained one the largest sources of FDI in France. Using Bank of France balance of payments data based on the historical book value of investment, U.S. firms accounted for 11.2 percent of the stock of foreign investment in 2006 (most recent data available), slightly down from 12.4 percent in previous years.

Using the book value instead of the market value of investments tends to underestimate the value of U.S. investment in France. This is because investments by U.S. companies tend to be considerably older than other countries' investments and because U.S. firms often finance expansions and acquisitions on domestic French capital markets or through subsidiaries in third countries. Thus, 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. The December 30, 2005 decree 2005-1739 on financial relations with foreign countries defines foreign investment operations that have to be notified to the Bank of France for the establishment of the balance of payments and France's external position. Firms with questions should contact the Bank of France at the following address:

Banque de France

Service de la Balance des Paiements
31, rue Croix-des-Petits Champs
Tel: 01.42.92.42.92

Correcting for statistical biases, and including the value of U.S. holdings of French stocks, the market value of the stock of U.S. investment in France may be as much as five times the USD 68.5 billion book value for 2007 reported in U.S. Department of Commerce data (<http://bea.gov>, search under 'International'). Approximately 1,350 affiliates of U.S. firms are established in France. An estimated 650,000 jobs result from U.S.-originated investments.

Today, foreign-controlled firms play a significant role in France's economy, accounting for 20 percent of capital expenditures (source: UNCTAD), 37 percent of sales, 31 percent of employment, and 8 percent of employment in the services sector (source: OECD).

An updated list of recent U.S. investment projects ors may be found on <http://www.invest-in-france.org/north-america/successful-business-developments-in-France.html>.

A list of foreign investors by industry can be found in the 2008 AmCham directory published by the:

American Chamber of Commerce in France

156, boulevard Haussmann

75008 Paris

Tel: 01 56 43 45 67 Fax: 01 56 43 45 60

Information spreadsheets may be sent by e-mail; consult <http://www.amchamfrance.org>.

Useful information on the 1000 largest companies and financial institutions established in France can be found in local periodicals such as Expansion (*Les 1000 de l'Expansion*):

<http://www.lexpansion.com/economie/classement/atlas.asp?idc=124715&typerec=3&code secteur1000=1>).

Stock by country of origin (Book value) (USD billions)

	2004	2005	2006
EU (27)	434	502	562
EU (13)	327	384	431
Of which			
Netherlands	89	94	110
Belgium	68	75	79
Germany	64	73	82
Luxemburg	44	62	70
Italy	20	30	30
Other EU	107	118	130
Of which			
UK	93	105	116
Sweden	6	6	6
Other Industrialized countries	136	135	144
Of which			
USA	72	76	82
Switzerland	37	37	38
Japan	10	39	42
Other countries	16	26	30
Total	586	662	736
Total as percent of GDP	28.4	30.8	32.4
(Exchange rate:) USD 1.00 equals:	Euro 0.80	Euro 0.80	Euro 0.80

Source: Bank of France

Stock of Foreign Investment in France (Market value) (USD billions)

	2004	2005	2006
Total	960	1054	1234
Total as percent of GDP	46.5	49.1	54.3
(Exchange rate:) USD 1.00 equals	<i>Euro 0.80</i>	<i>Euro 0.80</i>	<i>Euro 0.80</i>

Source: Bank of France

Stock by Industrial Sector of Origin (Book value)(USD billions)

	2004	2005	2006
Real estate and Services to companies	174	207	233
Manufacturing	189	207	227
Of which			
-Chemical Industry	51	60	66
-Processed Food	22	25	34
Financial Intermediation	91	103	105
Other	132	146	170
Total	586	662	736
(Exchange rate:) USD 1.00 equals	<i>Euro 0.80</i>	<i>Euro 0.80</i>	<i>Euro 0.80</i>

Source: Bank of France

Flows by country of origin (Market value) (USD billions)

	2005	2006	2007
EU (27)	68	58	112
EU (13) of which	51	47	89
Netherlands	9	16	16
Spain	8	8	7
Belgium	7	8	18
Italy	2	2	5
Other EU	17	11	23
of which			
UK	16	9	20
New EU members (1)	0	0	1
Other Industrialized Countries	12	15	27
Of which			
USA	8	11	21
Switzerland	3	3	5
Japan	1	1	1
Other countries	5	5	6
Total	85	78	145
Total as percent of GDP	4.1	3.6	6.4
(Exchange rate:) \$1.00 =	<i>Euro 0.80</i>	<i>Euro 0.80</i>	<i>Euro 0.80</i>

Source: Bank of France

Stock by country of destination (Book value) (USD billions)

	2004	2005	2006
EU (27)	487	569	633
EU (13)	343	395	438
of which			
Netherlands	93	104	113
Belgium	78	83	94
Germany	73	80	91
Italy	28	36	42
Other EU	144	175	195
Of which			
UK	117	141	156
Sweden	6	6	8
New EU (1)	11	16	19
Other industrialized countries	226	261	278
of which			
USA	148	172	179
Switzerland	28	32	47
Japan	17	18	20
Other countries	59	86	94
Total	772	916	1006
Total as percent of GDP	37.4	42.7	44.3
(Exchange rate:) \$ 1.00 =	Euro 0.80	Euro 0.80	Euro 0.80

Source: Bank of France

Stock of French FDI Abroad (Market value) (USD billions)

	2004	2005	2006
Total	1,333	1,606	1,889
Total as a percent of GDP	64.5	74.8	88.0
(Exchange rate:) \$ 1.00 =	Euro 0.80	Euro 0.80	Euro 0.80

Source: Bank of France

Stock by Industrial Sector Destination (Book value)(USD billions)

	2004	2005	2006
Manufacturing	257	309	337
Of which			
-Chemical Industry	54	62	63
-Processed Food	24	37	41
Finance Intermediation	164	180	210
Real estate and Services to companies	108	112	133
Other	243	315	326
Total	772	916	1,006
(Exchange rate:) \$ 1.00 =	Euro 0.80	Euro 0.80	Euro 0.80

Source: Bank of France

Flows by country of destination (Market value) (USD billions)

	2005	2006	2007
<i>EU (27)</i>	81	64	156
<i>EU (13)</i>	60	47	129
Of which			
Belgium	17	18	13
Germany	5	9	14
Italy	5	5	24
Netherlands	14	9	47
<i>Other EU</i>	21	17	26
Of which			
UK	13	14	20
Sweden	1	1	1
<i>Other Industrialized Countries</i>	22	39	32
Of which			
USA	12	22	29
Switzerland	6	13	8
Japan	2	2	2
<i>Other countries</i>	12	17	18
Total	115	120	206
Total as a percent of GDP	5.6	5.6	9.1
(Exchange rate:) \$ 1.00 =	<i>Euro 0.80</i>	<i>Euro 0.80</i>	<i>Euro 0.80</i>

Source: Bank of France

French legislation: <http://www.legifrance.gouv.fr>

Finance Ministry's website: <http://www.minefe.gouv.fr>

French regulations for foreign investment:

<http://www.investinfrance.org/NorthAmerica> <http://www.inforeg.CCIP.fr>

Income tax convention between the United States and France to avoid double taxation and prevent tax evasion:

<http://www.ustreas.gov/offices/tax-policy/library/franceegprotocol04.pdf>

Foreign trader's card re establishing residence in France:

<http://www.ambafrance-us.org/fr/ambassade/consulats.asp>

<http://www.invest-in-france.org/north-america/en/launching-your-project.html>

French financial market: <http://www.amf-france.org>

<http://www.douane.gouv.fr> use search to find information about “zones franches”).

France has redesignated trade zones in May 2007:

http://www.zones-franches.org/PDF/textes_lois/decret2007894.pdf.

Urban enterprise zones:

[http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000641190&dateTexte=.](http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000641190&dateTexte=)

<http://www.zones-franches.org> <http://www.InvestinFrance.org> <http://www.diact.gouv.fr>

Assistance to small and medium sized companies: <http://www.oseo.fr>

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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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

Electronic payments including electronic payment orders, pre-formatted inter-bank payment orders, electronic commercial trade bills, and electronically processed promissory notes. As of January 28, 2008, businesses are able to make faster euro credit transfers in the Single Euro Payments Area (SEPA). By November 1, 2009, payments with direct debit will follow and businesses will be able to set up cross-border direct debits in euro between any two SEPA countries. SEPA will also help businesses simplify business management, as all financial transactions can be done centrally from one bank account using SEPA payment instruments.

Although bank transfers and certified checks are fairly self-explanatory methods of payment, commercial letters of credit and sight and time drafts may be less familiar to the would-be exporter but are potentially attractive terms of payment.

How Does the Banking System Operate

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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, 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 161 foreign banks; some have 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 the chair of the Committee on Credit Institutions, which grants or withdraws banking licenses. The governor is also president of the Banking Commission, which ensures that banks adhere to banking regulations. The system also includes two consultative committees, the Committee on Financial Regulation, and the Financial Sector Consultative Committee.

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.

Foreign-Exchange Controls

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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>. 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 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

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All large French banks have correspondent U.S. banking arrangements. Many French banks also have subsidiaries or branch offices in the United States based on Federal Reserve list

BNP Paribas: Bank of the West (San Francisco); BNP Paribas (Chicago, Dallas, New York, Houston, Miami, San Francisco); First Hawaiian Bank (Honolulu); Banca Nazionale Del Lavoro (New York, Chicago); BNP Mexico (New York); French American banking corporation (New York): <http://www.bnpparibas.com>

Société Générale: Société Générale (Chicago, Dallas, Houston, New York); Trust Co of the West (Los Angeles): <http://www.socgen.com>

Crédit Industriel et Commercial: CIC (New York); Banque Transatlantique (Washington) <http://www.cic.fr>; <http://www.transat.tm.fr>

NATIXIS (Los Angeles, Houston, New York): <http://www.natixis.com>

Crédit Agricole - Société Anonyme Simplifiée rue la Béotie: Calyon (Chicago, Dallas, Houston, Miami, New York); LCL (Miami); <http://www.credit-agricole.fr> ; <http://www.lcl.com>; <http://www.caylon.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
51, rue François Premier
75008 Paris
Tel: (+33) 1 45 02 68 00 ; Fax: (+33) 1 45 01 77 89
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)
46, rue Bassano
75008 Paris
Tel: (+33) 1.49.52.36.00
Website: <http://www.aig.com>

Goldman Sachs (subsidiary)
2, rue Thann
75017 Paris
Tel: (+33) 01.42.12.10.00
Website: <http://www.gs.com>

Citibank International
19 Le Parvis
92800 Puteaux
Tel: (+33) 01 70 75 50 00
Website: <http://www.citibank.fr>

Citigroup Global Markets Limited
1-5 rue Paul Cézanne
75008 Paris
Tel: (+33) 01.70.75.50.00; Fax: (+33) 01.70.75.50.01
Website: <http://www.citibank.fr>

JP Morgan Chase Bank (subsidiary)
14, Place Vendôme
75001 Paris
Tel: (+33) 1 40 15 45 00
Website: <http://www.jpmorganchase.com>

Lazard Frères Bank
121, boulevard Haussmann
75008 Paris
Tel: 01.44.13.01.11; Fax: 01.44.13.01.10
Telex: LFCX 651666F; LFINTX651684F
Website: <http://www.lazard.com>

Project Financing

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Foreign companies have access to all banking services described in Section A. The other main financing is through French financial markets. The center of the French stock market is the Paris stock exchange (the "Bourse") that is part of the transatlantic exchange NYSE Euronext. More details can be found in the Investment Climate Section of this report (A9).

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and infrastructure projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). 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 and Turkey, as well as some of the former Soviet republics.

The European Union provides project financing through grants from the European Commission and loans from the European Investment Bank. Grants from the Structural Funds are distributed through the Member States' national and regional authorities, and are only available for projects in the 27 EU Member States. All grants for projects in non-EU countries are managed through the EuropeAid Cooperation agency in conjunction with various European Commission departments, called "Directorates-General."

The CSEU Tenders Database

The U.S. Commercial Service at the U.S. Mission to the European Union offers a tool on its website to help U.S.-based companies identify European public procurement opportunities. The database features all current public procurement tenders issued by all national and regional public authorities in the 27 Member States of the European Union, plus four other European countries, and that are open to U.S.-based firms under the terms of the Government Procurement Agreement (GPA) implemented in 1995. The database is updated twice weekly and is easy to use with a range of search options, including approximately 20 industry sectors. The database also contains tenders for public procurement contracts relating to structural funds. Readers may access the database at http://www.buyusa.gov/europeanunion/eu_tenders.html

EU Structural Funds

The 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. The EU earmarked EUR 308 billion for projects under the Structural Funds and the Cohesion Fund programs for the 2007-2013 period for the EU-27. 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. Member States negotiate regional and "sectoral" programs with officials from the regional policy Directorate-General at the European Commission. For information on approved programs that will result in future project proposals, please visit:

http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm

For projects financed through the Structural Funds, Member State officials 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 local officials 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. 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 advisable to team up with a local partner. 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 US Mission to the EU:
<http://www.buyusa.gov/europeanunion/mrr.html>

The Cohesion Fund

The Cohesion Fund is another instrument of EU structural policy. Its EUR 61.5 billion (2007-2013) budget seeks 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.

Key Link: http://ec.europa.eu/regional_policy/funds/cf/index_en.htm

The Trans-European Networks

The European Union also provides financial support to the Trans-European Networks (TENs) to develop infrastructure, strengthen cohesion and increase employment across greater Europe. Launched at the Essen Council (Germany) in 1994, the TENs are a series of transport, telecommunications and energy projects that are continually being expanded and upgraded. The TENs are largely financed by private sector and non-EU sources. The EU does, however, provide grants from the Cohesion Fund, loans from the European Investment Bank (and loan guarantees from the European Investment Fund), and partial feasibility study grants for the TENs. There are no overt EU restrictions on the participation of U.S. firms in the TENs.

Key Link: http://ec.europa.eu/ten/transport/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://europa.eu.int/grants/index_en.htm

External Assistance Grants

The EuropeAid Cooperation Office is the European Commission agency in charge of managing the EU's external aid programs. This Agency is responsible for the management of the entire project cycle, from identification to evaluation, while the Directorates-General in charge of External Relations and Development, are responsible for the drafting of multi-annual programs. The EuropeAid 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 to calls for tender for contracts financed by EuropeAid is reserved for enterprises located in the EU Member States and require that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

Key Link: http://europa.eu.int/comm/europeaid/index_en.htm

All tenders related to EU-funded programs outside the territory of the European Union (including the accession countries) are located on the EuropeAid Cooperation Office website: http://europa.eu.int/comm/europeaid/tender/index_en.htm

Two new sets of programs have been approved for the financing period 2007-2013. As of January 2007, the EU will provide specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through a new instrument called 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 replaces the following programs: PHARE (Poland and Hungary Assistance for Restructuring of the Economy), ISPA (Instrument for Structural Pre-Accession financing transport and environment projects), SAPARD (projects in the agriculture sector), CARDS (aid to southern Balkans) and the Turkey Facility Fund. 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 to countries that are potential candidate countries, especially in the Balkans. The budget of IPA for 2007-2013 is EUR 11.4 billion.

Key Link: http://ec.europa.eu/enlargement/financial_assistance/ipa/index_en.htm

ENPI: replaces the former TACIS and MEDA programs. The European Neighborhood Policy program 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. ENPI budget is € 11,9 billion for 2007-2013.

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 2006, the EIB approved loans for projects worth EUR 53.3 billion, of which

around 14% was lent outside the EU. 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. Last year, 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 intelligence on upcoming tenders related to EIB-financed projects: <http://www.eib.org/projects/>. 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.

The EIB's i2i (Innovation 2010 Initiative) is designed to highlight projects that support innovative technology in the European Union, in particular by financing broadband and multimedia networks; the physical or virtual infrastructure providing local access to these networks; and research and development infrastructures, especially in the less developed regions of the European Union. i2i will also finance projects to computerize schools and universities and to provide information technology training in conjunction with public authorities.

Key Link: http://www.eib.org/Attachments/thematic/innovation_2010_initiative_en.pdf

Web Resources

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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>

Banque AIG <http://www.aig.com>

Goldman Sachs <http://www.gs.com>

CITIBANK <http://www.citibank.fr>

JP MORGAN <http://www.jpmorganchase.com>

Lazard Frères bank <http://www.lazard.com>

French Banks

FEDERATION BANCAIRE FRANCAISE <http://www.fbf.fr>

SOCIETE GENERALE <http://www.societegenerale.fr>

BNP-PARIBAS <http://www.bnpparibas.com>

CREDIT AGRICOLE <http://www.credit-agricole.com/>

CREDIT INDUSTRIEL ET COMMERCIAL <http://www.cic.fr>

LCL (CREDIT LYONNAIS) <http://www.lcl.fr>

NATIXIS <http://www.natixis.fr>

EU websites:

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

EU Grants and Loans index: http://ec.europa.eu/grants/index_en.htm

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

The EU regional policies, the EU Structural and Cohesion Funds:
http://ec.europa.eu/regional_policy/index_en.htm

European Union Tenders Database:
<http://www.buyusa.gov/europeanunion/euopportunities.html>

U.S. websites:

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

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

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Groupe d'Action Financière: <http://www.fatf-gafi.org>

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Chapter 8: Business Travel

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Business Customs

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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

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

Visa Requirements

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

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States “Visas.gov”: <http://www.unitedstatesvisas.gov/>

Consular Section of the U.S. Embassy Paris: <http://france.usembassy.gov/consulara.html>

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

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

American Embassy Paris, Visas: <http://france.usembassy.gov/visas.html>

Telecommunications

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Telecommunications, to and from Paris, compare favorably with those in any large U.S. city. A direct-dial telephone system links France to the U.S. and most of the world. Calls to the 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 at 15 euro for 100 units and 7,50 euro for 50 units.

Transportation

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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

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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

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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

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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 9:00-4:30) 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, 2009	New Year's Day
April 13, 2009	Easter Monday
May 1, 2009	Labor Day / Ascension Day
May 8, 2009	Veterans' Day (WWII)
May 21, 2009	Whit Monday
July 14, 2009	French National Day
August 15, 2009	Assumption Day
November 1, 2009	All Saints' Day
November 11, 2009	Veterans' Day (WWI)
December 25, 2009	Christmas (<i>Noël</i>)

Temporary Entry of Materials and Personal Belongings

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Every U.S. citizen entering France must present a valid American passport; for stays of less than 3 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 no to the 19.6 percent value-added tax. 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

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State Department Travel Website: <http://travel.state.gov>
State Department Visa Website: <http://travel.state.gov/visa/index.html>
United States Visas.gov: <http://www.unitedstatesvisas.gov/>
Consular Section, U.S. Embassy Paris: <http://france.usembassy.gov/consularaa.html>
Commercial Section, U.S. Embassy Paris: <http://www.buyusa.gov/france/en/>

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Chapter 9: Contacts, Market Research, and Trade Events

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- [Market Research](#)
- [Trade Events](#)

Contacts

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U.S. Embassy Trade Related Contacts

AMBASSADOR

(Vacant)

American Embassy

2, avenue Gabriel

75008 Paris

France

U.S. Postal Address:

Unit 21551, APO AE 09777

Phone: (+33-1) 43.12.27.00

Fax: (+33-1) 42.66.97.83

Website: <http://www.amb-usa.fr>

CHARGÉ D'AFFAIRES / DEPUTY CHIEF OF MISSION

Mark A. Pekala

American Embassy

2, avenue Gabriel

75008 Paris

France

U.S. Postal Address:

Unit 21551, APO AE 09777

Phone: (+33-1) 43.12.28.00

Fax: (+33-1) 42.66.97.83

Website: <http://www.amb-usa.fr>

MINISTER-COUNSELOR FOR ECONOMIC AFFAIRS

Seth Winnick

American Embassy

2, avenue Gabriel

75008 Paris

France

Unit 21551, APO AE 09777

Phone: (+33-1) 43.12.26.54

Fax: (+33-1) 42.66.97.83

Website: <http://www.amb-usa.fr>

MINISTER-COUNSELOR FOR COMMERCIAL AFFAIRS

Daniel E. Harris
American Embassy
2, avenue Gabriel
75008 Paris
France
Unit 21551, APO AE 09777
Phone: (+33-1) 43.12.70.83 : Fax: (+33-1) 43.12.70.50
Email: Paris.office.box@mail.doc.gov
Website: <http://www.buyusa.gov/france/en/>

MINISTER-COUNSELOR FOR AGRICULTURAL AFFAIRS

Elizabeth B. Berry
American Embassy
2, avenue Gabriel
75008 Paris
Unit 21551, APO AE 09777
Phone: (+33-1) 43.12.23.29
Fax: (+33-1) 43.12.26.62
Email: AgParis@usda.gov
Website: www.amb-usa.fr/fas/fas.htm

REGIONAL DIRECTOR FOR
ANIMAL, PLANT AND HEALTH INSPECTION SERVICES

U.S. Mission to the European Union
40, boulevard du Régent, B3
1000 Brussels
Belgium
Tel: 32 2 508 2762 ; Fax: 32 2 511 0918
Contact: Peter Fernandez
Email: peter.fernandez@aphis.usda.gov

AMERICAN PRESENCE POST - BORDEAUX

Kenneth Forder, Consul
10 Place de la Bourse
BP 77
33025 Bordeaux CEDEX
Phone: (+33-5) 56.48.63.80 ; Fax: (+33-5) 56.51.61.97
Email: usabordeaux@state.gov
forderK@state.gov

VIRTUAL AMERICAN PRESENCE POST - LILLE

Attn: Cynthia Doell, VPP Lille
American Embassy
2, avenue Gabriel
75008 Paris
E-mail: usalille@state.gov
Website: <http://france.usembassy.gov/lille.html>

AMERICAN PRESENCE POST – LYON
1 Quai Jules Courmont, 69002 Lyon
Ph.: 33-4-78-38-33-03
Fax: 33-4-7241-7181
E-mail: usalyon@state.gov
SullivanHR@state.gov
Website: <http://france.usembassy.gov/lyon.html>

U.S. CONSULATE GENERAL - MARSEILLE
Kathleen A. Riley, Consul General
place Varian Fry
13286 Marseille
France
Phone: (+33-4) 91 54 92 00
Fax: (+33-4) 91 55 56 95
E-mail: nebatti-cherquim@state.gov
RileyKA3@state.gov
Website: <http://france.usembassy.gov/marseille.html>

AMERICAN PRESENCE POST - RENNES
Edward O'Brien, Consul
30, quai Duguay-Trouin
35000 Rennes
Phone: (+33-2) 23 44 09 65
Fax: (+33-2) 99 35 00 92
E-mail: usarennes@state.gov
Obrienev@state.gov
Website: <http://france.usembassy.gov/rennes.html>

U.S. CONSULATE GENERAL - STRASBOURG
Vincent Carver, 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: CarverVVP@state.gov
Website: <http://france.usembassy.gov/strasbourg.html>

AMERICAN PRESENCE POST - TOULOUSE
David Brown, Consul
25, Allées Jean Jaurès
31000 Toulouse
Phone: (+33-5) 34.41.36.50 ; Fax: (+33-5) 34.41.16.19
Email: BrownDK@state.gov
Website: <http://france.usembassy.gov/toulouse.html>

U.S. CONSULAR AGENCY - NICE
7, avenue Gustave V
06000 Nice
Phone: 04 93 88 89 55
Email: citizeninfomarseille@state.gov
Website: <http://france.usembassy.gov/nice.html>

Washington-based USG Country Contacts

UNITED STATES DEPARTMENT OF STATE
Office of Western European Affairs EUR/WE Christopher PALMER, France Desk Officer
Washington, DC 20520
Phone: (202) 647-4372 ; Fax: (202) 647-3459
Email: PalmerCG@state.gov
Website: <http://www.state.gov>

UNITED STATES DEPARTMENT OF COMMERCE
Office of European Union and Regional Affairs
Robert McLaughlin, France Desk Officer
14th Street and Constitution Avenue
Room 3042
Washington, DC 20230
Phone: (202) 482-3748; Fax: (202) 482-2897
Email: Robert_McLaughlin@ita.doc.gov
Websites: <http://www.export.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>

Office of Capacity Building and Development (OCBD)
Pat Sheikh, Deputy Administrator
14th & Independence Ave. SW
Washington, DC 20250
Tel: (202) 720 6887; Fax: (202) 720 690 2079
Website: <http://www.fas.usda.gov/OCBD.asp>

ENERGY DEPARTMENT
Office of International Energy Relations Ken Workman, Western Europe 1000
Independent Avenue, SW, Room 7C-034, Washington, DC 20585
Phone: (202) 586-8660; Fax: (202) 586-0861
Website: <http://www.doe.gov>

ENVIRONMENTAL PROTECTION AGENCY

International Environmental Policy
Dale Medearis, Western Europe
USEPA Headquarters
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Mail Code: 2650R
Washington, DC 20460
Phone: (202) 564-6607
(202) 564-6400 (general number)
Website: <http://www.epa.gov>

FOOD AND DRUG ADMINISTRATION

Department of Health and Human Services
Parklawn Bldg.
Mail Code: HF-1
5600 Fishers Lane
Rockville, MD 20857
Phone: (301) 827-24 10; Fax: (301) 443-31 00
Website: <http://www.fda.gov>

LABOR DEPARTMENT

Bureau of International Labor Affairs
William Brumfield, European Desk
200 Connecticut Avenue, NW
Room S-5006
Washington, DC 20210
Phone: (202) 219-6234; Fax: (202) 219-5613
Email: Brumfield-william@dol.gov
Website: <http://www.dol.gov>

TREASURY DEPARTMENT

International Affairs
Leslie Hull, France Desk
Room 5441
1500 Pennsylvania Ave., NW
Washington, DC 20220
Phone: (202) 622-1233; Fax: (202) 622-2308
Website: <http://www.treas.gov>

OFFICE OF THE U.S. TRADE REPRESENTATIVE

Shann Donelly, Office of Europe and the Mediterranean
600, 17th Street, NW
Washington, DC 20506
Phone: (202) 395-9624
Fax: (202) 395-3511
Website: <http://www.ustr.gov>

U.S.-Based Multipliers Relevant for Country

FRENCH EMBASSY ECONOMIC & COMMERCIAL AFFAIRS

Phone: (202) 944-6316

Fax: (202) 944-6336

Email: sao-etatsunis@missioneco.org

Website: <http://www.missioneco.org/etatsunis/organigramme.asp>

FRENCH-AMERICAN CHAMBER OF COMMERCE IN THE U.S.

Phone: (212) 715-4444

Fax: (212) 715-4441

Email: SBellanger@cicny.com

Web: http://www.faccnyc.org/facc_about.html

INVEST IN FRANCE AGENCY (I.F.A.)

Phone: 212 757 9340

Fax: 212 245 1568

Email: us@investinfrance.org

Website: <http://www.investinfrance.org/NorthAmerica/>

Country Government Agencies

PRESIDENT OF FRANCE

<http://elysee.fr>

FRENCH GOVERNMENT

<http://www.premier-ministre.gouv.fr/en/acteurs/gouvernement/>

PRIME MINISTER

<http://www.premier-ministre.gouv.fr/>

MINISTRY OF ECOLOGY & SUSTAINABLE DEVELOPMENT

<http://www.developpement-durable.gouv.fr>

MINISTRY OF INTERIOR

<http://www.interieur.gouv.fr/>

MINISTRY OF FOREIGN AFFAIRS

<http://www.diplomatie.gouv.fr/>

MINISTRY OF ECONOMY, TREASURY, INDUSTRY AND FOREIGN TRADE

<http://www.minefi.gouv.fr>

MINISTRY OF IMMIGRATION, NATIONAL IDENTITY & CO-DEVELOPMENT

<http://www.premier-ministre.gouv.fr>

MINISTRY OF JUSTICE: <http://www.justice.gouv.fr/>

MINISTRY OF AGRICULTURE: <http://www.agriculture.gouv.fr/>

MINISTRY OF LABOR: <http://www.travail.gouv.fr/>

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MINISTRY OF EDUCATION: <http://www.education.gouv.fr/>

MINISTRY OF HIGHER EDUCATION AND RESEARCH
<http://www.recherche.gouv.fr/>

MINISTRY OF DEFENSE: <http://www.defense.gouv.fr/>

MINISTRY OF HOUSING: <http://www.logement.gouv.fr/>

MINISTRY OF HEALTH, YOUTH & SPORTS: <http://www.jeunesse-sports.gouv.fr/>

MINISTRY OF CULTURE & COMMUNICATION: <http://www.culture.gouv.fr/>

MINISTRY OF BUDGET & CIVIL SERVANTS: <http://www.minefi.gouv.fr>

Other Country Government Sub-Agencies

Agency For Corporate Development Of Ile De France
AGENCE REGIONALE DE DEVELOPPEMENT PARIS-ILE DE FRANCE
<http://www.paris-region.com>

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

French Customs
SERVICE DES DOUANES
<http://www.douane.gouv.fr/>
http://www.crd-ile-de-france@douane.finances.gouv.fr

French Foreign Investment Control Agency
MINEFI
<http://www.minefi.gouv.fr>

French National Testing Laboratory
LABORATOIRE NATIONAL D'ESSAI - L.N.E.
Website: www.lne.fr
Emails:
info@lne.fr
certification@lne.fr
materials@lne.fr
medical.device@lne.fr
packaging@lne.fr
metrology@lne.fr
consumer.products@lne.fr

Official Gazette - JOURNAL OFFICIEL: Website: <http://www.journal-officiel.gouv.fr>

National Agency For entrepreneurship – OSEO: <http://www.oseo.fr/>

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

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

French Export Promotion Agency - UBIFRANCE
<http://www.ubifrance.com/>

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-AMERICAINE
<http://www.eaccfrance.eu/>

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

Chamber of Commerce and Industry of Paris
CHAMBRE DE COMMERCE ET D'INDUSTRIE DE PARIS
<http://www.ccip.fr>

Chamber of Commerce and Industry of Val D'oise – Yvelines
CHAMBRE DE COMMERCE ET D'INDUSTRIE DU VAL D'OISE
<http://www.versailles.cci.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
<http://www.medef.fr>

Appliance Manufacturers' Association
GROUPEMENT INTERPROFESSIONNEL 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
<http://www.syprocaf.fr>

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
<http://www.sygma.org>

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, ORFEVREURIE, DES PIERRES
ET DES PERLES
<http://www.bjo-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
<http://www.gep-france.com>

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

Measuring And Control Equipment Industry Association
SYNDICAT DE LA MESURE
<http://www.syndicat-mesure.fr>

Mechanical Engineering Industries Association
FEDERATION DES INDUSTRIES MECANIKES
<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
ACTVITES MANUELLES DE LOISIR
<http://www.unibal.org>

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, ENCRE, 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 INDUSTRY ASSOCIATION
FEDERATION DES INDUSTRIES DE LA PARFUMERIE
<http://www.fipar.com>

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

Photographic and Video Equipment Industry Association
FEDERATION FRANCAISE DES INDUSTRIES DE L'IMAGE
<http://www.federation-image.fr>

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

Printing and Graphic Arts Federation
FEDERATION DE L'IMPRIMERIE ET DE LA COMMUNICATION GRAPHIQUE
<http://www.ficg.fr>

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

Railroad Industry Federation
FEDERATION DE L'INDUSTRIE FERROVIAIRE
<http://www.fif.asso.fr>

Ship Builders Union
CHAMBRE SYNDICALE DES CONSTRUCTEURS DE NAVIRES
<http://www.cscn.fr>

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

Stationary Producers' Unions
FEDERATION DES ARTICLES DE PAPETERIE
<http://www.fap-fr.org>

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>
<http://www.arthurdlittle.com>

AVISO CONSEIL: <http://www.aviso.fr>

B.V.A (Brule Ville Associates): <http://www.bva.fr>

CEGOS: <http://www.cegos.com>

GROUPE MV2: <http://www.mv2.fr>

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>

SERNAM: <http://www.sernam.fr>

SNCF FRET: <http://www.sncf.fr>

TNT: <http://www.tntew.com>

UPS: <http://www.ups.com>

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> 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, but free of charge.

To view market research reports for agricultural products and produced by the Foreign Agricultural Service of the U.S. Department of Agriculture for France, go to: <http://www.fas.usda.gov/scripts/AttacheRep/default.asp>, and click on the product report and country for the desired year.

Trade Events

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

<http://www.export.gov/tradeevents.html>

Local sources:

<http://www.foiresalon.com/site/Home-46.html>

<http://www.salons-online.com/>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. 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

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/france/en/14.html>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

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.