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Doing Business in France

Market Overview

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

With a GDP of approximately \$2.57 trillion in 2017 (+ 1.9% compared to 2016), France is the world's seventh-largest economy and the EU's third largest economy after Germany and the UK. It has substantial agricultural resources and maintains a strong manufacturing sector, despite a recent decline. A dynamic services sector now accounts for an increasingly large share of economic activity and is responsible for most job creation in recent years. France initiated the G-20, is host to the OECD, and is a member of the G-7, the European Union, and the World Trade Organization, confirming its status as a leading economic player in the world.

France has already started to benefit from higher growth in Europe, with 2% GDP growth in 2017, and job creation is growing. France's budget deficit dropped below the 3% limit to 2.6 percent of GDP in 2017 and the government has pledged to make further cuts in 2018. France's public debt ratio of 97 percent of GDP remains one of the largest in the Euro-Zone.

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

Key Link:

- <https://www.bea.gov/international/#bop>

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

extensive roadway networks and public transportation, and efficient intermodal connections. High speed (3G/4G) telephony is nearly ubiquitous.

In 2017, France was the ninth largest global market for foreign direct investment (FDI) inflows with a year-on-year increase of 16%. In total, there are more than 28,000 foreign-owned companies doing business in France. It is the home to 29 of the world's 500 largest companies. In 2017, the World Economic Forum ranked France 22nd in terms of global competitiveness. The United States is the 7th largest foreign investor in France. Around 4,600 U.S. companies in France, of all sizes, employ over 460,000 French citizens.

Following the election of French President Emmanuel Macron in May 2017, the French government implemented significant labor market and tax reforms. By relaxing the rules on companies to hire and fire employees and by offering investment incentives, Macron has buoyed business confidence in France. According to the 2017 American Chamber of Commerce in France - Bain Barometer Survey on the attitudes of U.S. investors in France, 90% of American investors surveyed said Macron's reforms improved France's investment prospects and image in the United States. More than one half of investors planned to hire new employees in France over the next two to three years. Investors in technology, in particular, found the climate for development of digital technologies and other innovations to be attractive in France. The metropolitan Paris region supports the largest concentration of technology engineers outside of Silicon Valley. In 2018 and beyond, Macron plans to introduce additional reforms, ranging from vocational training and unemployment insurance to rail and governments services.

Key issues to watch in coming months include: 1) whether President Macron is able to maintain the pace of reform, and 2) opportunities and challenges resulting from Brexit.

Market Challenges

U.S. firms must currently navigate national and European regulations and standards for selling products in France. The French often interpret existing EU regulations more stringently than other Member states and regulate in areas where the EU has not yet proposed legislation.

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

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

Market Opportunities

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

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

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

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

Key Link:

- [USDA-France/Market-Information](#)

Market Entry Strategy

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

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

In addition to this Country Commercial Guide, the US Commercial Service office in Paris offers many services and customized solutions designed to assist you in developing your market entry strategy and to facilitate your exports to France. For a detailed description of these services please visit: [Export.gov/France](#)

Political Environment

Political Environment in France

For background information on the political and economic environment of France, please read [U.S. Department of State Background Notes](#).

To locate your country link, click on the Background Notes at:

<http://www.State.gov/r/pa/ei/bgn/> and select your country

Selling US Products & Services

Using an Agent to Sell US Products and Services

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

Key link:

[Code du Commerce](#)

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

Key link:

[Doing Business in France](#)

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

Key link:

[American Embassy in France](#)

Information is also available from a number of business organizations such as the [American Chamber of Commerce in France](#), the [European-American Chamber of Commerce in France](#), and the [French-American Chamber of Commerce in the United States](#). As a member state of the European Union, EU directives must be transposed into French legislation and implemented locally.

Companies wishing to use distribution, franchising, and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration, and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:

[Council Directive](#)

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized. The EU has additionally indicated that agreements that affect less than 10% of a particular market are generally exempted (Commission Notice 2014/C 291/01).

Key Link:

[Commission Notice 2014/C 291/01](#)

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

Key Link:

[Directive 2011/7/EU](#)

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

Key Links:

[European Ombudsman](#)

[SOLVIT](#)

Establishing an Office

Establishing a subsidiary/branch office in France is advisable for some industries. The French government encourages the formation of new enterprises. In conjunction with the Paris Chamber of Commerce, chambers throughout the country and business incubators, the French government offers extensive counseling and

assistance in setting up an office in France. Detailed "how to" guides are available from the various chambers of commerce and numerous American consulting firms present in France.

Key Links:

[Doing-Business in France](#)

[Doing Business in France- Innovation](#)

[Chambers of Commerce and Industries \(Local Centers for Setting-up a Company\)](#)

[Formalites-de-Creation](#)

Data Privacy and Protection

As of 25 May 2018, the General Data Protection Regulation (GDPR) applies in the EU. The GDPR is a horizontal privacy legislation that applies across sector and to companies of all sizes. It replaces the previous data protection Directive 1995/46. The overall objectives and underlying principles of the legislation remain the same. Businesses must inform consumers that they are collecting personal data, have a legal basis to process and retain the data.

However, there are significant differences in definitions of key terminology. The GDPR creates a number of new requirements for organizations that process EU individuals' personal data. Companies have an obligation to demonstrate their compliance, in part through a number of documentation obligations. Data subjects have a number of rights which include access, correct, erasure of their personal data.

The GDPR has extra-territorial reach, which means that it might be applicable to U.S. entities even if they do not have physical presence in Europe. In that case, such organizations need to have a representative based in Europe, or in certain cases need to appoint a Data Protection Officer.

Fines in case of non-compliance can reach up to 4% of the annual worldwide revenue or 20 million euros – whichever is higher. Companies of all sizes and sectors should consider GDPR as part of their overall compliance effort with assistance of legal counsel.

The European Commission and Data Protection Authorities are releasing official guidelines to help companies with their compliance process (see resources below).

Note: the EU is currently updating its e-privacy legislation governing confidentiality of communications. This legislative instrument once enacted will add a number of requirements in addition to the GDPR. We encourage U.S. exporters to monitor this situation as it evolves through the EU legislative process.

On May 14, 2018, French Parliament adopted changes to France's existing Data Protection Act of 1978 in line with the EU's General Data Protection Regulation (GDPR). The implementing legislation can be found in French at:

<https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000037085952&dateTexte=&categorieLi en=id>

The French Data Protection Agency CNIL (Commission Informatique et Libertés) has also published a set of guidelines for GDPR compliance (<https://www.cnil.fr/en/home>).

For more information:

[Full GDPR text](#)

[Official Press Release](#)

European Commission guidance:

http://ec.europa.eu/justice/smedataprotect/index_en.htm

https://ec.europa.eu/commission/priorities/justice-and-fundamental-rights/data-protection/2018-reform-eu-data-protection-rules_en

Transferring Customer Data to Countries outside the EU

The General Data Protection Regulation (GDPR) provides for the free flow of personal data within the EU but also offers protection when it leaves the region's borders.

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

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

- Join the EU-U.S. Privacy Shield program, or
- Provide appropriate safeguards (e.g. contractual clauses, binding corporate rules), or
- Refer to one of the GDPR's derogations,

European Commission's webpage on transfers outside the EU and all mechanisms outlined below:

[Data Transfers Outside of EU](#)

Important note:

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

About the EU-U.S. Privacy Shield

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

For more information on the [EU-U.S. Privacy Shield](#)

For more information about other mechanisms of transfer, please refer to: [Transferring Personal Data from EU to U.S.](#)

Cyber-Security

The European Network and Information Systems (NIS) Security Directive sets a minimum baseline of requirements to ensure better protection of critical infrastructures in Europe. The legislation targets three groups of stakeholders: 1. it sets basic principles for Member States for common minimum capacity building and strategic cooperation; 2. it directs operators of essential services (OES) and digital service providers (DSP) to ensure they apply basic common security requirements.

DSPs are broadly defined to include: online/e-commerce marketplace (including app stores); online search engine (with the exclusion of search function limited to a specific website); and Cloud computing services. NIS systems are considered the e-communications network, connected devices and digital data.

A DSP and an OES are expected to ensure “the ability of NIS to resist any action that could compromise the availability, authenticity, integrity or confidentiality of stored or transmitted or processed data or the related services offered by, or accessible via, those systems.” Member states must identify OES and establish security and notification requirements for OES and for DSP. The level of security expected from OES should be higher than the level expected from DSP, because of the degree of risk posed to their infrastructure. Among obligations for both OES and DSP are to take technical and organizational measures to NIS risk management; to prevent and minimize the impact of NIS security incidents; to notify, without undue delay, incidents having a significant impact on the continuity of the essential services they provide.

This Directive has been adopted by the EU in July 2016. Member States have until May 2018 to transpose the Directive into their national legal framework.

Franchising

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally do not constrain the competitive position of U.S. businesses. The potential franchiser should look not only at the EU regulations, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the [European Franchise Federation](#).

The French franchise sector ranks first in Europe in terms of sales and has doubled over the last ten years. Although very competitive with 1,900 franchisors and 71,518 franchisees, the French market offers many opportunities for innovative U.S. franchises. 7% of franchises operating in France are foreign, of which 22% are American. In 2016, total franchising sales were estimated at \$61 billion (€55.01 billion). The potential remains for U.S. franchisors to explore additional sectors, such as gourmet fast-food, personal service, household duties, school tutoring, child or elder care, and renovation services. However, it is important to note that for the past 30 years, direct investment or area development expansion methods have proven more successful in France than the traditional Master Franchise model.

Key Links:

[French Federation of Franchise Membership list](#)

[French Federation of Franchise References](#)

[French Federation of Franchise Useful Links](#)

Direct Marketing

The EU has yet to adopt legislation harmonizing the direct-selling of consumer products. However, there is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stringent 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. In addition, it is important for exporters relying on a direct-selling business model to ensure they comply with member state requirements.

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 Data Privacy section above.

Distance Selling Rules

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "the Consumer Rights Directive." The provisions of this Directive have been enforced since June 13,

2014. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes.

Alternative Dispute Resolution

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation, operational in January 2016, sets up an EU-wide online platform to handle consumer disputes that arise from online transactions.

New Legislation

In December 2015, the European Commission released a package of two draft Directives respectively on “contracts for the supply of digital content” and another on “contracts for the online and other distance sales of goods.” This package addresses the legal fragmentation and lack of clear contractual rights for faulty digital content and distance selling across the EU. The package would only address B2C contracts, although its draft scope uses a very broad definition of both digital content (including music, movies, apps, games, films, social media, cloud storage services, broadcasts of sport events, visual modeling files for 3D printing) and distance selling goods so as to cover Internet of Things (such as connected households’ appliances and toys). It could also apply to transactions whether in the context of a monetary transaction or in exchange of (personal) consumer data. Healthcare, gambling and financial services are excluded from the proposal.

The package is currently under scrutiny at both the European Parliament and Council. Its adoption is expected in the course of 2018.

Key Links:

[Consumer Affairs Homepage](#)

[Consumer Rights](#)

Distance Selling of Financial Services

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

Key Link: [Distance Marketing](#)

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 clear and easily accessible. 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). The European Commission has performed a stakeholder's consultation and is currently assessing the opportunity to propose a revision of the e-commerce Directive. See Data Privacy Section above.

Key Link: [Direct Marketing over the Internet](#)

Joint Ventures/Licensing

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

Key Link:

[French Code of Commerce](#)

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

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

Key Links:

[The American Chamber of Commerce in France](#)

[The European-American Chamber of Commerce in France](#)

[The French-American Chamber of Commerce in the United-States](#)

Selling to the Government

The French Government generally follows EU procurement regulations that are adopted into French regulations: The French Government Portal for French Government tenders, "La PLACE" is the platform for the French public administrations' procurement procedures. It enables companies to view and respond to consultations issued by French governmental agencies and sub-agencies in the central administration and

decentralized services. This includes public institutions, as well as Chambers of Commerce and Industry and the Union of public purchasing groups, “UGAP.”

Key link:

[La PLACE.](#)

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

Key links:

[Boamp.fr](#)

[boamp.fr/Espace-entreprises](#)

[2016 updated French Legislative Code of Public Tenders](#)

[Key link to the Public procurement Legal department of the French Ministry of Economy](#)

Government procurement in Europe is governed by both international obligations under the WTO Government Procurement Agreement (GPA) and EU-wide legislation under the EU Public Procurement Directives. U.S.-based companies are allowed to bid on public tenders covered by the GPA, while European subsidiaries of U.S. companies may bid on all public procurement contracts covered by the EU Directives in the European Union.

The EU directives on public procurement have recently been revised and new legislation on concession has also been adopted. Member States were required to transpose the provisions of the new directives by April 16, 2016. The four relevant directives are:

- [Directive 2014/24/EU](#) (replacing Directive 2004/18/EC) on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts applies to the general sector;
- [Directive 2014/25/EU](#) (replacing Directive 2004/17/EC) coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors;
- [Directive 2009/81/EC on defense and sensitive security procurement](#). This Directive sets Community rules for the procurement of arms, munitions and war material (plus related works and services) for defense purposes, but also for the procurement of sensitive supplies, works and services for non-military security purposes;
- [Directive 2014/23/EU](#) on the award of concession contracts. A concession contract (either for the delivery of works or services) is conducted between a public authority and a private enterprise that

gives the right to the company to build infrastructure and operate businesses that would normally fall within the jurisdiction of the public authority (e.g. highways).

The EU has three remedy directives imposing common standards for all member states to abide by in case bidders identify discriminatory public procurement practices.

Electronic versions of the procurement documentation must be available through an internet URL immediately on publication of the Official Journal of the European Union (OJEU) contract notice. Full electronic communication (with some exceptions) will become mandatory for all public contracts from October 2018. Central purchasing bodies are required to publish their contracts and requests for tenders since April 2017.

Electronic invoicing (e-invoicing) will be introduced beginning the 3rd quarter of 2018, based on the requirement set forth in [Directive 2014/55/EU](#). The Directive makes the receipt and processing of electronic invoices in public procurement obligatory. Standards for e-invoicing are being developed by the European Committee for Standardization (CEN).

There are restrictions for U.S. suppliers in the EU utilities sector, both in the EU Utilities Directive and in EU coverage of the GPA. Article 85 of Directive 2014/25 allows EU contracting authorities to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent or give preference to the EU bid if prices are equivalent (meaning within a three percent margin). Moreover, the Directive allows EU contracting authorities to retain the right to suspend or restrict the award of service contract to undertaking in third countries where no reciprocal access is granted.

There are also restrictions in the EU coverage of the GPA that apply specifically to U.S.-based companies. U.S. companies are not allowed to bid on works and services contracts procured by sub-central public contracting authorities in the following sectors:

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

Distribution & Sales Channels

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

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

The Retail Network Food & Non-Food:

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

The Retail Distribution Food & Non-Food:

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

Hypermarkets (Hypermarchés):

Hypermarkets are defined as stores with a minimum selling area of 2,500 square meters. French hypermarkets offer 25,000-40,000 products for sale at competitive prices, of which 3,000-5,000 food items and 20,000-35,000 non-food articles. Generally located in suburbs, they cover a total sales area of 11.1 million square meters. As of 2016, there were 2,158 hypermarkets, employing over 336,000 people. The top five hypermarket companies are Leclerc, Carrefour, Intermarché, Système U, Casino, 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 500-1,500 are non-food products, and cover a total sales area

of 7.4 million square meters. As of 2016, there were 6,044 supermarkets, employing over 162,250 people. The top four supermarket companies are Carrefour, Intermarché, Casino and Systeme U.

Convenience Stores (Magasins de proximité) :

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

Click & Drive:

Click and Drive has become popular among consumers over the past few years. Thanks to increasing internet accessibility, stores such as Le Drive Intermarché, Leclerc Drive, Carrefour Drive, Leader Drive and Auchan Drive have met the high demand for convenient shopping by offering services that allow a consumer to order groceries online that will be ready for pick-up. In 2016, there were 2,971 click and drive services. Le Drive Intermarché dominates the market with a total of 879 click and drive centers, followed by E. Leclerc Drive with 602. Over the past few years, the number of click and drive centers has increased tremendously and is expected to continue increasing of the coming years. Almost 90% of large hypermarkets propose a click and drive option.

Department Stores (Grands magasins):

The number of Department stores has been declining over the past few years and in 2016 there were 99 department stores employing over 21,762. Paris has the most department stores of any French city with five of the ten top-selling stores located within the city.

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

Discounters (Magasins discount):

Compared to hyper/supermarkets, hard discount stores offer a smaller range of goods for lower prices. At the end of 2016, there were 3,806 hard discount stores in France. The top four hard-discount companies are Lidl, Aldi, Dia (former Ed), Leader Price (Casino). Despite the economic crisis, the hard discount stores did not gain substantive market shares and decreased in number of stores. Conventional supermarkets/hypermarkets have heavily stocked their low prices shelves in order to hinder the hard discount expansion.

Large Specialized Stores (Grandes surfaces spécialisées) :

Large specialized stores offer an extensive choice of goods in a specific category at a competitive price and with an emphasis on customer service. This dynamic sector included over 13,800 stores in 2016, including such store categories as toys, health and beauty, gardening, and media/books/music. Textiles are the most common (3,175), followed by beauty/health stores (2,513) and do-it-yourself equipment stores (2,220).

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

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

Traditional Retail Food Outlets (Magasins de détails traditionnels) :

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

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

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

Central Buying Offices (Centrales d'achats) :

In addition to contacting the largest store chains listed above, introducing products via central buying agencies is an excellent distribution method. A complete list of French central buying agencies, the Atlas de la Distribution, is from:

L.S.A - Libre-Service Actualités (Groupe GISI)

Tel: +33(0) 1.77.92.92.78

[L.S.A - Libre Service Actualités \(Groupe GISI\)](#)

Mass retail distribution Directory:

Tel: +33(0) 1.34.41.62.50

Fax: +33(0) 1.34.41.62.51

[Mass retail distribution Directory](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

Express Delivery

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

Sources:

[Transport et logistique de France](#)

[archives-ouvertes](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#)

Selling Factors & Techniques

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

Key link:

[French legislation: Commercial Code](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

eCommerce

Overview

French B2C commerce of products and services is one of the largest markets in the world, ranking second in Europe and fifth in the world in terms of online consumption in 2017. The market grew by 14.3 % between 2016 and 2017 representing a good opportunity for U.S. retailers that have unique products and services to offer. U.S. firms tend to do well selling products and services to the French via eCommerce.

The U.S. Commercial Service sees the French eCommerce market as a sizable opportunity for U.S. retailers in virtually every category. The French are fond of American culture and tend to enjoy our brands. Many firms begin by testing the market directly from their U.S. site, or using Amazon or a similar French marketplace to

gauge interest. Online marketplaces are beginning to disrupt industries where traditionally starting with a distributor or sales agent would have been advisable.

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

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

Current Market Trends

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

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

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

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

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

Domestic eCommerce (B2C)

In 2017, 37.5 million French people shopped online, which represents over 80% of internet users. The average online transaction in 2016 was around \$75 (€70) and online shoppers tend to shop more frequently,

approximately 28 times a year, for a total amount spent of around \$2,138 (€2,000) in 2016. Online shoppers purchase mainly clothing (59%), cultural products (49%), travel packages (38%), and high-tech products (39%). Most of the sales volume, however, occurs in tourism (32%), clothing (10%), home equipment (7%) and click-and-collect grocery products (7%).

Cross-Border eCommerce

B2C shopping abroad is also becoming more popular; there is a growing share of cross-border online purchases taking place, although not as high as in other parts of Europe. In 2016, 41 % of French online shoppers bought from foreign e-merchants and 50% of e-merchants established in France received orders from customers abroad.

B2B eCommerce

Just over 20% of French companies make purchases electronically which represents 18% of the total amount of sales to professionals (B2B). This market was estimated at \$490 billion in 2016 and is expected to grow significantly in the next coming years. Most of the transactions were made in travel and transportation purchases (53%), followed by a few sectors such as office supplies (33%), computer supplies (30%), medical supplies (25%).

eCommerce Intellectual Property Rights

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

Key Link:

[Legifrance/Traductions](#)

Popular eCommerce Sites

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

Additional sources:

- [Top 15 de l'e-commerce Français en Audience](#)
- [Top 100 French e-commerce websites:](#)

Payments

In France, 85% of online purchases are paid using debit cards tied to their bank account. The French are not accustomed to using credit cards to pay with credit. The French use other means of online payments which include electronic wallets (9%), check (1%), gift vouchers, installment payments, direct debit authorization

(1%), private cards and other means of payment (3%). Note when shopping outside of the EU, French consumers must pay an import fee for any goods purchased with the price above 22 Euros.

Mobile eCommerce

In 2016, 9.3 million people made a purchase through their mobile phone, representing a total market of \$12 billion. Sales on mobile phones and tablets continue to grow very fast and they already account for 11.2% of total sales of total eCommerce sales.

Major Buying Holidays

The major holidays driving purchases in France include Christmas, Mother's Day (last Sunday of May), Father's Day (second to last Sunday in June), and Valentine's Day. In addition, seasonal sales ("les soldes") run for six weeks in early January and again in the summer from late June. The dates for sales moreover, whether online or in stores, are determined by French Trade Law.

Social Media

Social media is becoming significantly relevant for French users. The trend for firms is to present products on various social media platforms, and to continue being active with content and recommendations. Facebook is still the premier choice for e-merchants followed by Instagram and Twitter. In France, the number of monthly visitors in 2017 to the following sites are:

- Facebook 40.8 million,
- You Tube 37.3 million,
- Instagram 19.3 million,
- LinkedIn 16 million,
- Twitter 13.9 million,
- WhatsApp 13.3 million.
- Snapchat 12.2 million

The European Union's Digital Single Market Initiative

Creating a Digital Single Market (DSM) is one of the ten priorities of the European Commission (EC). The overall objective is to bring down barriers, regulatory or otherwise, and to unlock online opportunities in Europe, from e-commerce to e-government. By doing so, the EU hopes to do away with the current fragmented national markets and create one borderless market with harmonized legislation and rules for the benefit of businesses and consumers throughout Europe.

The EC set out its vision in its May 6, 2015 DSM Strategy which has been followed by a number of concrete legislative proposals and policy actions. They are broad reaching and include reforming e-commerce sector,

VAT, copyright, audio-visual media services, consumer protection, and telecommunications laws. New legislation has already been finalized on portability of online content and geo-blocking.

Many DSM proposals are still going through the legislative process. DSM-related legislation will have a broad impact on U.S. companies doing business in Europe.

In addition, a new data protection legislation, the General Data Protection Regulation (GDPR) enters into force on 25 May 2018 (see separate section in this report).

The three main pillars of the strategy are:

Pillar I: Better access for consumers and businesses to digital goods and services across Europe

- Better access for consumers and businesses to online goods and services across Europe
- Remove key differences between the online and offline worlds to break down barriers to cross-border online activity.

Pillar II: Shaping the right environment for digital networks and services to flourish

- Achieve high-speed, secure and trustworthy infrastructures and content services
- Set the right regulatory conditions for innovation, investment, fair competition and a level playing field

Pillar III: Creating a European Digital Economy and society with growth potential

- Invest in technologies such as cloud computing and Big Data, and in research and innovation to boost industrial competitiveness and skills
- Increase interoperability and standardization

For more information: [Digital Single Market](#)

[DSM Strategy](#)

The Electronic Commerce Directive (2000/31/EC) provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content.

Comprehensive Market Research on e-commerce in the EU is available upon request.

Key Link: [eCommerce](#)

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#)

Trade Promotion & Advertising

General Legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this issue 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 of a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive (AMSD) lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising has been lifted. However, a 12-minute/hour maximum remains. The AMSD is currently under revision. The European Commission is aiming to extend the scope of the Directive to video-sharing platforms which tag and organize the content. The Commission is also aiming to provide more flexibility about the 12-minute/hour maximum restriction. Children's programming is subject to a code of conduct that includes a limit on junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller.

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

Key Links:

[Misleading Advertising](#)

[Unfair Commercial Practices Directive](#)

[Audio video Media Services](#)

Medicines

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

Key Link: [Health and Medicine](#)

Nutrition & Health Claims

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

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

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. The original proposal has been withdrawn. In October 2015, the European Commission released a new roadmap on the potential development of nutrient profiles and botanicals. To obtain stakeholders’ inputs, two consultations and an external study was launched in mid-2017. The European Commission is now assessing the opportunity to proceed with a proposal and then potentially draft it. Nutrition claims, in place since 2006, can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content.” A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

Detailed information on the EU's Nutrition and Health Claims policy can be found on the USEU/FAS website at [USEU/FAS website](#) and in the [USDA Food and Agricultural Import Regulations and Standards EU 28 2017](#)

Key Link: [EU Register of Nutrition and Health Claims](#)

Food Information to Consumers

In 2015, the EU adopted a new regulation on novel foods ([2015/2283](#)) amending the provision of food information to consumers ([1169/2011](#)). Novel foods and food ingredients must not present a danger for the consumer or mislead him and should not differ from the ingredients that they are intended to replace to such an extent that normal consumption would represent a nutritional disadvantage for the consumer. It is important to mention that the European Commission may decide, on its own initiative or upon a request by a Member State, by means of implementing acts (a sort of decree), whether or not a particular food falls within the definition of novel food. More information can be found on the Commission's website. Most provisions of this new Novel Foods Regulation become applicable on January 1, 2018.

Detailed information on the EU's new food labeling rules can be found on the USEU/FAS website at [EU Labelling Requirements](#) and in the [USDA Food and Agricultural Import Regulations and Standards EU 28 2017](#)

Key link: [Provision on Food Information](#)

Food Supplements

[Directive 2002/46/EC](#) harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by Member States.

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

Key Link: [Labelling Nutrition Supplements](#)

Tobacco

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

Key link: [Tobacco Products](#)

Pricing

France is a highly competitive market in which the French importer is looking for the best quality at the lowest price. American products and technology are highly regarded but do not command higher prices than comparable products. It is important to remember that while France is a significant market in its own right, it is also one of the ports of entry to the European Union and associate country-members for many imports with final destinations all throughout Europe and other overseas markets. This characteristic gives local buyers access to a wide range of products at competitive prices.

U.S. companies are advised to quote prices on a Cost Insurance Freight (CIF) basis, surface or airfreight. This is standard practice for most exporters since it facilitates price comparison between EU suppliers. Import duties are usually quoted on a delivered to warehouse basis.

Value Added Tax (VAT)

The EU's VAT system is semi-harmonized. While the guidelines are set out at the EU level, the implementation of VAT policy is the prerogative of Member States. The EU VAT Directive allows Member States to apply a minimum 15 percent VAT rate, however, they may apply reduced rates for specific goods and services or temporary derogations. Therefore, the examination of VAT rates by Member State is strongly recommended. These and other rules are laid out in the [VAT Directive](#).

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. From 1 January 2015, all supplies of telecommunications, broadcasting and electronic services are taxable at the place where the customer resides. In the case of businesses, this means either the country where it is registered or the country where it has fixed premises receiving the service. In the case of consumers, it is where they are registered, have their permanent address, or usually live.

As part of the legislative changes of 2015, the Commission launched the Mini One Stop Shop (MOSS) scheme, the use of which is optional. It is meant to facilitate the sales of ESS from taxable to non-taxable persons (B2C) located in Member States in which the sellers do not have an establishment to account for the VAT.

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

The Commission has received numerous complaints in relation to the new rules on ESS and is in the process of revising them ([draft proposal](#)).

The most important pieces of legislation on VAT are the [EU VAT Directive 2006/112/EC](#) and its [Implementing Regulation 282/2011](#).

Further information relating to VAT on ESS:

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

Key links to French VAT: [Value Added Tax Rates in France – French Ministry of economy French VAT System & Revenu Efficiency \(EU Economic Brief July 2016\).pdf](#)

Sales Service/Customer Support

Conscious of the discrepancies among Member States in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service and customer support.

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. The first step in the review process of this law was launched at the end of 2016.

Key link: [Liability of Defective Products](#)

Product Safety

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

Key link: [Product Safety Legislation](#)

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.

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 the Trade Regulations section of this report.

Key link: [Sales and Guarantees](#)

Protecting Intellectual Property

Protecting Your Intellectual Property in the EU:

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

Granting patents registrations generally is based on a first-to-file (or first-to-invent, depending on the country) basis. Similarly, registering trademarks is based on a first-to-file (or first-to-use, depending on the country), so you should consider how to obtain patent and trademark protection before introducing your products or services to the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in the EU. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in EU law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. government advice be seen as a substitute for the responsibility of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the EU require constant attention. Work with legal counsel familiar with the EU laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

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

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

IP Resources

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

- For information about patent, trademark, or copyright issues -- including enforcement issues in the United States and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit [STOP Fakes](#)
- For more information about registering trademarks and patents (both in the United States as well as in foreign countries), contact the [U.S. Patent and Trademark Office](#) (USPTO) at: **1-800-786-9199**
- For more information about registering for copyright protection in the United States, contact the [U.S. Copyright Office](#) at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the “Resources” section of the [STOPfakes website](#).
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [STOPfakes Business tools](#). The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on [Protecting Intellectual Property \(at <https://www.uscib.org/register-and-apply-ud-859/>\)](#) and [Stopfakes.gov](#) for more resources).

The U.S. Department of Commerce has positioned IP attachés in key markets around the world. Contact information for European based IP attachés in below:

European Union

Susan Wilson

Susan.Wilson@trade.gov

For more information, contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

Due Diligence

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

Local Professional Services

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the [U.S. Mission to the European Union](#).

For information on professional services located within each of the EU Member States, please see EU member state Country Commercial Guides which can be found at the following website [EU Member States' Country Commercial Guides](#)

Principle Business Associations

Organizations in Brussels focused on representing U.S. business interests and engaging with EU institutions including the European Commission, European Parliament and the Council include: [AmChamEU](#)

Principle Business Associations in France

[AMERICAN CHAMBER OF COMMERCE IN FRANCE](#)

[VISIT USA COMMITTEE FRANCE](#)

[EUROPEAN-AMERICAN CHAMBER OF COMMERCE IN FRANCE](#)

[NETWORK OF FRENCH CHAMBERS OF COMMERCE IN FRANCE](#)

[IMPORTERS' ASSOCIATION FOR MECHANICS AND ELECTRONICS](#)

[FRENCH EMPLOYERS' ASSOCIATION](#)

[FRENCH FEDERATION OF SMALL AND MEDIUM SIZED FIRMS](#)

[FRENCH ASSOCIATION OF FAST GROWING CORPORATIONS - CROISSANCE PLUS](#)

[FRENCH DIGITAL CONSULTING INDUSTRY ASSOCIATION - SYNTEC Numérique](#)

[FRENCH ENGINEERING INDUSTRY ASSOCIATION - SYNTEC Ingénierie](#)

[FRENCH MANAGEMENT CONSULTING INDUSTRY ASSOCIATION - SYNTEC Conseil en Management](#)

[FRENCH POOLS & MARKET SURVEY INDUSTRY ASSOCIATION - SYNTEC Etudes Marketing et Opinion](#)

[FRENCH PUBLIC RELATIONS INDUSTRY ASSOCIATION - SYNTEC Conseil en Relations Publics](#)

[FRENCH HIRING CONSULTING INDUSTRY ASSOCIATION - SYNTEC Conseil en Recrutement](#)

[FRENCH CAREER DEVELOPMENT CONSULTING INDUSTRY ASSOCIATION - SYNTEC Conseil en Évolution Professionnelle](#)

[FRENCH PROFESSIONAL TRAINING ASSOCIATION - FFP](#)

[FRENCH EVENT ORGANIZERS INDUSTRY ASSOCIATION UNIMEV](#)

[APPLIANCE MANUFACTURERS' ASSOCIATION](#)

[AUTOMOTIVE EQUIPMENT INDUSTRY ASSOCIATION - FIEV](#)

[BAKERY EQUIPMENT INDUSTRY ASSOCIATION](#)

[CHEMICAL INDUSTRY ASSOCIATION](#)

[FEDERATION OF ELECTRIC AND ELECTRONIC INDUSTRY - FIEE](#)

[FEDERATION OF JEWELRY GIFTS, DIAMONDS, GEMS, PEARLS & RELATED ACTIVITIES](#)

[FRENCH TOY INDUSTRY](#)

[FRENCH INTERNATIONAL TRADE ASSOCIATION](#)

[FRENCH AERONAUTICS AND SPACE INDUSTRY ASSOCIATION](#)

[FRENCH AUTOMOBILE MANUFACTURERS' ASSOCIATION](#)

[GAS AND PETROLEUM INDUSTRY ASSOCIATION](#)

[LABORATORY EQUIPMENT INDUSTRY ASSOCIATION](#)

[MEASURING AND CONTROL EQUIPMENT INDUSTRY ASSOCIATION](#)

[MECHANICAL ENGINEERING INDUSTRY ASSOCIATION](#)

[MEDICAL INDUSTRY ASSOCIATION](#)

[MINERALS & NON-FERROUS METALS INDUSTRY ASSOCIATION](#)

[NATIONAL FRENCH ASSOCIATION OF ADVERTISING ITEMS](#)

[NATIONAL FRENCH BUILDING FEDERATION](#)

[NATIONAL FRENCH FEDERATION OF PUBLIC WORKS](#)

[NATIONAL CONFEDERATION OF WOOD INDUSTRY FOR CONSTRUCTION](#)

[FRENCH INTERNATIONAL ASSOCIATION OF D.I.Y. PRODUCERS](#)

[FRENCH UNION OF FURNITURE INDUSTRY - UNIFA](#)

[NATIONAL WOOD INDUSTRY FEDERATION](#)

[FRENCH NAUTICAL INDUSTRY ASSOCIATION](#)

[FRENCH OPTICAL INDUSTRY ASSOCIATION](#)

[FRENCH PAINTS & INKS INDUSTRY ASSOCIATION](#)

[PAPER, CARDBOARD, CELLULOSE INDUSTRY ASSOCIATION](#)

[PERFUME, BEAUTY, AND TOILETARY INDUSTRY ASSOCIATION - FEBEA](#)

[FRENCH PHARMACEUTICAL INDUSTRY ASSOCIATION](#)

[NATIONAL UNION OF PRINTING & COMMUNICATION - UNIC](#)

[FRENCH PLASTIC MANUFACTURERS' ASSOCIATION](#)

[RAILROAD INDUSTRY FEDERATION](#)

[NAVAL CONSTRUCTION INDUSTRY GROUP - GICAN](#)

[FRENCH SPORTING GOOD INDUSTRY ASSOCIATION](#)
[FRENCH TELECOMMUNICATION INDUSTRY ASSOCIATION](#)
[FRENCH TEXTILE INDUSTRY ASSOCIATION](#)
[UNION OF PLASTIC & RUBBER INDUSTRY DISTRIBUTORS](#)
[FRENCH VETERINARIAN DRUG INDUSTRY ASSOCIATION](#)

Market Research Firms in France:

- [DIRECTORY MARKET RESEARCH FIRMS](#)

U.S. Banks in France:

- [AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION](#)
- [BANK OF AMERICA](#)
- [BANK OF NEW YORK](#)
- [CITIBANK](#)
- [JP MORGAN](#)

French Banks:

- [FEDERATION BANQUAIRE FRANCAISE](#)
- [SOCIETE GENERALE](#)
- [BNP-PARIBAS](#)
- [CREDIT AGRICOLE](#)
- [CREDIT INDUSTRIEL ET COMMERCIAL](#)
- [CREDIT LYONNAIS](#)
- [NATIXIS](#)

Logistics and Transportation Services in France

- [FEDERATION DES ENTREPRISES DE TRANSPORT ET DE LOGISTIQUE DE FRANCE](#)
- [ASSOCIATION FRANCAISE DU TRANSPORT ROUTIER INTERNATIONAL](#)

Providers:

- [AIR FRANCE CARGO](#)
- [BRITISH AIRWAYS WORLD CARGO](#)
- [DHL INTERNATIONAL](#)
- [EXPEDITORS INTERNATIONAL FRANCE SA](#)
- [FEDEX](#)
- [PROLOGIS-GARONOR](#)
- [GEODIS](#)

- [REGUS](#)
- [SNCF FRET](#)
- [UPS](#)

Web Resources

Country Government Agencies

- [PRESIDENT OF FRANCE](#)
- [FRENCH GOVERNMENT](#)

Other Country Government Sub-Agencies

- [BUSINESS FRANCE TRADE & INVESTMENT PROMOTION AGENCY](#)
- [FRENCH GOVERNMENT INVESTMENT BANK](#)
- [FRENCH STATISTICAL INSTITUTE](#)
- [FRENCH CUSTOMS](#)
- [FRENCH TESTING LABORATORY - LABORATOIRE NATIONAL D'ESSAI - L.N.E.](#)
- [OFFICIAL GAZETTE / JOURNAL OFFICIEL](#)
- [NATIONAL FRENCH STANDARDS ASSOCIATION/ASSOCIATION FRANCAISE DE NORMALISATION – AFNOR](#)
- [NATIONAL INSTITUTE OF INDUSTRIAL PROPERTY / INSTITUT NATIONAL DE LA PROPRIETE INDUSTRIELLE – INPI](#)
- [FRENCH ACCREDITATION AGENCY COFRAC](#)
- [FRENCH LABEL NF](#)
- [FRENCH MINISTRY OF ECONOMY WEB ON CE MARKING](#)
- [AFNOR RESSOURCES ON CE MARKING](#)
- [FOOD PRODUCTS USDA/FAS REPORTS](#)
- [USDA/FAS XPORTERS'GUIDE](#)

Limitation on Selling U.S. Products and Services

Web Resources

EU websites:

[Coordination of the laws of the Member States relating to self-employed commercial agents \(Council Directive 86/653/EEC\)](#)

[Agreements of Minor importance which do not appreciably restrict Competition under Article 101\(1\) of the Treaty establishing the European Community](#)

[Directive on Late Payment](#)

[European Ombudsman](#)

[EU's Data Protection Directive \(95/46/EC\)](#)

[EU's General Data Protection Regulation \(GDPR\)\(2016/676/EC\)](#)

[Information on contracts for transferring data outside the EU](#)

[EU-U.S. Privacy Shield](#)

[EU Data Protection Home page](#)

[Consumer Rights Directive](#)

[Distance Selling of Financial Services](#)

[E-commerce Directive \(2000/31/EC\)](#)

[EU VAT Directive 2006/112/EC](#) and its [Implementing Regulation 282/2011](#)

[The Unfair Commercial Practices Directive /](#)

[Nutrition and Health claims made on foods- Regulation 1924/2006](#)

[Regulation on Food Information to Consumers](#)

[EU-28 FAIRS EU Country Report on Food and Labeling requirements](#)

[Health & Nutrition Claims](#)

[Tobacco Policy](#)

[Product Liability](#)

[Product Safety](#)

[Legal Warranties and After-Sales Service](#)

[Copyright](#)

[European Patent Office \(EPO\)](#)

[EU Intellectual Property Office \(EUIPO\)](#)

[World Intellectual Property Organization \(WIPO\) Madrid](#)

U.S. websites:

[IPR Toolkit](#)

[EU Public Procurement](#)

[Local Professional Services](#)

Leading Sectors for US Exports & Investments

Telecommunications (SEC)

Overview

	2015 (Estimated)	2016 (Estimated)	2017 (Estimated)	2018 (Estimated)
Total Local Production	66,270	66,752	67,420	72,139
Total Exports	32,230	32,407	32,731	35,022
Total Imports	44,580	45,078	45,529	45,716
Imports from the US	9,120	9,126	9,217	9,862
<u>Total Market Size</u>	78,620	79,423	80,217	85,832
Exchange Rate 1 Euro	USD 1.1095	USD 1.1069	USD 1.1297	USD 1.320

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

*(Figures in USD millions; * indicates unofficial estimates.*

Year to year figures adjusted for varying exchange rate.)

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

The Market place for Telecommunications

The most prominent industries in the French telecommunications market are mobile telephone and broadband industries. Both the mobile and broadband sectors are made up of large, competitive, and innovative firms with developed product offerings. The French mobile market is one of the top performing in Western Europe. According to telecom operators, there were approximately 75.5 million mobile subscriptions in France in 2017. The number of users of 4G networks grew in one year by nearly 10 million to 31.9 million by 31 December 2016. At the end of 2016, nearly three out of four SIM cards have been active on 3G networks. According to Free Mobile, 60% of their subscribers are using 4G. As of 2016, the broadband subscription market reached 36.8 million subscriptions.

In early 2018, the French mobile phone market recorded its strongest trimester of growth since the end of 2014. This growth was driven mainly by a sharp rise in postpaid subscriptions.

France has one of the largest broadband subscriber bases in Europe. Growth in recent years has been bolstered by demand for high bandwidth services which has prompted considerable investment in fiber infrastructure among telecoms and regional governments.

DSL remains the prominent form of broadband connection in France though it is currently declining as other faster connections (i.e. fiber optic cable) become increasingly popular. During 2015, DSL subscriptions decreased by -1.9% while ultra-fast broadband connections (coaxial and FTTx) increased by 43.8% between 2014 and 2015. The largest growth rates were experienced by Fiber to the home (FTTH) connections which increased by 52.6% between 2014 and 2015.

Four French providers make up the French mobile market: Orange with a 36.99% market share, Numerique-SFR (rebranding as Altice in mid-2018) with a 31.34% market share, Bouygues with a 16.24% market share, Iliad (Free) with a 15.66% market share.

Mobile Virtual Network Operators are progressing. As of March 31, 2017, MVNOs accounted for 11% of the market share.

To promote business and innovation, France launched “Plan France Tres Haut Debit” in 2013. This plan invests \$23.59 billion dollars over 10 years to cover the entirety of France’s territory in high speed internet by 2020. The objective of this plan is to install internet connections of at least 8Mbps to all of France by mid-2020 and 30 Mbps by 2022. This requires building new telecommunications (fiber optic) infrastructure nationwide. Very high-capacity networks like 5G will be a key asset for Europe to compete in the Global market, with worldwide 5G revenues for mobile operators expected to reach €225 billion annually by 2025. The 5G Action Plan is an EU strategic initiative which concerns all stakeholders, private and public, small and large, in all Member States, to meet the challenge of making 5G a reality for all citizens and businesses by the end of this decade.

France is lagging behind other countries in establishing and implementing 5G networks. However, in February 2018, Orange announced 5G trials will be carried out in Lille and Douai between mid-2018 and mid-2019. These trials will prepare Orange for 5G arrival by 2020. If France is comparatively late in the adoption of 5G, the development of connected objects, such as autonomous cars, etc., may be affected.

The sector’s revenue is driven by eight several main factors: fixed line telephone subscriptions, unbundling and bitstream operations, business spending on ICT, investments by electronic communication operators, high value-added “all-in-one” offers, and service prices.

Sub-Sector Best Prospects

Mobile and broadband services will remain a vibrant market in France. Significant investment opportunities exist for leading and innovative firms in the French market. Such opportunities exist in the continued implementation of various standards and technologies, such as LTE and Fiber optic cabling. Smart Phone technology and increasing network capabilities with increased 3G and 4G implementation will drive continued growth in the market. IOT’s implementation marks a massive increase in interconnected and communicating devices, subsequently this will drive a huge demand for increased broadband capabilities to keep up with IOT’s usage.

Opportunities

Orange and SFR’s release of LTE services has allowed for the possibility of offering higher value wireless data services. In November 2015, France held an auction of Long Term Evolution (LTE) suitable frequencies and raised \$2.89 billion from the sale of six blocks. Orange and Free Mobile both purchased two blocks while the remaining two blocks were split between Bouygues Telecom and SFR.

The IOT market in France is attracting attention and investment. Large scale investments, such as a 115 million USD investment in French IOT startup Sigfox, are becoming increasingly common. The IOT continues to thrive

through the growth of machine to machine (M2M) sim card subscriptions, the primary means of communication between objects in the IOT. In France, M2M has experienced an annual growth of +1.2 million M2M SIM card subscriptions compared to 31 December 2015. There are currently over 11.7 million M2M SIMs in France. More importantly, major players in the French telecom market are shifting their focus over to IOT. For example, Orange formed a new IT division with the specific focus on machine to machine technology. US companies looking to invest in the French telecommunications market should find ample opportunity in this constantly evolving economy.

Web resources

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

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

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

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

Fédération Française des Télécoms www.fftelecoms.org

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

Europe Market Analysis and Consulting Firms in the Telecom, Internet and Media Industries (IDATE) www.idate.org

Contact:

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

Myrline.Mikal-Goide@trade.gov

Phone: +33 (0)1 43 12 70 90 ; Website: <http://export.gov/france/>

Computer Services & Computer Software (CSF, CSV)

Overview:

	2015	2016 (Estimated)	2017 (Estimated)	2018 (Estimated)
Total Local Production	51,805	52,948	55,886	63,021
Total Exports	10,609	10,843	11,445	12,906
Total Imports	15,237	15,570	16,434	18,532
Imports from the US	8,227	8,425	8,892	10,028
Total Market Size	56,433	57,675	60,875	68,647
Exchange Rate 1 Euro	USD 1.1095	USD 1.1069	USD 1.1297	USD 1.230

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

*(Figures in USD millions; * indicates unofficial estimates.*

Year to year figures adjusted for varying exchange rate.)

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

The Market Place for Computer Services & Computer Software

Valued at \$60.91 billion (€53.9 billion) in 2017, France's market for computer software and services, which grew by 3.4% in 2017, is the third largest in Europe. The market growth rate for 2018 is expected to be around 3.6%, a rate of growth which the sector has not seen since 2011. Two thousand of the firms in this sector produce 80% of the revenues. In terms of employment, there are currently over 26,800 French firms employing more than 447,000 employees specializing in software and services. From 2016 to 2017, the market added 19,000 jobs.

The market is divided among the three following activities: Consulting & Services (72%); Software publishing (18.5%); and Technology Consulting Services (9.5%). In France, there are ten top information technology service firms that dominate the French market: Capgemini, ATOS, IBM, Sopra Steria, Orange, Accenture, CGI, Hewlett Packard, GFI and Econocom. In the computer services sector, the implementation of software as a Service (SaaS) products has largely influenced market growth. The market for these products is \$2.49 billion (€2.2 billion) as of 2017 and is expected to grow to \$3.32 billion (€2.7 billion) in 2018. In the software publishing sector, the combined revenue of French companies as of 2017, amounts to roughly \$8.93 billion (€7.9 billion). Since 2005, top companies in the software publishing sector have seen increased diversification

and decreasing revenues in the market. From 2006 to 2016, the weight in revenue of the top 10 French companies has decreased from 75% to 66%.

This trend of decreasing company weight in terms of total market revenue is evident throughout the Software & Services market, which has become increasingly heterogeneous in the past several years, especially with the entrance of newcomers from various sectors: telecommunications, temp agencies, computer hardware firms, defense firms, and network integrators. Within the market, the most rapid growth has occurred in the cloud market, as interested firms expand into Europe and enlarge their number of data centers. The cloud market has recently seen the entrance of companies such as Amazon, which recently brought its first local cloud infrastructure to France, and that of Orange, known as “Flexible Engine.” The cloud computing market in France, which grew by 21% between 2016 and 2017, is a dynamically structured high growth sector worth over \$9.6 billion (€8.5 billion). This market is expected to continue growing rapidly in the future because of increased demand, which is largely driven by the distribution, e-commerce, industry, and service sectors. As cloud usage, whether public, private, or hybrid, is expanding in the French marketplace, concern over the safety of personal data is also growing. The implication is two-fold. It presents an opportunity for the cloud market to offer a more secure method for data storage, especially for SMEs (whose data storage may be less secure than larger enterprises). However, it also presents a challenge because companies will have to adjust to new regulations concerning data – with large financial repercussions if they fail doing so.

As of May 25, 2018, the General Data Protection Regulation (GDPR), which regulates the protection of EU personal data, has imposed specific obligations on processors, who may be held liable in the event of data breaches. This new regulation has been imposed throughout the EU and EEA region and applies to all European Union citizens, regardless of whether the business is based there. The GDPR will have sweeping consequences for businesses, even in the areas of marketing and especially customer engagement. Failure to comply with these new regulations can result in fines of up to 4% of a company’s global revenues or \$24,6 million (€20 million), whichever option is greater. To ensure compliance to the GDPR, it is suggested that companies appoint a data protection officer (DPO) or data controller. Even smaller businesses or those not processing large volumes of personal data, should at least appoint a primary point of contact for the protection of this data, whether that person is internal or the role is outsourced.

Leading Sub-Sectors

- Big Data
- Cloud Computing (i.e. SaaS solutions)
- Mobility
- Cybersecurity Solutions
- E-Commerce
- Outsourcing / BPO
- Social business
- “Apps” software applications in smart phones

- Facilities management and Third-Party Maintenance of Applications (TMA)
- Facilities management of infrastructures
- Externalized R&D
- Integration of Information Processing Systems
- Integration of smart phones and tablets into the existing IT infrastructure
- Integration of social networks into the sales/marketing model
- E-health/Tele-Health
- Smart Grid/Smart Metering

Opportunities

In the market as a whole, researchers expect for suppliers to see growth in the following areas: document and process digitization; digital user services; data management and processing; information system sharing, and especially cloud computing. Increasingly widespread and affordable high-speed Internet (4G) access and wireless connectability will maintain demand for systems integration, especially with regards to omnichannel commerce solutions and e-commerce in general, which benefits from its lower costs and increased mobile accessibility.

While market growth of consumer software and services hovered around 3% from 2016 to 2017, the cloud market expanded at a rate of about 21%. In fact, the public cloud market, one of its fastest growing subsectors, grew much faster - by about 49% over the same period. The cloud (and especially the public cloud) market is becoming an increasingly attractive commercial opportunity. As a whole, high growth in the cloud market represents an opportunity for businesses investment, entry and expansion especially in France's current market climate.

In France, the growing need for data storage and security for personal data has been further spurred by recent cyber-security concerns and GDPR implementation. In order to conform to RGDP regulation, spending reached \$757.1 million (€670 million) in 2017 and is projected to reach almost \$1.23 billion (€1 billion) in 2018. While these developments present an opportunity for cloud providers to provide solutions and respond to increased demand, it is also important to keep in mind that these changes will have a large impact on the approach of cloud providers and will necessitate an updated approach by those affected by new regulations.

Web Resources

- [International Data Corporation \(IDC\)](#)
- [Pierre Audouin Consultants \(PAC\)](#)
- [BIPE \(provider of economic analyses and consulting services\)](#)
- [Syntec Numérique \(French association\)](#)
- [Markess International Inc.](#)
- [Médiamétrie](#)

- [Journal du net](#)
- [Le nouvel économiste](#)
- [Truffle 100](#)
- [CXP Group \(European research and advisory\)](#)
- [Commission Nationale de l'Informatique et des Libertés \(CNIL. Research firm\)](#)

Contact:

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

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Website: export.gov/france

Civil Aircraft and Parts (AIR)

Overview

	2015 (Estimated)	2016 (Estimated)	2017 (Estimated)	2018 (Estimated)
Total Local Production	49,790	52,150	54,900	62,730
Total Exports	37,370	44,320	46,670	53,320
Total Imports	30,750	33,630	24,180	25,200
Imports from the US	5,980	7,660	5,230	3,220
Total Market Size	43,170	41,460	32,410	34,610
Exchange Rate 1 Euro	USD 1.1095	USD1.1069	USD 1.1297	USD 1.230

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

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

Reported revenue for the French civil aerospace industry in 2017 grew to €48.6 billion (GIFAS – USD 54.9 billion), out of total non-consolidated aerospace and defense aerospace revenues of €64 billion, this is a 6% increase over 2016. The aerospace and defense aerospace industry exported approximately 85% of its consolidated turnover. The civil sector represents 76% of revenues and 84% of orders. Orders overall in 2017 were slightly down to 68.2 billion, but the percentage of orders in the civil sector increased, totaling €57.2 billion. These strong results benefitted not just the prime contractors, but the supply chain as a whole, including SMEs. Sales turnover for French supply chain companies was up by +5.9% in 2017, making France the number one destination for U.S. aircraft parts.

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

Selling to these aircraft manufacturers entails undergoing a vendor/product qualification and assessment process. The Safran Group finalized the purchase of the Zodiac Group in 2018; both firms are among Europe's major equipment suppliers. This process is easier if done through one of their many North American entities. Other major players include Thales, Liebherr Aerospace, Daher Group, Latécoère, Stelia Aerospace, AFI E&M, Sabena Technics, etc.

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

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

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

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

Because of the proximity of Airbus, Dassault, Airbus Helicopters and other aircraft manufacturers, France has a long-established and sophisticated aircraft supplier network. The French government encourages prime contractors to support local SMEs to maintain jobs and technical know-how in France. However, aerospace is a truly globalized industry and while major assembly lines are maintained in France, parts and components come from companies who have offices internationally.

Leading Sub-Sectors

The ramp-up in civil aircraft production affects nearly every segment of the industry. World-wide demand for the next 20 years is estimated at 32,600 new aircrafts. The increase in demand for not only more airplanes, but for more fuel-efficient aircraft, promises a strong and innovative industry for years to come. Airbus hit a new delivery record in 2017 for aircraft, at 718, and booked 1,109 net orders. 7,265 aircrafts are on back order for Airbus, representing a bright future for the local and international supply chain. This is in contrast to the business aircraft and heavy helicopter segments, which continue to experience a slow market.

These rates drive employment and job creation, making aerospace one of the most dynamic sectors of the French economy. They also drive investment, including the introduction of new technologies in robotization, new methods of collaborative work and digital sharing platforms.

53% of the latest Airbus A350 weight is in composites, while the firm is continually looking to increase this percentage, as more potential exists for integrating composite materials into aircrafts. Combined with the

important level of American supplier penetration on French platforms, increasing demand for lighter, fuel efficient aircraft, and Airbus' stated goal to increase spending across the Atlantic, experts expect the subsector of aerospace composites to continually grow stronger.

Opportunities

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

Web Resources

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

Paris Air Show – June 17-23, 2019
<http://www.paris-air-show.com/en>

French Aerospace Industries Association
<https://www.gifas.asso.fr/en/>

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Advanced Manufacturing (ADM)

Overview

France's manufacturing industry includes 235,000 companies, mostly small and medium sized businesses, with a combined workforce of 2.8 million. It represents 10.2% of total French GDP, compared to 20.3% in Germany and only 8.7% in the U.K. The leading industries are chemicals, telecommunications, aerospace and defense, nuclear energy, ship building (naval and specialist ships), pharmaceuticals, construction and civil engineering, textiles, and automobile production. Research and development spending is also high in France at 2.26% of its GDP (23.5 billion Euros), the fourth-highest in the OECD.

Like in many industrialized countries, "advanced manufacturing," or "Industry of the future" as the French call it, is seen as a priority by the French government. Overall, the digitalization of the French manufacturing industry saw a late start. Transition is on its way but there are still many challenges to overcome, especially for SMEs in many areas including: industrial robots, data analysis, collaborative work with the use of technologies such as unified communications, virtual reality or artificial intelligence, etc.

The "Industry of the Future Alliance," launched in July 2015, is intended to assist each company with investing in modernizing their industrial tools and transforming their organization and business model through digital technologies. It is composed of 33 members organizations: trade associations, technology partners, academic partners and organization for financing businesses.

The 5 pillars of the "Industry of the Future program" are:

- Develop cutting edge technologies
- Help companies adapt to a new paradigm
- Provide training
- Promote the industry of the future
- Reinforce European and international partnerships

Financial support under the form of tax incentives and loans from BPI FRANCE has been provided to assist companies that are keen on modernizing their production tools (digitization, robotics, energy efficiency, etc.). In September 2017, a 57-billion-euro investment plan over 5 years was announced by the French Prime Minister to complement France's focus on French Fab, a government agency promoting the French manufacturing industry.

Many world class solution providers and OEMS are located in France such as Airbus; Air France; Alstom; Areva; Bouygues; Danone; EDF; Dassault Systèmes; Enedis; Engie; Faurecia; Fives; Michelin; Naval Group; Orange Business Services; Plastic Omnium; PSA; Renault; Safran; Schneider Electric; SNCF; SPE; Thales; Total; and Valeo. There are also many U.S. companies with a strong presence in France e.g.; GE Digital; Rockwell Automation; Cisco; Microsoft; Rethink Robotics; Stratasys, etc. Overall, there are significant opportunities for U.S. companies interested in the French market.

Leading Subsectors

As part of their “Industry of the Future” plan, the French Government has identified priority areas of interest where efforts and budgets will be concentrated:

- Additive manufacturing
- Advanced and active materials
- Artificial intelligence
- Augmented and Virtual Reality
- Autonomous robotics
- Big Data Intelligence
- Cobotics
- Digital modelling, simulation and engineering
- Sensors
- Smart grids
- The Virtual Plant and the Industry Internet of Things (IIOT)

Opportunities

All the initiatives and plans undertaken by the French government put an emphasis on the reinforcement of European and international cooperation. Although strategic partnerships with European countries and especially Germany is a priority for France, cooperation with the USA at the governmental, institutional and corporate level is welcome and undergoing.

U.S. companies with technologies related to advanced manufacturing looking to expand in France will find the most success using the following methods:

- Find a local partner(s)
- Work with solution integrators
- Open offices in Europe
- Acquire a French SME

Web Resources

1. Key events

Industrie Expo LYON, March 5 to 8, 2019

<http://www.industrie-expo.com/>

JEC Composites World Paris, March 12 to 14, 2019

<http://www.jeccomposites.com/events/jec-world-2017>

Hannover Fair, April 1-5,2019 (Germany)

<http://www.hannovermesse.de/home>

AddFab / 3D printing Paris, April 2019

<http://www.addfab.fr/index.php>

Smart Manufacturing B to B summit, Paris, May 2019

<http://www.smart-manufacturing-summit.com>

Composites B to B Meetings, Nantes, November 13-14, 2019

<http://france.compositesmeetings.com/index.php/en/>

Aerospace Additive Manufacturing Summit, Toulouse, December 3 & 4, 2019

<http://www.advbe.com/fr/evenements/par-secteur/industrie-technologie/182-aerospace-additive-summit-toulouse.html>

2. Trade Associations

Fédération de la Plasturgie et des Composites

<http://www.laplasturgie.fr/>

Fédération des Industries Electroniques, Electriques, et de la Communication (FIEEC)

<http://www.fieec.fr/>

Fédération des Industries Mécaniques (FIM)

<http://www.fim.net/>

SYNTEC Ingénierie (French association for engineering)

<http://www.syntec-ingenierie.fr/syntec-ingenierie/>

SYNTEC Digital (French association for digital technologies)

<https://syntec-numerique.fr/>

The 3D Printing Europe

<http://www.the3dprintingassociation.com/>

Alliance for Industry of the Future

<http://www.industrie-dufutur.org/>

Cecimo (European Committee of Industry and Machine Tool) <http://www.cecimo.eu/site/>

Cetim (Technical Center for Mechanical Industry)

<http://www.cetim.fr/en>

Symop (Federation of Machines and Technologies for Production) <http://www.symop.com/>

French Rapid prototyping association

<http://www.afpr.asso.fr/>

3. Magazines

L'Usine Nouvelle <https://www.usinenouvelle.com/>

3DM Magazine <https://www.a3dm-magazine.fr/>

Industrie & Technologies Magazine <https://www.industrie-techno.com/>

JEC Magazine Composites www.jeccomposites.com/knowledge/jec-composites-magazine

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Medical Devices (MED)

Overview

	2015	2016	2017	2018 (Estimated)
Total Local Production	27,400	28,500	29,700	30,591
Total Exports	7,800	8,200	8,500	8,755
Total Imports	10,700	11,100	11,600	11,948
Imports from the US	3,600	3,700	3,900	4,017
Total Market Size	30,300	31,400	32,800	33,784
Exchange Rate 1 Euro	USD1.1095	USD1.1069	USD1.1297	USD1.230

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

data source: SNITEM "Panorama de la Filière Industrielle des Dispositifs Médicaux en France en 2018 :

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

The medical device market in France had an estimated turnover of €30.6 billion for the year 2018. The market turnover for medical devices exported from France is estimated at €8.75 billion, which is 26% of the total market. The market is expected to see an annual growth of about 3% for the next several years.

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

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

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

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

Best practices

To export medical devices to France, U.S. companies should either have an agent / distributor or set up a subsidiary. For smaller and medium size companies, it is preferable to first select an agent / distributor in order to have a better sense of the market share that can be obtained in France. The creation of a fully-owned subsidiary can be planned at a later stage. Medical devices in the French market, whether imported products or domestically manufactured lines, are subject to the following requirements:

- Medical devices are required to obtain the CE Mark
- Medical devices are required to have French-language directions for use included

Leading Sub-Sectors

Diagnosis

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

Rehabilitation

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

Surgery

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

Technical aids

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

Intensive care

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

Hygiene

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

Opportunities

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

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

Web Resources

Approval and testing

G-MED (Groupement pour l'évaluation des dispositifs médicaux)

National agency for the evaluation of medical equipment

[G-MED](#)

Trade Association

Syndicat National de l'Industrie des Technologies Médicales - S.N.I.T.E.M.

Medical equipment trade association

[S.N.I.T.E.M.](#)

National Authority for Health

HAS (Haute Autorité de Santé)

National agency for the evaluation of medical equipment and medical practices

[HAS](#)

Safety Agency

ANSM (Agence Nationale de Sécurité du Médicament et des Produits de Santé)

National agency for the safety of pharmaceuticals and health products

[ANSM](#)

Pricing Committee

CEPS (Comité Economique des Produits de Santé)

Pricing committee for pharmaceuticals and medical devices

[CEPS](#)

Public Hospitals

FHF (Fédération Hospitalière de France)

Public Hospitals Federation

[FHF](#)

Private Hospitals

FHP (Fédération de l'Hospitalisation Privée)

Private Hospitals Federation

[FHP](#)

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[Export.gov/France](#)

Cosmetics (COS)

Overview

	2015 (Estimated)	2016 (Estimated)	2017 (Estimated)	2018 (Estimated)
Total Local Production	21,720	21,750	28,000	28,500
Total Exports	13,500	13,550	13,600	13,650
Total Imports	2,950	3,000	3,100	3,170
Imports from the US	29.5	33.0	31.0	32.0
<u>Total Market Size</u>	11,170	11,200	11,300	11,370
Exchange Rate 1 Euro	USD1.1095	USD1.1069	USD1.1297	USD1.230

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

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

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

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

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

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

Best practices

To export cosmetics to France, U.S. companies should comply with the European legislation. On July 11, 2013, the declaration to the poison control center was replaced by the notification of cosmetic products on the European Portal, more commonly known as the Cosmetic Products Notification Portal (CPNP). Thus, Article 13

of EC Regulation N° 1223/2009 provides electronic notifications of cosmetic products to the European Commission. This procedure must be completed before the cosmetic product is launched on the market. This notification is unique and centralized by the European Commission.

https://ec.europa.eu/growth/sectors/cosmetics/cpnf_fr

Leading Sub-Sectors

Organic cosmetics

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

Ethnic cosmetics

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

Spa products

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

Opportunities

To manage the stiff competition, U.S. companies must make large investments in marketing and promoting their products in efforts to attract new consumers. As a result, it may take a long time to build a recognized brand. New brands entering the French market must be prepared to highlight their product's innovative properties, develop eye-catching packaging and invest heavily in marketing and promotion.

Web Resources

- [French Trade Association for Cosmetics and Beauty Products FEBEA](#)
- [ANSM \(Agence Nationale de Sécurité du Médicament et des Produits de Sante\) Agency for the security of health products and cosmetics:](#)
- [ANSM/Produits-cosmetiques](#)
- [Les-contacts-utiles-a-l-ANSM](#)
- [European Commission EU Cosmetics Regulation](#)
- [European Commission Scientific Committee for Consumer Safety](#)
- [Cosmetics trade association for Europe](#)

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Export.gov/France

Textiles (TXT)

Overview

	2015	2016	2017	2018
	(Estimated)	(Estimated)	(Estimated)	(Estimated)
Total Local Production	18,230	18,590	18,600	18,700
Total Exports	11,950	11,600	11,700	11,700
Total Imports	20,970	21,390	21,420	21,800
Imports from the US	286	292	298	290
<u>Total Market Size</u>	27,250	28,380	28,320	28800
Exchange Rate 1 Euro	USD 1.1095	USD1.1069	USD1.1297	USD1.230

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

data source: The French trade Association for the Textile Industry – UIT

*(Figures in USD billion; * Estimated figures) * Official statistical figures including only textile companies employing at least 20 people. * Statistical import figures including French customs classification NO. 61- 62 - 63.*

In 2017, the French textile industry (including apparel) was comprised of approximately 548 companies averaging 20 employees with a total workforce of 58,240 employees.

The French textiles market remains a highly-developed, mature market with many domestic and international players. Apparel accounts for 43.9% of the market's total value, while fabrics represent about 30%. The industry in France, although large, is dominated by several small, niche companies selling a small quantity of highly technical and high value products.

In France, the main consumers of technical textiles are industry (21%), transportation (20%), medical (16%), protection (10%), construction (10%), and agro textiles (8%). The main distributors of clothing are specialized chains (23%), independent sellers (13%), and super/hypermarkets (14%). Similar to previous years, the major textile suppliers by country, are China, followed by Italy, Bangladesh, Turkey, India, Germany, Tunisia, Belgium, Portugal, and Pakistan. The U.S. textile exports to France are mainly composed of sportswear and technical textiles. In addition, U.S. suppliers have an advantage in terms of technical know-how in this industry.

Best practices

To export textiles to France, U.S. companies should either have an agent / distributor or set up a subsidiary. There are no quotas for importing U.S. textile, however, U.S. companies need to be able to provide the certificate of origin of goods to customs.

Leading Sub-Sectors

- Technical textiles with better comfort and monitoring solutions for sportswear
- Technical textiles reducing carbon emissions for the transportation industry
- Technical textiles improving energy efficiency for use in the building industry
- Textiles with electronic devices and communication systems incorporated in the garments for either the security or sporting industries

Opportunities

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

Web Resources

[The European Apparel and Textile Confederation – EURATEX](#)

European Apparel and Textile Confederation

Union des Industries Textiles – U.I.T.

(Textile Trade Association)

[Union des Industries Textiles](#)

[Union Française des Industries de l’Habillement – U F I H](#)

(French Trade Association for apparel industries)

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[Export.gov/France](#)

Travel and Tourism (TRA)

Overview

	2015	2016	2017*	2018*
French & foreign tourists in France	84.5	82.6	N/A	N/A
French & foreign tourists spending in France	\$44,804	\$42,470	N/A	N/A
French tourists in the world	23.7	23.5	N/A	N/A
French tourists spending in the world	\$78,850	\$80.074	N/A	N/A
French spending in the U.S.	\$5,650	\$5,700	\$5,814	\$5,930
Number of French travelers in the U.S.	1.75	1.63	1.68	1.73
Exchange Rate 1 Euro	USD1.1095	USD1.1069	USD1.1297	USD1.230

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

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

Sources: U.S. Department of Commerce, International Trade Administration, National: [Travel & Tourism Office](#)
French government, *Etudes et Statistiques*, www.entreprises.gouv.fr/etudes-et-statistiques/statistiques-du-touirsme/accueil

The United States remains one of the top choices among long-haul destinations for French travelers. In 2016, France ranked third among European markets after the United Kingdom and Germany, and ninth in the world after Canada, Mexico, U.K., Japan, China, Germany, South Korea, and Brazil as an overseas source of income for the tourism industry in the U. S.

Best Prospects

The French market is stable. More than 1.63 million travelers from France visited the United States in 2016. France was the eleventh in terms of spending as they spent a record-setting \$5.7 billion. France accounted for 2.2% of total international arrivals in the United States in 2016.

Opportunities

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

California, the U.S. National Parks, New York and Florida remain the favorite destinations. Other regions such as the Southwest, Rocky Mountain states and Louisiana are becoming popular, particularly with second or third-time visitors. The French are highly fond of culture and history. Many French travelers choose cities renowned for their artwork or museums (New York, Washington D.C., Boston, Chicago). Additionally, images

of cowboys and Native Americans surrounded by open spaces, as made popular by American TV shows and movies remain vivid in the French imagination, which explains why Western states such as Arizona, Utah, Nevada, Colorado, and New Mexico are popular in France.

The French have five weeks of paid vacation per year. The average length of stay in the United States is approximately two weeks. The French are very individualistic in their travel behavior, which explains why 70% percent choose “Fly and Drive” options. Nevertheless, some travelers, mainly retired, prefer organized trips.

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

The Visit USA Committee France

Following the closing of the United States Travel and Tourism Administration (USTTA) in 1996, the U.S. Commercial Service has supported the establishment of the Visit USA Committee, a private industry association aimed at promoting the United States as a travel and tourism destination. The U.S. Commercial Service in Paris actively supports the Visit USA Committee in France. The Visit USA Committee, with 150 members, is one of the biggest Visit USA in the world. The Visit USA Committee organizes a wide range of promotional actions: travel trade fairs, consumer fairs, workshops, and e-learning programs for travel agents, video clips, and monthly newsletters dedicated to the trade, press, and consumers. They publish travel planners, maps, and posters. They have a dynamic website, and they are in all the major social media networks, including facebook, twitter and Instagram.

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

Contact for information and registration: Delphine Aubert, Communication & Marketing Manager, d.aubert@office-tourisme-usa.com

Facebook: <https://www.facebook.com/pages/Visit-USA-Committee-France>

Twitter: @OTdesUSA, <https://twitter.com/parisotc?lang=en>

Instagram : Office du Tourisme des USA

Brand USA

Established by the Travel Promotion Act in 2010, Brand USA is a non-profit, private-public partnership that promotes increased inbound international travel to the United States. Brand USA is financed by a fee assessed on international visitors applying for entry into the United States under the Visa Waiver Program and matching resources provided by private sector partners.

www.thebrandusa.com

Brand USA publishes a “Travel USA” Guide in French and a culinary guide in English. The guides are distributed in all the major trade and consumer fairs organized by the Visit USA Committee in France.

www.VisitTheUSA.com

Trade Fair

Major travel trade fair: IFTM (International French Travel Market)

Location : Paris – Expo Porte de Versailles

Dates: September 25-28, 2018

Number of visitors: 40,000

Show Organizer: Reed Exhibitions France

Website: www.iftm.fr

Brand USA will organize a Brand USA pavilion at IFTM 2018 with the collaboration of the Visit USA Committee and the U.S. Commercial Service at the American Embassy Paris. The Brand USA pavilion will host 40 U.S. exhibitors.

For Registration: B-For / Exhibitpro, partner of Brand USA

Contact: Michael Walsh, mwalsh@exhibitpro.com

Website: www.brandusapavilion.com

Consumer Fairs

The Visit USA Committee will have a USA presence in two major consumer fairs in 2019, with the collaboration of the U.S. Commercial Service, APPs and Brand USA.

Mahana in Lyon

Salon Mondial du Tourisme in Paris

Workshops

The Visit USA Committee will organize 3 workshops for travel agencies in 2018, with the collaboration of the U.S. Commercial Service, APPs and Brand USA.

November 13, 2018: Strasbourg

November 20, 2018: Marseille

November 22, 2018: Paris

Web Resources

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

Brand USA: www.thebrandusa.com, www.VisitTheUSA.com

IFTM (International French Travel Market): www.iftm.fr

American Embassy – U.S. Commercial Service

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E-Commerce (ECO)

For information on E-Commerce, please refer to page 21 of the Country Commercial Guide.

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Educational Services (EDS)

Overview

Academic year	2013/2014	2014/2015	2015/2016	2016/2017
Foreign Students in France	295,084	298,902	309,642	301,000
French Students in France	1,427,364	1,531,300	1,593,200	1,600,000
French Students in the World	73,400	74,000	74,500	74,500
International Students in the U.S.	886,052	974,926	1,043,839	1,078,822
French students in the U.S.	8,302	8,743	8,764	8,814
Exchange Rate 1 Euro	USD1.320	USD1.109	USD1.107	USD1.063

Source: Education USA; Open doors 2017

The number of French students attending school in the United States rose steadily in the 1990s peaking at 7,401 students in 2001/02. After a three-year decline, the number of French students began to rise again in 2005/06. Since then, the number of French students in the U.S. has maintained a slow, steady increase for the last 10 years; the growth rate surpassed 5% in 2014/15 for the first time since 2010/11.

Education and training are the United States' 5th largest service export, contributing over \$34.4 billion in annual revenue to the economy and supported more than 400,000 jobs in the U.S. economy during the 2016/17 academic year.

France is the eighteenth most popular country of origin for students coming to the United States. It is also the fourth leading host country for U.S. students studying abroad. In the 2016/17 academic year, 8,814 students from France studied in the United States. The U.S. is the second-most popular destination (behind the United Kingdom) for French students wishing to study overseas. The undergraduate level is the most popular time for French students to go abroad, but other levels are also represented. In 2016/17, the breakdown of level of education being studied was as follows: 34.6 % undergraduate students, 27.1 % graduate students, 24.8 % non-degree students, 13.4% OPT (Optional Practical Training).

Leading Sub-Sectors

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

Opportunities

American educational institutions can take advantage of the importance placed on English language abilities as well as the current state of the French labor market. As of January 2018, the unemployment rate in France is 9% with a 21.7% unemployment rate for those under 25 years old. This has led to a “race for diplomas” among French students. Studying abroad has become a great way for graduates to enhance their resume for future positions.

American institutions may also benefit from the following niche opportunities:

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

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

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

Web Resources

- [EDUCATION USA/FULBRIGHT COMMISSION](#)

Main Educational Trade Shows:

Study Abroad Fair

October 13th, 2018

[Paris College Day](#)

September 30th, 2018

[High school road show in Paris before the main fair](#)

January 26th and 27th, 2019

Contact:

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

[U.S. Embassy - U.S. Commercial Service Trade Specialist](#)

Isabelle.Singletary@trade.gov ; Tel: +33 (0) 1 43 12 70 63

Franchising (FRA)

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are many laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally do not constrain the competitive position of U.S. businesses. The potential franchiser should look not only at the EU regulations, but at the local laws concerning franchising. More information on specific legislation can be found on the website of the [European Franchise Federation](#).

The French franchise sector ranks first in Europe in terms of sales and has doubled over the last ten years. Although very competitive with 1,976 franchisors and 74,102 franchisees, the French market offers many opportunities for innovative U.S. franchises. 7% of franchises operating in France are foreign, of which 22% are American. In 2017, total franchising sales were estimated at \$70.17 billion (€59.55 billion). The potential remains for U.S. franchisors to explore additional sectors, such as personal service, household duties, school tutoring, child or elder care, and renovation services. However, it is important to note that for the past 30 years, direct investment or area development expansion methods have proven more successful in France than the traditional Master Franchise model.

Key Links:

- [French Federation of Franchise Membership list](#)
- [French Federation of Franchise References](#)
- [French Federation of Franchise Useful Links](#)

Contact:

To learn more about how the U.S. Commercial Service can assist, please contact:

[U.S. Embassy - U.S. Commercial Service Trade Specialist](#)

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Agricultural Sector (AGR)

Overview

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

Leading Sub-Sectors & Web Resources

See the six consumer-oriented food products considered by the Office of Agricultural Affairs as representing the “best prospects” for U.S. business in France at:

[USDA France: Market information](#)

Contact:

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Trade Regulations, Customs, & Standards

Trade Barriers

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

For information on existing trade barriers, please see the [National Trade Estimate Report on Foreign Trade Barriers](#) published by USTR.

Information on agricultural trade barriers can be found at the following website: [Foreign Agricultural Service](#)

To report existing or new trade barriers, and get assistance in removing them, contact either the [Trade Compliance Center](#) or the [U.S. Mission to the European Union](#)

Import Tariff

When products enter the EU, they need to be declared to customs according to their classification. A product's classification can be found in the Combined Nomenclature (CN) database. The CN database is updated and published every year, and the latest version can be found on the [European Commission's website](#).

U.S. exports to the European Union enjoy an average tariff of just three percent. However, U.S. exporters should still consult "The Integrated Tariff of the Community", referred to as TARIC (Tarif Intégré de la Communauté), to identify the various rules which apply to specific products being imported into the EU. 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, or product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Key Link: [TARIC](#)

Import Requirements & Documentation

The TARIC is available to help determine if a license is required for a particular product. In addition, the European Commission maintains an export helpdesk with information on import restrictions of various products. [Import Restrictions on Agricultural Products](#)

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 French import licenses, please search the Commerce Department's Market Research Library, available at: [Market Intelligence](#)

Import Documentation

The Single Administrative Document (SAD)

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

The Summary Declaration is filed by:

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

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU Member States. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:

[Single Administration Document](#)

[EU Customs Code](#)

The Union Customs Code (UCC) was adopted in 2013 and its substantive provisions went into effect on 1 May 2016. It has replaced the Community Customs Code (CCC). In addition to the UCC, the European Commission published delegated and implementing regulations on the actual procedural changes.

Economic Operator Registration and Identification (EORI)

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

More information about the EORI number can be found at [Economic Operator Identification and Registration](#)

Since 1997, the U.S. and the EU have agreed to the Customs Cooperation and Mutual Assistance in Customs Matters Agreement (CMAA). For additional information, please see [Agreements with the United States](#)

In 2012 the United States and the EU signed a decision recognizing the compatibility of AEO (Authorized Economic Operator) and C-TPAT (Customs-Trade Partnership Against Terrorism), thereby facilitating faster and more secure trade between the U.S. and EU. The World Customs Organization (WCO) SAFE Framework of Standards provides the global standard for AEO. AEO certification is issued by a national customs authority and is recognized by all Member States’ customs agencies. As of April 17, 2017, an AEO can consist of two different types of authorization: “customs simplification” or “security and safety.” The former allows for an AEO to benefit from simplification related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter’s trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition. Under the revised Union Customs Code, in order for an operator to make use of certain customs simplifications, the authorization of AEO becomes mandatory.

The United States and the EU recognize each other’s security certified operators and will take the respective membership status of certified trusted traders favorably into account. The favorable treatment provided by the Decision will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. It officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The Decision was originally signed in May 2012 and was implemented in two phases. The first phase commenced in July 2012 with U.S. Customs and Border Protection (CBP) placing shipments coming from EU AEO members into a lower risk category. The second

phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. CBP identification numbers for foreign manufacturers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above).

[Additional Information on the Decision](#)

Introduction

A key EU priority is to ensuring products marketed in the region are safe for the environment and human health. U.S. manufacturers exporting to the European Union need to ensure their products meet these requirements to enter the market.

New Initiatives: Circular Economy & Plastics Strategy

On 25 September 2014, the European Commission published the “Communication Towards a Circular Economy: A Zero Waste Program for Europe”. In this document, the European Commission acknowledged the intense competition for resources within Europe and the need to ensure there are market mechanisms for eliminating waste. When implementing this plan, the European Commission promotes regulatory and voluntary measures to encourage the “design out” of waste during the product development cycle. These measures include introducing mandatory recycling targets for waste, improvements to energy and resource use (e.g. water) and eliminating the use of materials in products that inhibit the collection, recycling and reuse of materials in products.

On 16 January 2018, the European Commission published what is arguably the most important measure towards implementing the circular economy. On that day, the European Commission, adopted a strategic document entitled, “A European Strategy for Plastics in a Circular Economy”. The strategy acknowledges that plastics have a negative impact on the environment, and calls for voluntary and regulatory measures aimed at mitigating the environmental harm caused by plastics. These measures address marine litter caused by the shipping industry; the chemical composition of plastics to encourage recycling; potential regulation on single use plastics; and funding for the development of chemical and mechanical recycling.

Batteries

The [EU Battery Directive](#) adopted in 2006 applies to all batteries and accumulators placed on the EU market. This includes automotive, industrial and portable batteries. The Directive seeks 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. The Directive places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. The European Commission publishes a FAQ document to assist interested parties in interpreting its provisions. For more information, see our [market research report](#).

Registration, Evaluation and Authorization and Restriction of Chemicals (REACH)

REACH applies to all chemicals manufactured or imported into the EU in quantities exceeding one metric ton. The regulation entered into force in 2007 (Regulation 1907/2006) and touches virtually every industrial sector, from automobiles to textiles. REACH imposes a registration obligation on all entities affected by the one metric ton criteria by May 31, 2018. The European Chemicals Agency (ECHA) is the organization responsible for receiving and ensuring the completeness of such registrations. U.S. companies without a presence in Europe need to rely on an EU-based partner, typically either an importer or a specialized 'Only Representative'.

In addition to the registration requirement, U.S. exporters should carefully review the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the 'Authorization List'. Under certain conditions, substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export chemicals on the 'Authorization List' will require an authorization. [Candidate List](#).

[The Authorization List](#)

[Waste Electrical and Electronic Equipment \(WEEE\) Directive](#)

EU rules on WEEE, while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority or arrange for this to be done by a local partner. It also requires manufacturers to inform the consumer that their product should be recycled by including the "crossed out wheelie-bin" symbol on the product or with the packaging. (See the section entitled "Mandatory Marks and Labels" for more information.) The WEEE Directive was revised on July 4, 2012 and the scope of products covered was expanded to include all electrical and electronic equipment. U.S. exporters seeking more information on the WEEE Directive should visit:

[Restriction on Hazardous Substances RoHS](#)

The ROHS Directive imposes restrictions on the use of certain chemicals in electronics and electrical equipment. The ROHS Directive does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant and affix a "CE" mark. (See the section entitled "Mandatory Marks and Labels" for more information.) The 2011 revisions to the ROHS Directive significantly expanded the scope of covered products. Generally, U.S. exporters have until July 22, 2019 to bring products into compliance that were once outside the scope. U.S. exporters seeking more information on the RoHS Directive should visit:

[Cosmetics Regulations](#)

The EU legislation harmonizing the regulation of cosmetic products has been in effect since July 11, 2013. The most difficult element of this regulation was the introduction of a new notification policy. Today, the European Commission must be notified of all new cosmetic products before they enter the EU market. Only an EU-established entity may submit such a notification. Therefore, U.S. exporters must either retain a "Responsible

Person” to act on their behalf, rely on the entity responsible for the import of their product into the EU, or establish a presence in an EU Member State.

Agricultural Documentation

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

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU but the harmonization process is still ongoing. Most recently, certificates for a series of highly processed products including chondroitin sulphate, hyaluronic acid, hydrolyzed cartilage products, chitosan, glucosamine, rennet, isinglass and amino acids are being harmonized. Until harmonization is finalized, 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](#).

Sanitary Certificates (Fisheries)

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

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

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

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU

(stephane.vrignaud@trade.gov) or visit the following NOAA dedicated website

Labeling/Marking Requirements

The use of French is compulsory in all designations, offers, presentations, user manuals, and terms of service for a product or service. In addition, all invoices and receipts must also be in French. The objective of this measure is to provide information, consumer protection, and enable the individual to buy and use a product or service while having complete knowledge of the product's nature and warranty.

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

These requirements are part of the French Code of Consumption which can be accessed at: [French Code of Consumption](#). A partial list of French language requirements relevant to U.S. businesses operating in France includes:

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

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

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

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

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

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

Relevant regulations:

Act No. 94-665 of 4 August 1994 on the use of the French language.

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

In regards to textile labeling, the Court of Cassation, in a ruling dated November 14, 2000, agreed that the information labels displaying pictograms, where warnings were essential for the consumer, must be written in French. However, in an attempt to not obstruct the free movement of goods, specific products can be

accompanied by statements in a foreign language not translated into French as long as the drawings, symbols, pictograms, or statements are of equivalent or complementary subject and are not likely to mislead the consumer. The specific products included are items that have inscriptions, are printed or woven, in a foreign language, contain words and phrases entered in the current language, or resulted from international conventions (i.e. off / on, made in ..., copyright, etc.) which are used alongside other means of consumer information, such as symbols or icons.

Summary

There is a broad array of EU legislation pertaining to the marking, labeling and packaging of products, with neither an “umbrella” law covering all goods nor any central directory containing information on marking, labeling and packaging requirements. This overview is meant to provide the reader with a general introduction to the multitude of marking, labeling and packaging requirements or marketing tools to be found in the EU.

Introduction

The first step in researching the marking, labeling and packaging legislation that might apply to a product entering the EU is to draw a distinction between what is mandatory and what is voluntary. Decisions related to mandatory marking, labeling and/or packaging requirements may sometimes be left to individual Member States. Furthermore, voluntary marks and/or labels are used as marketing tools in some EU Member States. This report is focused primarily on the mandatory marks and labels seen most often on consumer products and packaging, which are typically related to public safety, health and/or environmental concerns. It also includes a brief overview of a few mandatory packaging requirements, as well as more common voluntary marks and/or labels used in EU markets.

It is also important to distinguish between marks and labels. A mark is a symbol and/or pictogram that appears on a product or its respective packaging. These range in scope from signs of danger to indications of methods of proper recycling and disposal. The intention of such marks is to provide market surveillance authorities, importers, distributors and end-users with information concerning safety, health, energy efficiency and/or environmental issues relating to a product. Labels, on the other hand, appear in the form of written text or numerical statements, which may be required but are not necessarily universally recognizable. Labels typically indicate more specific information about a product, such as measurements, or an indication of materials that may be found in the product (such as in textiles or batteries).

OVERVIEW

Mandatory Marks & Labels

- Textiles
- Cosmetics
- Dangerous Substances
- Explosive Atmosphere
- Electrical & Electronic Equipment
- Household Appliances
- Pricing
- Footwear
- Units of Measurement
- Automotive
- Tire labeling
- Maritime

- Materials in Contact with Food
- Noise Emissions
- Wood packaging
- Energy Efficiency
- Recycling- Separate Collection

Voluntary Marks and Labels

- Cup/Fork Symbol (material in contact with food)
- Eco-Label
- Green Dot
- Energy Star
- 'e' Mark

Recycling Marks

Voluntary and mandatory marks and labels apply to all Member States of the EU, countries in the European Economic Area, European Free Trade Association, as well as candidate countries seeking membership to the EU.

MANDATORY MARKS AND LABELS

CE MARKING

The CE is the most widely used and recognized marking required by the EU. Found in all “New Approach” legislation with a few exceptions, the CE marking demonstrates that a product meets all essential requirements (typically related to safety, health, energy efficiency and/or environmental concerns). CE marking is required for the following products/product families:



- Cableway installations
- Civil explosives
- Construction products
- Electrical/electronic products
- Electromagnetic compatibility
- Low voltage
- Restriction of Hazardous Substances
- Energy efficiency
- Equipment and protective systems in potentially explosive atmospheres (ATEX)
- Gas appliances
- Hot water boilers
- Lifts
- Machinery
- Medical devices (3)
- Non-automatic weighing instruments
- Personal protective equipment
- Pressure equipment
- Radio equipment
- Recreational crafts
- Refrigeration appliances
- Simple pressure vessels
- Toys

For each “New Approach” law there is a separate list of references to harmonized European standards, the use of which provides the manufacturer with the ‘presumption of conformity’ with essential requirements. While other non-EU standards may be used to demonstrate a product’s compliance with the applicable directive(s), the manufacturer will have to provide detailed information regarding the compliance process. An array of standardized safety warning symbols/pictograms may also be applicable to each of the above product categories.

In 2008, the EU adopted a package of measures known as the [New Legislative Framework](#) (NLF) which provides a regulatory ‘toolbox’ for new and revised EU product safety legislation. The framework is designed to improve market surveillance, more clearly define the responsibilities of manufacturers, importers and distributors, and clarify the meaning of CE marking across a wide-range of product groups. In February 2014, to align product harmonization legislation with the provisions of the NLF (most notably Decision 768/2008), the European

Union adopted an "Alignment Package" consisting of eight revised CE marking directives. These newly aligned directives are in force since 2016.

Note: The EU is currently finalizing new legislation that will impact CE marking for medical devices. The new regulations have transition period with the new measures coming into force in 2020 for medical devices and 2022 for in-vitro medical devices.

For more information:

[CE Marketing](#)

[Harmonized Standards](#)

[New Legislative Framework](#)

[CE Marking Laws Applicable](#)

THE WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT DIRECTIVE (WEEE)



This directive is designed to tackle the rapidly increasing waste stream of electrical equipment into landfills and waste incineration facilities. The directive increases recycling of electrical and electronic equipment, limiting the total quantity of waste going to final disposal. This directive affects the following product categories:

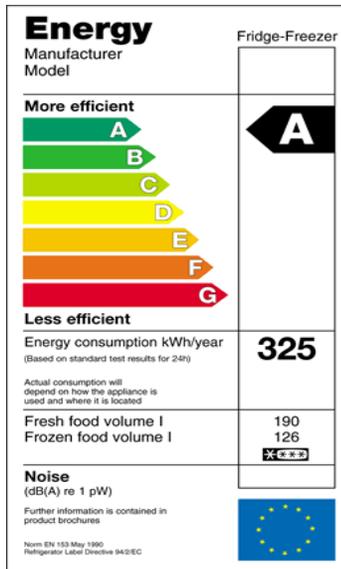
- Large and small household appliances
- Consumer equipment
- Lighting equipment
- IT and Telecommunications equipment
- Electrical and Electronic Tools
- Toys and Sports equipment
- Medical Devices
- Monitoring and control equipment
- Automatic dispensers

The symbol shown above must be displayed on all products that fall under this directive, and indicates that the product is not to be discarded with normal household waste. It is a required mark on batteries. In instances where this symbol cannot be displayed on the equipment itself, it should be included on the packaging.

For more information

[Directive 2012/19/EU](#)

ENERGY LABELING



Directive 2010/30/EU on “labeling and standard product information of the consumption of energy and other resources by energy-related products” sets a framework for the adoption of product-specific directives for the proper energy efficiency labeling for each concerned product. With the adoption of Regulation 2017/136 on energy labeling, which entered into force on August 1, 2017, the original directive 2010/30/EU was repealed; labeling categories were simplified; and the scope was extended.

Suppliers are to supply, free of charge, labels or product fiches containing information about consumption of electric or other energy sources to their dealers. Dealers then must display labels in a visible and legible way, and make the fiche available in product brochures or other literature.

For more information

[Clearer Energy Labelling](#)

[Energy Consumption](#)

DEVICES FOR USE IN POTENTIALLY EXPLOSIVE ATMOSPHERE (ATEX)



In addition to applying a CE marking for products falling under the ATEX Directive (2014/34/EC), it is also necessary to display the Ex mark. The Ex mark is a specific marking designed for explosion protection. Located next to the 'Ex' mark will be a symbol designating the product group or category as specified in the directive.

The revised ATEX Directive (2014/34/EC) was adopted in February 2014 as part of the New Legislative Framework alignment package. It replaced the existing directive and became applicable on April 20, 2016.

For more information

[Mechanical Engineering](#)

[Directive 2014/34/EU](#)

NOISE EMISSION OF OUTDOOR EQUIPMENT



Machines used outdoors are subject to CE marking requirements. Noise emission levels are covered separately. The sample mandatory label shown above specifies noise emission levels.

For more information

[Noise Emissions](#)

MARITIME



The “steering wheel” mark shown above is the equivalent of a CE marking, but for marine equipment. It applies to equipment for use on board any new EU ship, wherever the ship is situated at the time of construction. In addition, the mark also applies to equipment placed on board existing EU ships, whether for the first time or to replace equipment already carried on board. This regulation does not apply to equipment already on board on

the date on which the directive entered into force in 1997. The directive applies to the following equipment categories:

- Life-saving appliances
- Marine pollution prevention
- Fire protection
- Navigation equipment
- Radio-communication equipment

A revised Marine Equipment Directive (2014/90/EC) was adopted in July 2014 and is applicable since September 18, 2016.

For more information

[Directive 2014/90/EC](#)

TEXTILES

Textile products must be labeled or marked whenever they are put on the market for production or commercial purposes. The names, descriptions and details of a textile's fiber content must be indicated on products available to consumers. With the exception of trademarks or the name of the undertaking, information other than that required by the directive must be listed separately. Member States may require that their national language be used on the labeling and marking required by the directive.

For more information

[Textiles Legislation](#)

FOOTWEAR



lining & sock

Labels must convey information relating to the upper, the lining and insole sock, and the outer-sole of the footwear article. The information must be conveyed by means of approved pictograms or textual information, as defined by the directive.

The label must be legible, firmly secured and accessible. The manufacturer or the authorized agent established in the Community is responsible for supplying the label and for the accuracy of the information contained therein. Only the information provided for in the directive needs to be supplied. There are no restrictions preventing additional information from being included on the label.

For more information

[Footwear](#)

COSMETICS

Containers and/or packaging (in certain cases) must bear, in identifiable, easily legible and visible characters, the following:

- The name, trade name and address, or registered office, of the manufacturer or person responsible for marketing the cosmetic product within the Community
- The nominal contents at the time of packaging (by weight or volume)
- The date of minimum durability indicated by "Best before end", for products with a minimum durability of less than 30 months. In this case the following must figure on the packaging:



- The period after opening during which the product can be used without harm to the consumer, for products with a minimum durability of less than 30 months (indicated by a symbol representing an open cream jar, as shown below):



- Particular precautions for use
- The batch number or product reference, for identification
- The product's function

If it is impossible for practical reasons to print on the packaging all the conditions of use and particular warnings, an enclosed leaflet, label or tape has to be provided. In this case, the following symbol will then have to be on the packaging:



The Member States are to draw up procedures for providing the information set out above in the case of cosmetic products that have not been pre-packaged. The product function and list of ingredients also have to appear on the container or packaging. Member States may stipulate that the information on the label is provided in their national or official language(s).

About the labeling of nanomaterials present in cosmetics:

The Cosmetics regulation indicates that from July 2013 “all ingredients present in the form of nanomaterials shall be clearly indicated in the list of ingredients” and that “the names of such ingredients shall be followed by the word ‘nano’ in brackets.”

For more information

[Regulation 1223/2009](#)

[Market Research Report on "EU Cosmetics Legislation"](#)

DANGEROUS SUBSTANCES

Regulation on the Classification, Labeling and Packaging of Chemicals



The labeling of dangerous substances must indicate the following:

- The name of the substance
- The origin of the substance (the name and address of the manufacturer or distributor)
- The danger symbol and an indication of danger involved in the use of the substance
- A reference to the special risks arising from such dangers.

The dimensions of the label must not be less than a standard A8 sheet (52 x 74mm), and each symbol must cover at least one-tenth of the label’s surface area. Member States may require their national language(s) to be

used in the labeling of dangerous substances. Where the packaging is too small, the labeling may be affixed in some other manner. The packaging of products considered dangerous which are neither explosive nor toxic may go unlabeled if the product contains such small quantities of dangerous substances that there is no danger to users.

Symbols must be employed if the substance can be defined as any one of the following (as shown above): explosive, oxidizer, flammable, harmful, toxic irritant, corrosive, or harmful to environment. Containers of hazardous substances should include, in addition to the appropriate symbols, a raised triangle to alert the vision-impaired to their contents. Note that this directive has undergone numerous amendments relating, amongst other things, to the marking and labeling of additional substances. Accordingly, it is advisable to consult all literature.

Regulation 1272/2008 implements the classification, labeling and packaging requirements for chemicals based on the Worldwide United Nation's Globally Harmonized System (UN GHS).

For more information

[Regulation 1272/2008/EC](#) on the classification, labeling and packaging

Legal Metrology and Metric Units of Measurement

This legislation specifies permissible ranges of nominal quantities, container capacities and the weights or volumes of prepackaged products. Manufacturers are advised to take note that all labels require metric units, although dual labeling is also acceptable.

For more information

[Legal Metrology](#)

PRICE DISPLAY

The directive requires an indication of the selling price, and price per unit of measurement, on all products offered to consumers. The aim is to improve the information available to the consumer and to facilitate price comparison. This information must be unambiguous, clearly legible and easily identifiable. If advertising mentions the item's selling price, it must also indicate its unit price. For products sold in bulk, the unit price is the only item whose indication on the label is mandatory. National authorities may provide alternatives for products sold by small retail business operations.

For more information

[Directive 98/6/EC](#) on the indication of the prices of products offered to consumers.

AUTOMOTIVE



Nearly every vehicle component must be certified for safety as specified under the various directives relating to automobiles. The number shown in the rectangle on the label indicates the particular Member State in which the approval process was conducted. A “base approval number” must also be provided adjacent to this certification. This four-digit number will correspond to the directive and type of device in question. The country-number correlation is as follows (this is not an exhaustive list):

1	Germany	6	Belgium	18	Denmark
2	France	9	Spain	21	Portugal
3	Italy	11	UK	23	Greece
4	Netherlands	13	Luxembourg	24	Ireland

For more information:

All existing directives on motor vehicles, in chronological order, available online at:

[Existing Motor Vehicles Directives](#)

Photometry

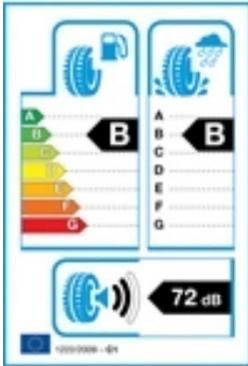


A similar marking is an ‘E’ surrounded by a circle, which applies to the testing of headlight lamps, brake light lamps and turning signal lamps of all vehicles seeking EU market entry. These include consumer vehicles, low-volume production trucks, light and heavy goods vehicles, trailers, motorcycles, cranes, agriculture and forestry tractors, and special-purpose and off-road vehicles.

For more information:

[Automotive Legislation](#)

TIRE LABELING



Tire label legislation requires that tire manufacturers declare fuel efficiency, wet grip and external rolling noise performance of C1, C2 and C3 tires (i.e. tires mainly fitted on passenger cars, light and heavy duty vehicles).

The objective of the regulation is better information for the consumer and a contribution to a more energy efficient transport policy.

For more information:

[Energy Topics](#)

[Directive 1222/2009/EC](#)

[Directive 288/2011/EC](#)

PACKAGING MATERIAL

The EU Packaging and Packaging Waste Directive harmonized member state legislation regarding packaging material composition and the management of packaging waste. The composition of packaging material is addressed in a series of EU-wide standards. For the management of packaging waste through recycling collection targets and recycling systems, Member States have adopted voluntary markings for products mentioned in the following pages.

For more information

[Directive 94/62/EC](#)

Wood Packaging



XX - 000
YY

XX represents the ISO country code.
000 represents the unique number assigned by the national plant protection organization.
YY represents either HT for heat treatment or MB for methyl bromide fumigation.

Like the United States, the EU has adopted legislation to ensure pest control in wood packaging. The marking used for regulated materials is based on the International Plant Protection Convention compliance symbol shown above.

For more information

[Requirements for wood packaging and dunnage](#)

VOLUNTARY MARKS AND LABELS

MATERIALS IN CONTACT WITH FOOD



Manufacturers of containers, plates, cups, and other material that is intended to come into contact with food are required to check the compliance of their product with EU chemical safety requirements. Using the symbol shown above shows compliance with these requirements. It is mandatory to comply with the legislation, but the use of the symbol is voluntary.

For more information

[Legislation on Food Contact Materials](#)

THE e-MARK



The e-mark, shown above, acts as a metrological "passport" to facilitate the free movement of prepackaged goods. It guarantees that certain liquids and other substances have been packed by weight or volume in accordance with the directives. While compliance is not mandatory, free movement throughout the EU is guaranteed for prepackaged products that do comply with the provisions of the directive.

Containers with an e-mark also bear an indication of the weight or volume of the product, known as its "nominal" weight or volume. The packer (or importer, if the container is produced outside the EU) is responsible for ensuring that the containers meet the directive's requirements.

For more information

[Prepackaging](#)

THE ECO-LABEL



The European Eco-label enables European consumers, including public and private purchasers, to easily identify officially approved green products across the European Union, Norway, Liechtenstein and Iceland. Introduced in 1992, the label communicates to the customer that the marked products meet specific eco-friendly criteria that have been developed to apply to everyday consumer goods and services.

The symbol may apply to the following 27 product and services groups:

All-purpose cleaners and cleaners for sanitary facilities	Household cleaning products	Textile products
Bed mattresses	Laundry detergents	Tissue paper
Campsite Services	Light bulbs	Tourist accommodation service

All-purpose cleaners and cleaners for sanitary facilities	Household cleaning products	Textile products
Copying and graphic paper	Lubricants	Vacuum cleaners
Detergents for dishwashers	Paints and varnishes	Washing machines
Dishwashers	Personal computers	Wooden coverings
Footwear	Printed paper products	Wooden furniture
Furniture	Refrigerators	
Growing media and Soil improvers	Soaps, shampoos and hair conditioners	
Hand dishwashing detergents	Soil improvers	
Hard floor coverings	Televisions	
Heat pumps	Textile coverings	

Manufacturers should be aware that similar eco-friendly markings are often used nationally, such as the Nordic Swan or the German Blue Angel, shown below.



The Eco-label program has recently been expanded to cover fish and fishery products. This means that eco-labeled products have been produced in accordance with specific environmental standards.

Private Eco labels have been developed by the seafood industry to “influence the purchasing decision of consumers and the procurement policies of retailers selling seafood products, in order to reward producers involved in responsible fishing and aquaculture practices leading towards sustainable use of natural resources.”

There are multiple eco-label schemes, and logos, developed by a variety of operators and according to different characteristics. This confusing situation has led to a need for harmonization and coherence. In response, the UN [Food and Agriculture Organization](#) (FAO) has developed a “Guideline for the Eco-Labeling of Fish and Fishery Products from Marine Capture Fisheries.”

The U.S. government has decided not to engage in the development of such marketing tool. Instead, NOAA Fisheries has developed a comprehensive website where stakeholders, including consumers, can find facts about a specific species of fish and related fisheries. Consumers can then make their own purchasing choice:
Fish

The European Commission is currently preparing, at the request of the European Parliament and the Council, a feasibility report on options for a Union-wide eco-label scheme for fishery and aquaculture products. Some EU Member States have already created their own National eco label.

For more information

[European Eco-Label website](#)

[Eco-labels for Fisheries and aqua products](#)

RECYCLING



The “mobius loop” (sometimes known as the “chasing arrows”), based on an international standard, may be found on products throughout Europe. This symbol is meant to help consumers identify and participate in recycling initiatives for product packaging and materials. As well as being used on printed packaging, the chasing arrows symbol is sometimes featured in the molds of glass, metal, paper, or plastic products. Various kinds of loops indicate whether the product is recyclable, recycled or contains recycled material.

For more information

http://ec.europa.eu/environment/waste/target_review.htm

Plastics



The symbol above is an example of how a plastic's type may be indicated on a product. As part of the EU voluntary identification system for plastics, the following marks are used for the most common types of plastics (Decision 97/129/EC):

EU Number	Abbreviated Description	Full Plastic Description
1	PET	Polyethylene Terephthalate
2	HDPE	High Density Polyethylene
3	PVC	Poly Vinyl Chloride
4	LDPE	Low Density Polyethylene
5	PP	Polypropylene
6	PS	Polystyrene

Glass



There are no EU-wide symbols used to designate the recyclable nature of glass. However, it is certainly encouraged on the national level with an array of symbols. The one shown above is just one small sample of the total existing to show recyclability.

GREEN DOT



The Green Dot system is a scheme in which participating organizations coordinate the collection, sorting and recovery of used packaging. This system is administered according to national packaging laws (adhered to by packaging manufacturers, fillers, retailers and importers), and it should be noted that all participating national systems operate independently. The umbrella organization, PRO-Europe, is responsible for managing the Green Dot labeling system in Europe. More than 460 billion pieces of packaging marked with the Green Dot, shown above, are distributed worldwide. Interested applicants should contact one of the national administering authorities.

[Pro Europe](#)

U.S. Export Controls

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR). The Export Administration Regulations are responsible for managing the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: [BIS Exporting Controls](#)

[BIS Enforcement](#)

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. The list can be found in the "[Know Your Customer](#)" guidance document.

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at +1(800) 424-2980, or via the confidential lead page at: [BIS Reporting Violations](#)

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

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

The reform is being implemented in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars and focus on the basics of exporting as well as more advanced topics. [A list of upcoming seminars](#)

For further details about the Bureau of Industry and Security and its programs, please visit the [BIS website](#).

Temporary Entry

The [ATA Carnet Customs](#) procedure used for temporary importation, transit and temporary admission of goods designed for specific purposes, duty-free and tax-free (such as professional equipment for presentations or trade fairs).

For information on this topic, please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, you can also search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

Prohibited & Restricted Imports

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

CITES Convention on International Trade of Endangered Species

PROHI Import Suspension

RSTR Import Restriction

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

Key Link: [Taxation Customs and Tariffs](#)

Customs Regulations

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

The Union Customs Code (UCC) was adopted in 2013 and its substantive provisions apply from 1 May 2016. It replaces the Community Customs Code (CCC). In addition to the UCC, the European Commission has published delegated and implementing regulations on the actual procedural changes. These are included in Delegated Regulation (EU) 2015/2446, Delegated Regulation (EU) 2016/341 and the Implementing Regulation (EU) 2015/2447.

There are a number of changes in the revised customs policy which also require an integrated IT system from the customs authorities. In April 2016, the European Commission published an implementing decision (number: 2016/578) on the work program relating to the development and deployment of the electronic systems of the UCC. The EC continues to evaluate the timeline by which the EU-wide integration of the customs IT system can be implemented. The current deadline of December 2020 may be extended until 2025 ([draft proposal](#))

Key Link: [Homepage of Customs and Taxation Union Directorate \(TAXUD\) Website](#)

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 create of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

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

- economic and commercial policy analysis;
- application of commercial policy measures;
- proper collection of import duties and taxes; and
- import and export statistics.

These objectives are met using a single instrument - the rules on customs value.

The EU applies an internationally accepted concept of '[customs value](#)'.

The value of imported goods is one of 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:

- [France - Customs Regulations "Code des Douanes"](#)
- [French customs regional offices for companies](#)
- [Customs Procedures](#)

Standards for Trade

Overview

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

European Union legislation and standards created under the New Approach are harmonized across the Member States and European Economic Area countries to allow for the free flow of goods. An example of the New Approach is the CE marking.

The concept of the New Approach legislation is slowly disappearing as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Existing legislation has been reviewed to bring them in line with the NLF concepts, which means that, as of 2016, new requirements are being addressed and new reference numbers are to be used on declarations of conformity. For more information about the [NLF](#).

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

Agricultural Standards

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades. In January 2002, the EU publicized a general food law establishing a few 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/](#)

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: [FAIRS Export Certificate Report](#)

Standards

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

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

1. [CEN, European Committee for Standardization](#)
2. [CENELEC, European Committee for Electrotechnical Standardization](#)
3. [ETSI, European Telecommunications Standards Institute](#)

Standards are created or modified by experts in technical committees or working groups. The members of CEN and CENELEC are the national standards bodies of the Member States, which have "mirror committees" that monitor and delegate experts to participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual Member States standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and provides some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental, labor and consumer groups. The Commission also provides money to the European standards bodies when it mandates development for harmonized standards that will be linked to EU legislation. [Mandates](#)– or requests (the Commission requests CEN/CENELEC or ESTI to develop standards) for standards.

Given the EU's vigorous promotion of its regulatory and standards system, as well as its generous funding for its development, the EU's regulatory and standards system has a wide reach. The EU's regulatory and standards system extends well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as the Western Balkan countries among others. Another category, called "companion standardization body" includes the standards organization of Morocco, Israel, Kazakhstan and Australia, among others which are not likely to become a CEN member or affiliate for political and geographical reasons.

To view what CEN and CENELEC are planning for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of standards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. [ETSI's portal](#) links to ongoing activities.

The European standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing future harmonized standards (EN)¹. There is also an emphasis on referencing international standards where possible. For information,

¹ An EN standard is a standard developed by CEN/CENELEC and ETSI at the request of the EC in order to meet the essential requirements or other provisions of relevant European Union harmonization legislation

communication and technology (ICT) products, the importance of interoperability standards has also been recognized. Through a relatively recent mechanism, a “Platform Committee”, reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization. The Joint Initiative on Standardization, launched in 2016, currently has a number of planned actions to improve European standardization. The joint initiative involves a large group of key stakeholders who are committed to deliver results by 2019.

Key Links:

- [Standardisation Policy](#)
- [Key Links to the French Standard Organization AFNOR](#)

NIST Notify U.S. Service

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

Testing, Inspection and Certification

Conformity Assessment

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU harmonized legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, and to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual Member States are listed in the New Approach Notification and Designated Organizations (NANDO) information system.

Key Link:

- [NANDO](#)
- [French Accreditation Web Portal](#)
- [Key Links to the French Standard Organization AFNOR Certification](#)

- [Key Links to the French Standard Organization AFNOR Certification French label NE.](#)

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

Product Certification

To sell products in the EU market of 28 Member States as well as in EFTA (Norway, Liechtenstein Iceland, Switzerland) and Turkey 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. The CE marking process is very complex and this section attempts to provide some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC or ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the essential requirements of EU harmonized legislation. 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 and EFTA. 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 market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

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

Accreditation

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

["European Accreditation"](#) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

Publication of technical regulations

[Official Journal of the EU](#) is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation, as well as, case law, studies by committees. It also lists the standards reference numbers linked to legislation ([Harmonized Standards](#)).

National technical regulations are published on the [Commission's website](#) to allow other countries and interested parties to comment.

National Institute of Standards and Technology's (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. The **Notify U.S. Service** 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: [Notify U.S.](#)

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CEN- European Committee for Standardization

Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.550.08.11
Fax: 32.2.550.08.19

CENELES- European Committee for Electrotechnical Standardization

Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.519.68.71
Fax: 32.2.519.69.15

ETSI- European Telecommunications Standards Institute

Route des Lucioles 650
Sophia Antipolis
F-06560 Valbonne France
Tel: 33.4.92.94.42.00
Fax: 33.4.93.65.47.16

SBS- Small Business Standards

4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: 32.2.285.07.27 Fax : +32-2/230.78.61

ANEC- European Association for the Co-ordination of Consumer Representation in Standardization

Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: 32.2.743.24.70
Fax: 32.2.706.54.30

ECOS- European Environmental Citizens Organization for Standardization

Rue d'Edimbourg 26
B – 1050 Brussels, Belgium
Tel: 32.2.894.46.68
Fax: 32.2.894.46.10

EOTA- European Organization for Technical Assessment

Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
Fax: 32.2.502.38.14

Key Links:

- [French Accreditation Web Portal](#)
- [Cofrac/ Accreditation](#)
- [Cofrac/ Accreditation/ Distinction](#)
- [French Standard Organization AFNOR Certification](#)
- [French National Testing Laboratories LNE](#)
- [French Ministry of Economy Web page on Labeling](#)
- [AFNOR Resources on CE labelling](#)

Contact Information

French Contacts:

French Accreditation Agency
COFRAC
52 rue Jacques Hillairet
75012 PARIS
Tel: +33(0)1 44 68 82 20

[Sectorial Contacts](#)

French Standard Organization:

Groupe AFNOR:

11, rue Francis de Pressensé
93571 La Plaine Saint-Denis Cedex
France

Contact: Fabienne Bonin-Bree

Tel: +33 1 41 62 62 96

international-network@afnor.org

Key Link:

- [French Standard Organization AFNOR Certification French label NF](#)

Key French Links:

- [French Ministry of Economy Web page on Labeling](#)
- [AFNOR Resources on CE labelling](#)

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[CENELEC – European Committee for Electro technical Standardization](#)

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Fax: +32.2.519.69.19

[ETSI - European Telecommunications Standards Institute](#)

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[SBS – Small Business Standards](#)

4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: +32.2.285.07.27
Fax : +32.2.230.78.61

[ANEC - European Association for the Co-ordination of Consumer Representation in Standardization](#)

Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: +32.2.743.24.70
Fax: +32.2.706.54.30

[ECOS – European Environmental Citizens Organization for Standardization](#)

Rue d’Edimbourg 26
B – 1050 Brussels, Belgium
Tel: +32.2.894.46.68
Fax: +32.2.894.46.10

[EOTA – European Organization for Technical Assessment \(for construction products\)](#) Avenue des Arts 40

B – 1040 Brussels, Belgium
Tel: +32.2.502.69.00
Fax: +32.2.502.38.14

Trade Agreements

For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see

[EU Trade Agreements](#)

Licensing Requirements for Professional Services

The recognition of skills and qualifications acquired by EU citizens in EU Member States, including the corresponding recognition procedures and charges are, in correspondence with article 165 of the TFEU, the responsibility of Member States. Similarly, recognition of skills and qualification earned in third countries is also a national responsibility.

However, the European Commission takes initiative to facilitate recognition procedures. For example:

- Recognition of professional qualifications obtained in one Member State for the purposes of access and pursuit of regulated professions in another Member State is subject to Directive 2005/36.
- Recognition of qualifications for academic purposes in the higher education sector, including school-leaving certificates is subject to the *Lisbon Recognition Convention*. The ENIC-NARIC network provides advice on (cross-border) recognition of these qualifications.

Recognition in other cases is assessed and granted (or denied) by the receiving educational provider or employer. For them to be able to recognise skills and qualifications an **understanding of the level, content and quality** is needed. The Commission currently explores the possibilities on how to better support these recognition decisions.

The “Your Europe” website maintains a webpage dedicated to help citizens identify what the regulated professions are and what document are needed for their recognition in each Member State. Please see: [Recognition of Professional Qualification](#).

Key link:

- EU Commission [Free movement of professionals](#)

The complete list of accredited regulated and non-regulated professional services in France can be found on the Website of the French federation of accredited associations:

- [Union Nationale des Associations Agrées “UNASA”](#)
- [Liste complète des professions libérales](#)
- [French Government websites regulation professional services](#)

Web Resources

EU websites:

[TARIC](#)

[The Modernized Community Customs Code](#)

[ECHA](#)

[Taxation and Customs Union](#)

[Security and Safety Amendment to the Customs Code](#)

[Electronic Customs Initiative](#)

[Modernized Community Customs Code Regulation](#)

[Legislation related to the Electronic Customs Initiative](#)

<http://trade.ec.europa.eu/tradehelp/>

[What is Customs Valuation?](#)

[Establishing the Community Customs Code](#)

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

[AEO: Authorized Economic Operator](#)

[Contact Information at National Customs Authorities](#)

[New Legislative Framework](#)

[Cenelec, European Committee for Electrotechnical Standardization](#)

[ETSI, European Telecommunications Standards Institute](#)

[CEN, European Committee for Standardization](#)

[Standardisation- Mandates](#)

[ETSI- Portal- E-Standardisation](#)

[CEN- Sector](#)

[CEN- Standard Search](#)

[NANDO \(New Approach Notified and Designated Organizations\) Information System](#)

[European Co-Operation for Accreditation](#)

[Eur-Lex- Access to European Union Law](#)

[Standards Reference Numbers](#)

[What's New?](#)

[National Technical Regulations](#)

[NIST- Notify U.S.](#)

[European Union Eco-Label Homepage](#)

U.S. Websites:

[National Trade Estimate Report on Foreign Trade Barriers](#)

[Agricultural Trade Barriers](#)

[Trade Compliance Center](#)

[U.S. Mission to the European Union](#)

[The New EU Battery Directive](#)

[The Latest on REACH](#)

[CE Marking](#)

[WEEE and RoHS in the EU](#)

[Overview of EU Certificates \(FAS\)](#)

[Center for Food Safety and Applied Nutrition](#)

[Trade Agreements](#)

French Websites:

- [French Customs](#)
- [French Tariffs nomenclature](#)
- [Customs](#)
- [French Accreditation Agency](#)
- [French Accreditation Agency/ Contact](#)
- [French Standard Organization](#)
- [French label NF](#)
- [French Ministry of Economy Web page on Labeling](#)
- [AFNOR Resources on CE labelling](#)

Investment Climate Statement

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Executive Summary

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

In 2017, France was the ninth largest global market for foreign direct investment (FDI) inflows with a year-on-year increase of 16%. In total, there are more than 28,000 foreign-owned companies doing business in France. It is the home to 29 of the world's 500 largest companies. In 2017, the World Economic Forum

ranked France 22nd in terms of global competitiveness. The United States is the 7th largest foreign investor in France. Around 4,600 U.S. companies in France, of all sizes, employ over 460,000 French citizens.

France has already started to benefit from higher growth in Europe, with 2% GDP growth in 2017, and job creation is reaching record levels. France's budget deficit dropped below the 3% limit to 2.6 percent of GDP in 2017 and the government has pledged to make further cuts in 2018. France's public debt ratio of 97 percent of GDP remains one of the largest in the Euro-Zone.

Following the election of French President Emmanuel Macron in May 2017, the French government implemented significant labor market and tax reforms. By relaxing the rules on companies to hire and fire employees and by offering investment incentives, Macron has buoyed business confidence in France. According to the 2017 American Chamber of Commerce in France - Bain Barometer Survey on the attitudes of U.S. investors in France, 90% of American investors surveyed said Macron's reforms improved France's investment prospects and image in the United States. More than one half of investors planned to hire new employees in France over the next two to three years. Investors in technology, in particular, found the climate for development of digital technologies and other innovations to be attractive in France. The metropolitan Paris region supports the largest concentration of technology engineers outside of Silicon Valley. In 2018 and beyond, Macron plans to introduce additional reforms, ranging from vocational training and unemployment insurance to rail and governments services.

Key issues to watch in coming months include: 1) whether President Macron is able to maintain the pace of reform he has set to reform France's economy, and 2) opportunities and challenges resulting from Brexit.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2017	23 of 175	http://www.transparency.org/research/cpi/overview
World Bank's Doing Business Report "Ease of Doing Global	2017	31 of 190	doingbusiness.org/rankings
Innovation Index	2017	15 of 128	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country (\$M USD, stock positions)	2016	78,062 USD Amount	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2016	38,720 USD amount	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Openness To, and Restrictions Upon, Foreign Investment Policies Toward Foreign Direct Investment

France is committed to encouraging foreign investment. In the current economic climate, the French government sees foreign investment as a way to create jobs and stimulate growth. Investment regulations are simple, and a range of financial incentives are available to foreign investors, who report they find France's skilled and productive labor force, good infrastructure, technology, and central location in Europe attractive. France's membership in the European Union (EU) and the Eurozone facilitates the efficient movement of people, services, capital, and goods. However, notwithstanding French efforts at economic and tax reform, market liberalization, and attracting foreign investment, perceived disincentives to investing in France include the relatively high tax environment. Labor market fluidity is improving due to labor market reforms introduced by the Macron Administration, but it is still rigid compared to some OECD economies.

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

Limits on Foreign Control and Right to Private Ownership and Establishment

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

However, French law stipulates that control by acquisition of a domiciled company or subsidiary operating in certain sectors deemed crucial to France's national interests relating to public order, public security and national defense are subject to prior notification, screening, and approval by the Economy and Finance Minister. Other sectors requiring approval include energy infrastructure; transportation networks; public water supplies; electronic communication networks; public health protection; and installations vital to national security. In 2018, four additional categories - semiconductors, data storage, artificial intelligence and robotics - were added to the list requiring French government review. For all listed sectors, France can block foreign takeovers of French companies according to the provisions of the Montebourg Decree.

In 2018, the government had equity positions in approximately 81 firms. Most of the positions were small relatively small, but did include provisions which prevent foreign takeover of these firms. Exceptions, where the government had large holdings included, among others, Aeroports de Paris (50.6 percent), Engie and Renault. In January 2018, the government sold 4 percent of its holding in Engie, lowering its stake to 25.5% of the energy company. The government also sold 5 percent of its stake in Renault, resulting in its ownership of 15.1 percent of the automaker.

Other Investment Policy Reviews

Given the level of development and stability of the investment climate, France has not recently been the subject of international organizations' investment policy reviews.

Business Facilitation

Business France is a government agency established with the purpose to promote new foreign investment, expansion, technology partnerships and financial investment. Business France provides services to help investors understand regulatory, tax, employment policies as well as state and local investment incentives and government support programs. Business France also helps companies find project finance and potential equity acquisitions. Business France recently unveiled a website in English to help prospective businesses considering the French market (<https://www.businessfrance.fr/en/invest-in-France>).

In addition, France's public investment bank, Bpifrance, also assists foreign businesses of all sizes, but focused primarily on the needs of small-and-mid-sized, in finding local investors and partners and setting up the subsidiary of a foreign group in France. It also supports foreign startups in France through the government's French Tech Ticket program, which provides them with funding, a resident's permit and incubation. Both business facilitation mechanisms provide for equitable treatment of women and minorities.

President Macron has made innovation one of his priorities with a €10 billion fund that is being financed through privatizations. France's priority sectors for investment are: Aeronautics, agro-foods, digital, nuclear, rail, auto, chemicals and materials, forestry, eco-industries, shipbuilding, health, luxury, and extractive industries. Over the next few months the French government intends to focus on driverless vehicles, batteries, the high-speed train of the future, nano electronics renewable energy and health industries.

Business France and Bpifrance are particularly interested in attracting foreign investment in tech sector. The French government has developed a brand "French Tech" to promote the development of France's tech sector and promote France as a location for start-ups and high-growth digital companies, with the goal of turning France into a "Start-Up Republic." In addition to offices in 17 French cities, French Tech hubs are established in 22 cities globally including New York, San Francisco, Los Angeles, Shanghai, Hong Kong, Vietnam, Moscow and Berlin.

President Macron remains the best promoter of France as an investment destination: On January 22, he appointed former Cisco CEO John Chambers as the International Ambassador for France's French Tech program. The announcement was made during the "Choose France" Summit hosted by the French President at Versailles. During that summit, some 140 business leaders from multinationals in various sectors announced large-scale investment projects in the automotive, digital, artificial intelligence, pharmaceuticals, agrifood and electronic sectors. The government further pledged to create international commercial chambers within the Paris Court of Appeal and Commercial Court, as of 1st March 2018, to adjudicate foreign contracts made under common law, together with translation facilities.

The website Guichet Enterprises (<https://www.guichet-entreprises.fr/fr/>) is designed to be a one stop website for registering a business. The site is available in both French and English although some fact sheets on regulated industries are only available in French on the website.

Outward Investment

French firms invest more in the United States than in any other country and support approximately 678,000 American jobs. Total French investment in the U.S. reached \$253 billion in 2016. France was our eighth-largest trading partner with nearly \$120 billion in bilateral trade. The business promotion agency Business France also assists French firms with outward investment. There is no restriction on outward investment.

Bilateral Investment Agreements and Taxation Treaties

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

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

The list of ratified and non-ratified BITs is on the UNCTAD website:

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

The United States and France have enjoyed a Navigation and Commerce Treaty since 1822, which guarantees national tax treatment of U.S. citizens. Since 1994, a Convention between the Government of the United States of America and the Government of the French Republic continues to be in force for the avoidance of double taxation and the prevention of fiscal evasion.

The Macron government temporarily raised corporate taxes in 2017 after the country's Constitutional Court ordered the state to pay back 10 billion euros (\$11.6 billion) in unlawful taxes on investor dividends. From a nominal corporate tax rate of 33.3 percent in 2016, the temporary corporate tax rate rose to 38.3 percent for companies with turnover in excess of 1 billion euros in 2017 and to 43.3 percent for those with revenues in excess of 3.0 billion euros.

Earlier this year, the government demonstrated its intent to lower corporate taxes over the medium term. The 2018 tax law reduces corporate tax on profits over 500,000 euros (\$596,000) to 31 percent for 2019, 28 percent in 2020, 26.5 percent in 2021 and 25 percent in 2022.

France has tax agreements with 127 countries: Albania, Algeria, Andorra, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahrain, Bangladesh, Belarus, Belgium, Benin, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Burkina Faso, Cameroon, Canada, Cambodia, Central African Republic, Chile, China, Cyprus, the Democratic Republic of the Congo, Croatia, Czech Republic, Denmark, Ecuador, Egypt, Equatorial Guinea,

Estonia, Ethiopia, Finland, Gabon, Georgia, Ghana, Greece, Guinea, Hong Kong, Hungary, India, Indonesia, Iran, Ireland, Island, Ivory Coast, Israel, Italia, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Korea (South), Kosovo, Kuwait, Kyrgyz Republic, Latvia, Lebanon, Libya, Lithuania, Luxemburg, Macedonia (FYRM), Madagascar, Malaysia, Malawi, Mali, Malta, Mauritania, Mauritius Island, Mayotte, Mexico, Monaco, Mongolia, Montenegro, Morocco, Namibia, Netherlands, New Zealand, New Caledonia, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Philippines, Poland, French Polynesia, Portugal, Qatar, Quebec, Romania, Russian Federation, Saudi Arabia, Saint-Martin, Saint Pierre and Miquelon, Senegal, Serbia, Singapore, South Africa, Spain, Slovakia, Slovenia, Sri Lanka, Sweden, Switzerland, Syria, Tajikistan, Taiwan, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Ukraine, United Arab Emirates, United Kingdom, Uruguay, Uzbekistan, Venezuela, Vietnam, Zambia, and Zimbabwe. Bilateral tax agreement between France and Colombia has been signed but is not in force. <https://www.impots.gouv.fr/portail/les-conventions-internationales>

Legal Regime

Transparency of the Regulatory System

France's government has made considerable progress in the last decade on the transparency and accessibility of its regulatory system. The French government generally engages in industry and public consultation before drafting legislation or rulemaking through a regular but variable process directed by the relevant ministry. However, the text of draft legislation is not always publicly available before parliamentary approval. U.S. firms may also find it useful to become members of industry associations, which can play an influential role in developing government policies. Even "observer" status can offer insight into new investment opportunities and greater access to government-sponsored projects.

To increase transparency in the French legislative process, all ministries are required to attach an impact assessment to their draft bills. The Prime Minister's Secretariat General (SGG for Secrétariat Général du Gouvernement) is responsible for ensuring that impact studies are undertaken in the early stages of the drafting process. The State Council (Conseil d'Etat), which must be consulted on all draft laws and regulations, may reject a draft bill if the impact assessment is inadequate.

After experimenting with new online consultations, the Macron Administration is regularly using them to achieve consensus on its major reform bills. These consultations are often open to professionals as well as citizens at large. Another Macron innovation is to impose regular impact assessments after a bill is implemented to ensure its maximum efficiency, cutting out, if necessary, provisions that don't work in favor of those that do. Finally, the Macron Administration aims to make all regulations and laws available online by 2022.

Over past decades, major reforms have extended the investigative and decision-making powers of France's Competition Authority. As a result, the Authority has completed 50 enforcement investigations by end of 2016, with 14 decisions leading to sanctions of 203 million EUR (\$251 million). The Authority publishes its

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

International Regulatory Considerations

France is a founding member of the European Union, created in 1957. France incorporates EU laws and regulatory norms into its domestic law. France has been a WTO member since 1995 and a member of GATT since 1948. While developing new draft regulations, the French government submits a copy to the World Trade Organization for review to ensure the prospective legislation is consistent with its WTO obligations. France ratified the Trade Facilitation Agreement in October 2015 and has today implemented all of its TFA commitments.

Legal System and Judicial Independence

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

The French Government, by Ordinance n° 2016-131 of 10 February 2016, amended the French Civil Code which articulates definitions for legal contracts: (i) henceforth, contractual freedom is defined as freedom to enter into a contract, to choose a contracting party and also to determine the content of the contract; (ii) binding force contracts are legally formed agreements having force of law between parties; (iii) contracts must be negotiated, formed and performed in good faith.

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

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

The judiciary - although its members are state employees - is independent of the executive branch. The judicial process in France is known to be competent, fair, thorough and time-consuming. There is a right of appeal. The

Appellate Court (“cour d’appel”) re-examines judgments rendered in civil, commercial, employment or criminal law cases. It re-examines the legal basis of judgments, checking for errors in due process and reexamines case facts. It may either confirm or set aside the judgment of the lower court, in whole or in part. Decisions of the Appeal Court may be appealed to the Highest Court in France the “Cour de cassation”.

Laws and Regulations on Foreign Direct Investment

Foreign and domestic private entities have the right to establish and own business enterprises and engage in all sorts of remunerative activities. U.S. investment in France is subject to the provisions of the Convention of Establishment between the United States of America and France, which was signed in 1959 and remains in force. The rights it provides U.S. nationals and companies include: Rights equivalent to those of French nationals in all commercial activities (excluding communications, air transportation, water transportation, banking, the exploitation of natural resources, the production of electricity, and professions of a scientific, literary, artistic and educational nature as well as certain regulated professions like doctors and lawyers. Treatment equivalent to that of French or third-country nationals is provided with respect to transfer of funds between France and the United States. Property is protected from expropriation except for public purposes, accompanied by payment that is just, realizable and prompt.

Potential investors can find relevant investment information and links to laws and investment regulations at <http://www.businessfrance.fr/>.

Competition and Anti-Trust Laws

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

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

France's Competition Authority launches regular in-depth investigations into various sectors of the economy, which may lead to formal investigations and fines. In a March 6, 2018 opinion, the authority announced the possible opening of a formal antitrust investigation into Facebook and Google after a two-year examination of

the French online advertising market. Amazon also is subject to an antitrust case in France. Decisions are expected in the coming months. The Competition Authority may also impose sanctions on a company for obstruction of an investigation.

Expropriation and Compensation

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

Dispute Settlement

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

France was one of the first countries to enact a modern arbitration law in 1980-1981. In 2011, the French Ministry of Justice issued Decree 2011- 48 which introduced further international best practices into French arbitration procedural law. As a result of that decree, parties are free to agree orally to settle their disputes through arbitration, subject to standards of due process and a newly enacted principle of procedural efficiency and fairness.

Investor-State Dispute Settlement

The President of the Tribunal de Grande Instance (High Civil Court of First Instance) of Paris has the authority to issue orders related to ad-hoc international arbitration. Paris is the seat of the International Chamber of Commerce's International Court of Arbitration, composed of representatives from 90 countries, that handles investment as well as commercial disputes. During the last decade there have been approximately 25 investment disputes under arbitration involving BITs with France. Approximately, 11 cases have been resolved and the rest are pending. U.S. investors are not known to have been involved, but in several cases U.S. law firms represented claimants or respondents. France does not have a bilateral investment treaty with the U.S.

International Commercial Arbitration and Foreign Courts

French law provides conditions for the recognition and the enforcement of foreign arbitral awards in relation to the New York Convention. The provisions of French law are contained in the Code of Civil Procedure and the Code of Civil Enforcement Procedures. The French Civil Code envisions several mechanisms of alternative dispute resolution (ADR) including out of court arbitration and conciliation where a judicial conciliator put an end to a dispute. France is a member of UNCITRAL. Local courts recognize and enforce foreign arbitral awards as mentioned above. The recognition of judgments of foreign courts by French courts is possible, but judgements must be accompanied by the issuance of an exequatur – a legal document issued by a sovereign authority that permits the exercise or enforcement of a foreign judgement.

The European Commission directly negotiates on behalf of the EU on foreign direct investment since it is part of the EU Common Commercial Policy. In 2015, the EU agreed on a reformed investment dispute settlement approach to keep up-to-date with high standards of legitimacy and create a permanent Investment Court System (ICS). The ICS is included in the Comprehensive Economic and Trade Agreement (CETA) with Canada and the EU-Vietnam FTA and is proposed in all ongoing negotiations with all partners.

Bankruptcy Regulations

France has extensive and detailed bankruptcy laws and regulations. Any creditor, regardless of the amount owed, may file suit in bankruptcy court against a debtor. Foreign creditors, equity shareholders and foreign contract holders have the same rights as their French counterparts. Monetary judgments by French courts on firms established in France are generally made in euros. Not bankruptcy itself, but bankruptcy fraud -- the misstatement by a debtor of his financial position in the context of a bankruptcy -- is criminalized. Under France's bankruptcy code managers and other entities responsible for the bankruptcy of a French company are prevented from escaping liability by shielding their assets (Law 2012-346). France adopted a law that enables debtors to implement a restructuring plan with financial creditors only, without affecting trade creditors. France's Commercial Code incorporates European Directive 2014/59/EU establishing a framework for the recovery and resolution of claims on insolvent credit institutions and investment firms. In the World Bank's 2018 Doing Business rankings, France was ranked 28th of 190 on ease of resolving insolvency.

The Bank of France, the country's only credit monitor maintains files on persons having written unfunded checks, having declared bankruptcy or having participated in fraudulent activities. Commercial credit reporting agencies do not exist in France.

Industrial Policies

Investment Incentives

France offers financial incentives, generally equally available to both French and foreign investors. The government provides incentives for capital investment in small companies. A French company or a subsidiary of a foreign firm that would invest in a minority shareholding (less than 20%) in a small, innovative SME would benefit from a five year, linear amortization of their investment. To qualify, SMEs must allocate at least 15% of their spending on research.

Research and Development

Incentivizing research and development (R&D) and innovation is a priority for the French government with Business France reporting that R&D represented 10 percent of foreign investments projects in 2017 and

represented 7% of all jobs created by foreign investors. Inward R&D investments increased 9% in 2017 in key sectors such as pharmaceutical and biotechnologies, electronics, agriculture, alternative energy, and software. R&D continues to be a major component that attracts foreign investment. International companies may join France's 71 innovation clusters increasing access to both production inputs and technical benefits of geographical proximity. Among other components this policy includes: the Innovative New Company (Jeune Entreprise Innovante) and the French Young Entrepreneurs Initiative.

The Research Tax Credit (Crédit Impôt Recherche - CIR) offsets R&D expenditures undertaken by both domestic and foreign firms operating in France, regardless of size or business sector, covering both R&D spending and innovation expenses incurred by small and medium-sized enterprises. The French government provides tax credits to support up to 30% of a firm's first EUR 100 million in R&D costs, and an additional 5% in credits above this threshold. Additionally an "innovation tax credit" is available that reduces the cost of innovation expenditure by 20% up to EUR 400,000. The research tax credit and innovation schemes are set through 2018.

Foreign Trade Zones/Free Ports/Trade Facilitation

France is subject to all European Union free trade zone regulations. These allow member countries to designate portions of their customs' territory as duty-free. France has several duty-free zones, which benefit from exemptions on customs for storage of goods coming from outside of the European Union. Value added activity is limited. The French Customs Service administers them, and provides details on its website (<http://www.douane.gouv.fr>). French legal texts are published online at <http://legifrance.gouv.fr>.

A February 2016 law called "Zero unemployment territories" established 44 Urban Free Zones (ZFU) in low income neighborhoods and municipalities with at least 10,000 residents. In 2017, community leaders from only 11 of the ZFU had volunteered: Colombelles, Colombey-les-Belles, Jouques, Mauléon Lille, Nièvre & Forêt, the 13th district of Paris, Pipriac, Thiers, and the district of Saint John in Villeurbanne. In 2017, 420 long-term unemployed (over a year) were hired out of 2,000 people identified in the ten districts selected for the experiment. The five-year experimental plan is currently financed by €15 million a year in State funds. Incentives for employers creating jobs include exemption from payment of payroll taxes and certain social contributions for 5 years.

Performance and Data Localization Requirements

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

of businesses in priority regional zones, including EUR 30 million in direct government subsidies. The government is getting ready to present on May 2 a bill on company growth nicknamed PACTE in French, which will attach requirements to foreign investment in artificial intelligence, data storage and the space sector, when the direct objective of this investment pertains to national defense, national security, public order and public authority.

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

Protection of Property Rights

Real Property

Real property rights are regulated by the French civil code and are enforced. In the World Bank's Doing Business Report (DBR), France is ranked 30 of 190 on registering property. French civil-law notaries (notaires) -- highly specialized lawyers in private practice appointed as public officers by the Justice Ministry -- handle residential and commercial conveyancing and registration, contract drafting, company formation, successions and estate planning. The official system of land registration, the "cadastre" is maintained by the French public land registry under the auspices of the French tax authority (Direction Générale des Finances Publiques - DGFIP); available online at <http://www.cadastre.gouv.fr>. Mortgages are widely available, usually for a 15-year period.

Intellectual Property Rights

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

Counterfeiting is a costly problem for French companies, and the government of France maintains strong legal protections and a robust enforcement mechanism to combat trafficking in counterfeit goods -- from copies of luxury goods to fake medications -- as well as the theft and illegal use of intellectual property. The French Intellectual Property Code has been updated repeatedly over the years to face this challenge. In recent years Parliament passed a law reinforcing France's anti-counterfeiting law and its implementation of EU directives on intellectual property rights. The new legislation increases the euro amount for damages to companies that

are victims of counterfeiting and extends trademark protection to smartcard technology, certain geographic indications, plants, and agricultural seeds. The new legislation also increases the statute of limitations for civil suits from three to ten years and strengthens the powers of customs officials to seize fake goods sent by mail or express freight. The government also reports on seizures of counterfeit goods. In 2017, French Customs seized 8.5 million counterfeited goods, 7.7% less in 2016, a record year for seizures with 9.2 million counterfeited goods. In 2017, the goods seized included 2.5 million drugs, 1.2 million toys and sporting goods, and 1.1 million pieces of clothing. France's top private sector anti-counterfeiting organization, UNIFAB, dedicated its 2017 counterfeiting day to highlight the growing problem of fake pharmaceutical drugs. UNIFAB's annual counterfeiting conference and museum are an integral part of France's anti-counterfeiting system. France also hosted the 2017 European Forum on Intellectual Property.

France has robust laws against online piracy. The government agency called the High Authority for the Dissemination of Artistic Works and the Protection of Rights on Internet (Haute Autorité pour la Diffusion des Œuvres et la Protection des droits sur Internet - HADOPI) administers a "graduated response" system of warnings and fines. It has taken enforcement action against several online pirate sites, including Megaupload. HADOPI cooperates closely with the U.S. Patent and Trademark Office (USPTO) including pursuing voluntary arrangements that target intermediaries that facilitate or fund pirate sites. (Note that one of HADOPI's tasks is to ensure that the technical measures used to protect works do not prevent the right of individuals to make private copies of television programs for their private use.) Between July 2016 and June 2017, Hadopi sent a total of 889 cases to court, a 30% increase over the same period a year earlier. This upsurge in activity is due to better financing and support from the government. Last December, the French anti-piracy agency released figures showing that from the beginning of the decade, it had sent out nine million piracy warnings and referred over 2,000 cases to prosecutors, resulting in 189 criminal convictions, mostly small fines. Offenders risk fines of between €1,500 and €300,000/and/or up to three years imprisonment. "For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>."

Financial Sector

Capital Markets and Portfolio Investment

There are no administrative restrictions on portfolio investment in France, and there is an effective regulatory system in place to facilitate portfolio investment. France's open financial market allows foreign firms easy access to a variety of financial products both in France and internationally. France continues to modernize its marketplace; as markets expand, foreign and domestic portfolio investment has become increasingly important. As in most EU countries, France's listed companies are required to meet international accounting

standards. Some aspects of French legal, regulatory and accounting regimes are less transparent than U.S. systems, but they are consistent with international norms. Foreign banks are allowed to establish branches and operations in France and are subject to international prudential measures. Under IMF Article VIII France may not impose restrictions on the making of payments and transfers for current international transactions without the (prior) approval of the Fund.

Foreign investors have access to all classic financing instruments, including short-, medium-, and long-term loans, short- and medium-term credit facilities, and secured and non-secured overdrafts offered by commercial banks. They assist in public offerings of shares and corporate debt, as well as mergers, acquisitions and takeovers, and offer hedging services against interest rate and currency fluctuations. Foreign companies have access to all banking services. Although subsidies are available for home mortgages and small business financing, most loans are provided at market rates.

Euronext Paris (also known as Paris Bourse) is part of a regulated cross border exchange located in six European countries. Euronext Growth is an alternative exchange for medium-sized companies to list on an less regulated market (based on the legal definition of the European investment services directive), with more consumer protection than the *Marché Libre* still used by a couple hundred small businesses for their first stock listing. A company seeking a listing on Euronext Growth must have a sponsor with status granted by Euronext, and prepare a French language prospectus for a permit from the *Autorité des Marchés Financiers* (AMF or Financial Markets Authority), the French equivalent of the U.S. Securities and Exchange Commission. Small and medium-size enterprises (SMEs) may also list on EnterNext, a new subsidiary of the Euronext Group. The bourse in Paris also offers Euronext Access, an unregulated exchange for Start-ups. As of April 2017, there were 226 companies listed on the Euronext Access market of Paris.

Money and Banking System

France's banking system recovered gradually from the 2008-2009 global financial crises and passed the 2016 stress tests conducted by the European Banking Authority. The French banking sector is healthy. Non-performing loans were 3.2% in France in the 3rd quarter of 2017, compared to 4.2% across the European Union and 11.8% in Italy. The French banking industry is notable for its universal banking model. A single bank offers a full range of financial business lines: retail banking, specialist finance, corporate and investment banking, asset management and insurance.

Four French banks are ranked among the world's 20 largest banks by balance sheet assets. The assets of France's largest banks totaled EUR 6.3 trillion (USD 7.7 trillion) in 2017. The big French banks have more than doubled their "core" capital to comply with new capital adequacy rules, from 5.8% in 2008 to 13.2% in 2016.

France has a central bank, namely the *Banque de France* that is a member of the Eurosystem, which groups together the European Central Bank (ECB) and the national central banks of all countries that have adopted the

euro. The Banque de France is a public entity governed by the French Monetary and Financial Code. The conditions whereby it conducts its missions on national territory are set out in its Public Service Contract. The three main missions are monetary strategy, financial stability together with the High Council of financial stability (Haut Conseil de la Stabilité Financière) which implements macroprudential policy, and the provision of economic services to the community. In addition, it participates in the preparation and implementation of decisions taken centrally by the ECB Governing Council.

Foreign banks can operate in France either as subsidiaries or branches but need to obtain a license. Credit institutions' licenses are generally issued by France's Prudential Authority (ACPR – Autorite de Controle Prudentiel et de Resolution) which reviews whether certain conditions are met (e.g. minimum capital requirement, sound and prudent management of the bank, compliance with balance sheet requirements, etc.). Both EU law and French legislation would apply to foreign banks. Foreign banks or branches are subject to prudential measures and must provide periodic reports to the ACPR regarding operations in France, including detailed reports on their financial situation. At the EU level, the 'passporting right' allows a foreign bank settled in any EU country to provide their services across the EU, including France. There are about 1,032 credit institutions authorized to carry on banking activities in France, the list of foreign banks is available on this website:

https://www.regafi.fr/spip.php?page=results&type=advanced&id_secteur=3&lang=en&denomination=&siren=&cib=&bic=&nom=&siren_agent=&num=&cat=01-TBR07&retrait=0

The Foreign Account Tax Compliance Act (FATCA) does not, in principle, restrict a U.S. citizen's ability to establish a bank account in France; but, in practice, it can be difficult for American citizens to open a bank account. For French banks, FATCA imposes high administrative costs in order to comply with IRS requirements. Parliamentarians and a society of French Americans want to engage with members of the U.S. Congress to resolve the issue.

The Banque de France and the financial markets regulator (AMF) reportedly are exploring regulations for blockchain and other emerging financial technologies. Finance Minister Bruno Le Maire called for France and Germany to work together to draft regulations for block chain for the Eurozone.

Foreign Exchange and Remittances

France's investment remittance policies are stable and transparent. All inward and outward payments must be made through approved banking intermediaries by bank transfers. There is no restriction on the repatriation of capital. Similarly, there are no restrictions on transfers of profits, interest, royalties, or service fees. Foreign-controlled French businesses are required to have a resident French bank account and are subject to the same regulations as other French legal entities. The use of foreign bank accounts by residents is permitted.

For purposes of controlling exchange, the French government considers foreigners as residents from the time they arrive in France. French and foreign residents are subject to the same rules; they are entitled to open an

account in a foreign currency with a bank established in France, and to establish accounts abroad. They must report all foreign accounts on their annual income tax returns, and money earned in France may be freely converted into dollars or any other currency and transferred abroad.

France is one of nineteen countries (known collectively as the Eurozone) that use the euro currency. Exchange rate policy for the euro is handled by the European Central Bank, located in Frankfurt, Germany. The euro has been trading in a range from USD 1.03 to USD 1.2316 between January 1, 2017 and March 23, 2018 (average 1.148).

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

Sovereign Wealth Funds

France has no sovereign wealth fund per se (none that use that nomenclature), but does operate funds with similar intent. The Public Investment Bank (Banque Publique d'Investissement – BPI, now known as Bpifrance) supports small and-medium term enterprises (SMEs), larger enterprises (Entreprises de Taille Intermediaire) and innovating businesses. The government strategy is defined at the national level and aims to fit with local strategies. Bpifrance may hold direct stakes in companies, hold indirect stakes via generalist or sectorial funds, venture capital, development or transfer capital. Bpifrance has minority stakes in 214 firms and 56 investment funds that invest in businesses. It also provides export insurance.

State-Owned Enterprises

The 12 listed entities in which the French State maintains stakes are Aéroports de Paris (50.63%), Airbus Group (11.03%), Air France-KLM (14.29%), CNP Assurances (holds 1.11%; controls 66%), Dexia (5.73%), EDF (83.50%), ENGIE (24.10%), Orange (a direct 13.39% stake and a 9.60% stake through BPI France), Renault (15.1%), Safran (14% of shares and 21.9% of voting rights), and Thalès 25.76%). Unlisted companies owned by the State include SNCF (rail), RATP (public transport), CDC (Caisse des dépôts et consignations) and La Banque Postale (bank). In all, the government has majority and minority stakes 81 firms in a variety of sectors.

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

France, as a member of the European Union, is party to the Agreement on Government Procurement (GPA) within the framework of the World Trade Organization. Companies owned or controlled by the state behave largely like other companies in France and are subject to the same laws and tax code. The Boards of SOEs

operate according to accepted French corporate governance principles as set out in the (private sector) AFEP-MEDEF Code of Corporate Governance. SOEs are required by law to publish an annual report, and the French Court of Audit conducts financial audits on all entities in which the state holds a majority interest. The French government appoints representatives to the Boards of Directors of all companies in which it holds significant numbers of shares, and manages its portfolio through a special unit attached to the Ministry for the Economy and Finance Ministry, the shareholding agency APE (Agence de Participations de l'Etat). A recent APE annual report highlighted the government's strategy to keep a sufficient level of control in strategically important companies while scaling back its shareholdings in traditional industrial sectors to invest in fast-growing companies in key sectors for economic growth.

Privatization Program

The government has partially privatized many large companies, including Air France, Orange, Renault, PSA, and ENGIE in order to fund a 10 billion EUR fund for innovation and research. However, the government maintains a strong presence in some sectors, particularly power, public transport, and defense industries.

Responsible Business Conduct

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

The French Office of the NCP promotes the OECD Guidelines in a manner that is relevant to specific sectors. In specific instances, the NCP conducts fact-finding to assist parties in resolving disputes, and posts final statements on any recommendations for future action with regard to the Guidelines. The NCP may also monitor how its recommendations are implemented. In April 2017, the French NCP signed a 2-year partnership with Global Compact France to increase sharing of information and activity between the two organizations. The partnership is the first of its kind and likely to be emulated by other OECD NCPs and Global Compact business organizations established in many countries under the auspices of the United Nations to encourage businesses to adopt sustainable and socially responsible policies, and to report on their implementation.

In France, corporate governance standards are the product of a combination of legislative provisions and the recommendations of the AFEP-MEDEF code (two employers' organizations). The code meets the expectations of shareholders and various stakeholders, as well as of the European Commission. The code was revised in November 2016 to add principles for the determination of remuneration and independence of directors, and now includes corporate social and environmental responsibility standards. The "Transparency, Anti-corruption, and Economic Modernization" law adopted in 2016 (Sapin 2 law) established a High Authority for Transparency in Public Life (HATVP). The HATVP promotes transparency in public life by publishing the declarations of assets and interests it is legally authorized to share publicly. After review, declarations of assets and statements of interests of members of the Government are published on the High Authority's website under open license. The declarations of interests of members of Parliament and mayors of big cities and towns, but also of regions are also available on the website. In addition, the declarations of assets of parliamentarians can be accessed in certain governmental buildings, though not published on the internet.

Also relating to transparency, the EU passed a new regulation in May 2017 to stem the trade in conflict minerals and to stop conflict minerals and metals from being exported to the EU, global and EU smelters and refiners from using conflict minerals, and mine workers from being abused. The regulation goes into effect 1 January 2021, and will then apply directly to French law.

France has played an active role in negotiating the ISO 26000 standards, the International Finance Corporation Performance Standards, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. France has signed on to the Extractive Industries Transparency Initiative (EITI), although it has not yet implemented it. Since 2017, large companies based in France and having at least 5,000 employees are now required to establish and implement a corporate plan to identify and assess any risks to human rights, fundamental freedoms, workers' health, safety and risk to the environment from activities of their company and its affiliates.

Corruption

In line with President Macron's campaign promise to clean up French politics, the French parliament adopted in September 2017 the law on "Restoring Confidence in Public Life." The new law bans elected officials from employing family members, working as a lobbyist or consultant while in office. It also bans lobbyists from paying parliamentary, ministerial, or presidential staff and requires parliamentarians to submit receipts for expenses. In November 2016, France's parliament adopted the "Transparency, Anti-corruption, and Economic Modernization Law" which is also known as the "Loi Sapin II." The law came into effect on June 1, 2017, aiming to bring French legislation in line with European and international standards. Key aspects of the law include: creating a new anti-corruption agency; establishing "deferred prosecution" for defendants in corruption cases and prosecuting companies (French or foreign) suspected of bribing foreign public officials abroad; requiring

lobbyists to register with national institutions; and expanding legal protections for whistleblowers. The U.S. embassy in Paris has received no specific complaints from U.S. firms of unfair competition in France in recent years. France ranked 23rd of 180 on Transparency International's (TI) 2017 corruption perceptions index; TI maintains that France continues to face corruption challenges in certain areas including public works and in the defense sector. See <https://www.transparency.org/country/FRA>

Resources to Report Corruption

The Central Office for the Prevention of Corruption (Service Central de Prévention de la Corruption or SCPC) was replaced in 2017 by the new national anti-corruption agency - the Agence Française Anticorruption (AFA). The AFA is charged with preventing corruption by establishing anti-corruption programs, making recommendations, and centralizing and disseminating information to prevent and detect corrupt officials and company executives. The AFA will also administrative authority to review the anticorruption compliance mechanisms in the private sector, in local authorities and in other government agencies.

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Political and Security Environment

France is a politically stable country. Occasionally, large demonstrations and protests occur (sometimes organized to occur simultaneously in multiple French cities), and they normally don't result in violence. When faced with imminent business closures, on rare occasions French trade unions have resorted to confrontational techniques such as setting plants on fire, planting bombs or kidnapping executives or managers. In March 2018, railway workers, teachers, students and air traffic controllers went on strike to protest President Macron's reforms. Rolling two-day strikes of the national rail system are planned from April to June, if a labor agreement between the unions and French government is not reached. Railway workers are protesting against reform at the state controlled SNCF railway company which includes introducing competition on some railways and changes to SNCF workers unemployment benefits and pension system. In recent years, more than 230 people have been killed in terrorist attacks in France, including the January 2015 assault on the satirical magazine

Charlie Hebdo, the November 2015 Bataclan concert hall and national stadium attacks, and the 2016 Bastille Day truck attack in Nice. While terrorists continue to target French interests, since July 2016 attacks have been smaller in scale and most often perpetrated by lone actors inspired by, but with little direct connection to, ISIS or other international terrorist organizations. French security agencies continue to disrupt plots and cells, and their efforts have been aided by recent legislation and executive measures strengthening search and detention authorities. Despite the spate of recent small scale attacks, France is a strong, stable, democratic country with a vibrant economy and culture. Americans and investors from all over the world continue to invest heavily in France. In 2017 American businesses were the largest foreign direct investors in the country.

Labor Policies and Practices

France's private sector labor force is a major asset in attracting foreign investment. With a return to growth (2% in 2017) and a drop in unemployment to 8.9% in 2017 from 9.9 % a year earlier, President Macron launched a labor market reform to reduce regulations and spur new hiring. Five ordinances (executive orders), which came into effect on January 1, 2018, introduced measures easing companies' ability to fire workers including by capping potential damage claims in cases of wrongful dismissal, and a one year time limit for making claims, which business organizations asked for several decades. In order to make these proposals acceptable to labor unions, Minister Pénicaud increased regular required severance pay by 25%. For example, an employee paid a monthly €2,000 and fired after 10 years will be entitled to a severance pay of €5,000, instead of the previous €4,000.

Mandatory employee councils for consultations on economic, social and public safety issues have been reduced from three to one. Companies of all sizes are now able to initiate wide-scale voluntary layoffs with severance provisions for employees for any reason without fear of lawsuit, but with the agreement of labor unions representing a majority of employees. Finally, foreign owned companies no longer have to justify job cuts in France on the basis of their global turnover, but can base them on poor performance in France. These measures were welcomed by the business community.

For the second half of 2018, the government plans to pass additional labor-related legislation to simplify vocational training and apprenticeships, and expand unemployment insurance. These reforms are aimed to reduce France's high youth unemployment rate. Youth unemployment was at 21.8% in November 2017, lower than a year earlier when it hovered at 25.1% (the unemployment rate among those aged 20 to 24 has been at or above 22% since 2009). Many educated youth in the 20 to 24 age bracket take internships or short-term employment contracts, but cannot find a permanent job that gets them on the path to taxpaying or property-owning. The number of job-seekers over age 50 remains steady at 6.9%, but 23% will only find part-time work. The underemployment ratio (defined as part-time workers unable to find full-time positions) was 6.2% in 2017 (compared to 6.3% a year earlier).

Labor-Management Relations

While the rate of union membership in France (around 8% overall; 5% in the private sector and 14% in the public sector) has steadily declined to just over half the rate of union membership in the United States, French labor law provides an extensive institutional role for employee representatives and organized labor. This is due in part to the fact that union delegates represent all employees (nonmembers and members alike). French unions continue to play a significant (even outsized) role in labor-management relations. Indeed, the top five unions and the top three employer associations (collectively known as the *partenaires sociaux* or social partners) have a statutory role in national-level negotiations. Strikes are common and are part of the social fabric of France but strikes do not pose a serious commercial risk to foreign or local investors. Labor tribunals (playing a role largely equivalent to the U.S. National Labor Relations Board in resolving labor disputes) are comprised of equal numbers of union and employer representatives. Appeals are possible to the level of the *Cour de Cassation*, France's highest civil court.

Labor Conditions

Working conditions are generally excellent in France and workers are well-protected. The labor code sets minimum standards for working conditions including the workweek, layoffs, overtime, vacation and personal leave. The 35-hour work week (beyond which overtime compensation must be paid) is standard. Most French retire at age 62. Work contracts follow requirements stipulated in industry-wide collective bargaining agreements. For example, an employee of a large company who is laid off for economic reasons may benefit from training, short-term contracts, or transfer to another company. Other labor standards are contained in collective agreements, usually negotiated by sector (at a national or regional level) by various trade union federations and employers' associations.

OPIC and Other Investment Insurance Programs

Given France's high per capita income, investments in France do not qualify for investment insurance or guarantees offered by the Overseas Private Investment Corporation (OPIC).

Foreign Direct Investment and Foreign Portfolio Investment Statistics

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

Host Country Statistical source*	USG or international statistical source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
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Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2017	\$2,592,818	2016	\$2,465,453	www.worldbank.org/en/country INSEE reported 2017 France GDP 2,160,682 million EUR and converted at ECB rate EUR 1= USD 1.20 for 12/31/17
Foreign Direct Investment	Direct	Host Country	USG or international	USG or international	Source of data:
		Statistical source*	statistical source		BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	2016	\$67,076	2016	\$78,062	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States (\$M USD, stock positions)	2016	\$215,555	2016	\$267,573	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	2016	2.56%	2016	3.16%	

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data

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

Inward Direct Investment			Outward Direct Investment		
Total Inward	820,603	100%	Total Outward	Amount	100%
Luxembourg	168,447	20%	United States	283,589	19%
Netherlands	109,384	13%	Belgium	197,766	13%
United Kingdom	96,375	11%	Netherlands	154,414	10%
Switzerland	86,620	10%	United Kingdom	120,461	8%
Germany	75,070	9%	Germany	85,059	6%

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

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners in June 2017 (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	2,813,434	100%	All Countries	868,215	100%	All Countries	1,945,219	100%
Luxembourg	409,314	15%	Luxembourg	238,099	27%	Italy	234,909	12%
United States	285,030	10%	Germany	97,847	11%	Netherlands	222,880	11%
Netherlands	275,452	10%	United States	92,001	11%	United Kingdom	204,034	10%
Italy	267,150	9%	Ireland	63,139	7%	United States	193,029	10%
United Kingdom	265,009	9%	United Kingdom	60,975	7%	Luxembourg	171,215	9%

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Trade & Project Financing

Methods of Payment

For U.S. exporters, financing export sales is the same as financing domestic sales. Prompt payment for the goods/ or services delivered is always a concern.

France's modern banking system offers a full range of payment methods including:

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

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

Alternatively, the Commerce Department's Market Research Library is available under Country and Industry Market Reports: [Market Intelligence](#)

Banking Systems

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

The Bank of France (Banque de France) is a member of the European Central Bank (ECB) system and the Banque de France's governor sits on the executive board of the European Central Bank. The Banque de France

introduced Euro-denominated banknotes and coins in January 2002, completing the transition to the Euro and eliminating the French franc.

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

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

Alternatively, the Commerce Department’s Market Research Library is available under Country and Industry Market Reports: [Market Intelligence](#)

Foreign Exchange Controls

As part of the international effort to combat money laundering and the financing of terrorism, France’s banking regulations have undergone several changes as recommended by the Financial Action Task Force (<http://www.fatf-gafi.org>) that affect the handling of checks. New policy steps aim to reduce anonymity in financial transactions and reinforce the oversight mechanisms required of the financial community. In addition to implementing EU Common Positions regarding terrorists or arms proliferators, France can use 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 that the investment is authorized and is carried out through an approved bank. Similarly, there is no restriction on transfers of profits, interest, royalties, or service fees, provided the investment is 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 residents from the time they arrive in France. French and foreign citizens are subject to the same rules. Residents are entitled to an account in a foreign currency with a bank established in France. They are also able to establish accounts abroad. Residents must report the account number for all foreign accounts on their annual income tax returns. French-source earnings may be transferred abroad without limitations, if carried out through an approved bank.

US Banks & Local Correspondent Banks

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

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

BNP Paribas: Bank of the West (Bank of the West and First Hawaiian Bank in twenty West and Mid-west States); BNP Paribas (Addison, Chicago, Dallas, New York, Houston, King of Prussia, Miami, San Francisco); Banque Privée Miami; Cardif Etats-Unis; CIB États-Unis; Investment partners; Securities services; Real Estate; Fischer Francis Trees & Watts; L'Atelier; PRH Arval ; [BNP Paribas](#) ; Société Générale: Société Générale (Chicago, Dallas, Houston and New York); SG Equipment (Jersey City): SG CIB (New York); CGI North America (Baltimore); TCW (New York); Société Générale Private Banking (New York and Miami); Amundi (Chicago) [Societe Generale](#); Crédit Industriel et Commercial: CIC (New York) [CIC](#); [Banque Transatlantique \(New York\)](#); [NATIXIS \(Houston, New York\)](#); Crédit Agricole: Calyon (Chicago, Houston, New York); Credit Agricole Private Banking (Miami); [CA-CIB & ca-privatebanking](#); [Dexia Credit Local \(New York\)](#)

Major American banks and financial institutions present in Paris:

- [American Express Cartes France](#)
Tel: +33(0) 1 47 77 77 07
- [Bank of America Merrill Lynch](#)
Tel: +33(0) 1 53 65 55 55
- [The Bank of New York Mellon \(representative office\)](#)
Tel: +33(0) 1 42 97 90 20
- [Banque AIG \(subsidiary\)](#)
Tel: +33(0) 1 56 90 09 36
- [Goldman Sachs \(subsidiary\)](#)
Tel: +33(0) 1 42 12 10 00
- [Citigroup Global Markets Limited](#)
Tel: +33(0)1 70 75 50 00

- [JP Morgan Chase Bank \(subsidiary\)](#)

Tel: +33(0) 1 40 15 45 00

- [Banque Lazard](#)

Tel: +33(0)1 44 13 01 11

Project Financing

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions.

The EU supports economic development 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 candidate and neighbor countries.

The EU provides project financing through grants from the EU budget and loans from the European Investment Bank. Grants from the EU Structural and Investment Funds program are distributed through the Member States' national and regional authorities. Projects in non-EU countries are managed through the Directorate-Generals Enlargement, Development and Cooperation (EuropeAid), Humanitarian Aid and Civil Protection (ECHO).

EU Structural and Investment Funds (ESIF)

EU Structural Funds, including the European Regional Development and the European Social Fund, were created in 1975 with the aim to mitigate economic and social differences between the regions of the European Union. New budgets are approved every seven years for all Member States. The budgets and the allocation of funding between the different priorities (social, economic or environmental) are based on the conclusions of the "Partnership Agreements" (PAs) which are negotiated between the European Commission and the member state national authorities. For the period of 2014 – 2020, the EU has earmarked 352 billion euros for regional development and cohesion policy projects. For information on [approved programs](#) that will result in future project proposals please consult this link.

For projects financed through ESIF, member state regional managing authorities are the key decision-makers. They assess the needs of their country, investigate projects, evaluate bids, and award contracts. To become familiar with available financial support programs in the Member States, contractors should develop a sound understanding of the country's cohesion policy indicators.

Tenders issued by Member States' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation. All ESIF projects are co-financed by national authorities and many may also qualify for a loan from the European Investment Bank and EU research funds under Horizon 2020, in

addition to private sector contribution. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU: [Market Intelligence](#)

The Cohesion Fund

The Cohesion Fund is another instrument of the EU's regional policy. Its 63 billion euro (2014-2020) budget is used to finance projects in two areas:

Trans-European transport projects including transport infrastructure, and the environment, including areas related to sustainable development and energy for projects with environmental benefits.

The fund supports projects in Member States whose Gross National Income (GNI) per inhabitant is less than 90 % of the EU average, such as Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, and Slovenia.

These projects are, in principle, co-financed by national authorities, the European Investment Bank, and the private sector:

Key Link: [The Cohesion Fund](#)

Other EU Grants for Member States

Other sets of sector-specific grants such as Horizon 2020 offer assistance to EU Member States in the fields of science, technology, communications, energy, security, environmental protection, education, training and research. Tenders related to these grants are posted on the websites of the European Commission and the relevant Member State authorities. Participation is usually restricted to EU-based firms or tied to EU content. Information pertaining to each of these programs can be found at: [EU Funding and Tenders](#)

External Assistance Grants

“Development and Cooperation – EuropeAid” is the Directorate-General (DG) responsible for implementing EU development policies through programs and projects across the world. Its website offers extensive information on the range of grant programs, the type of eligible projects, as well as manuals to help interested parties understand the relevant contract law. However, participation in these calls for tender is reserved for enterprises located in the EU Member States or in the beneficiary countries and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of U.S. nationality employed by a European firm are allowed to participate. European subsidiaries of U.S. firms are also eligible to participate in these calls for tender.

For more information: [International Cooperation and Development](#)

The European Neighborhood Instrument (ENI) provides assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU. ENI is the follow-up to the European Neighborhood Policy program (ENPI) covering the countries of Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan,

Lebanon, Libya, Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine. The ENI budget is 15.4 billion euros for 2014-2020. Additional information can be found at: [EU External Action](#)

Instrument for Pre-accession Assistance II (IPA II) is an EU program for pre-accession countries that provides support for political and economic reforms, preparing the beneficiaries for the rights and obligations that come with EU membership that are linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by candidate countries as a precondition to accession). These programs are intended to help build up the administrative and institutional capacities of these countries and to finance investments designed to aid them in complying with EU law. IPA II runs from 2014 to 2020 and finances projects in: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro, Serbia, and Turkey. The budget of IPA II for 2014-2020 is 11.7 billion euros.

For more information, see:

http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2

The **Connecting Europe Facility (CEF)** is an EU financing mechanism that uses the EC budget as well as the Cohesion Funds to finance projects in three key areas: energy, transport and telecommunication. It was created by [Regulation 1316/2013](#) on December 11, 2013.

Along with the [European Fund for Strategic Investments \(EFSI\)](#), CEF is expected to play a role in bridging the investment gap in Europe, which is one of the Commission's top priorities. In all three main categories the focus is on creating better conditions for growth and jobs. [Annual and multi-annual work programs](#) specify the priorities and the total amount of financial support allocated for these priorities in a given year.

Only actions contributing to projects of common interest in accordance with [Regulations 1315/2013](#), No 347/2013 and a regulation on guidelines for trans-European networks in the area of telecommunications infrastructure and program support actions are eligible for support.

Projects supported through the CEF mechanism focus on the following:

- cleaner transport modes,
- high speed broadband connections, and
- the use of renewable energy (in line with the Europe 2020 Strategy), integration of the internal energy market, reduction of the EU's energy dependency and ensuring security of supply.

The total budget of the CEF for the period 2014 to 2020 is set at €30.44 billion. This amount is distributed between the main priority areas as follows:

- a) transport sector: €24.05 billion
- b) telecommunications sector: €1billion
- c) energy sector: €5.35 billion

Please see: [Connecting European Facility](#)

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 a non-profit banking institution, the EIB assesses reviews and monitors projects, and offers cost-competitive, long-term lending. Best known for its project financial and economic analysis, the EIB makes loans to both private and public borrowers for projects supporting four key areas: innovation and skills, access to finance for smaller businesses, climate and environment, and infrastructure.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Southeastern Europe, Africa, Latin America, and Pacific and Caribbean states). In 2016, the EIB loaned 76 billion euros for projects. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research, and industrial manufacturing to help those countries prepare for eventual EU membership.

The EIB presents attractive financing options for projects that contribute to the European objectives cited above, as EIB lending rates are lower than most other commercial rates.

Projects financed by the EIB must contribute to the socio-economic objectives set out by the EU, such as fostering the development of less favored regions, improving European transport and environment infrastructure, supporting the activities of SMEs, assisting urban renewal and the development of a low-carbon economy, and generally promoting growth and competitiveness in the EU. The [EIB website](#) displays lists of projects to be considered for approval.

Multilateral Development Banks

World Bank

With 189 member countries, the World Bank is an international financial institution that provides loans to countries of the world for capital programs.

European Bank for Reconstruction and Development (EBRD)

The European Bank for Reconstruction and Development (EBRD) was founded in 1991 to create a new post-Cold War era in central and eastern Europe, furthering progress towards 'market-oriented economies and the promotion of private and entrepreneurial initiative'.

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (European Bank for Reconstruction and Development, World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the European Bank for Reconstruction and Development and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn about getting

involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the [European Bank for Reconstruction and Development](#) and the [World Bank](#).

Web Resources

[Commercial Liaison Office to the European Bank for Reconstruction and Development](#)

[Commercial Liaison Office to the World Bank](#)

Web Resources

EU websites:

[The EU regional policies, the EU Structural and Cohesion Funds](#)

[EU Funding and Tenders](#)

[EuropeAid Co-operation Office](#)

[EU Tenders Database](#)

[The European Investment Bank](#)

[EIB-financed projects.](#)

U.S. websites:

[Market research section on the website of the U.S. Mission to the EU](#)

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[OPIC](#)

[Trade and Development Agency](#)

[SBA's Office of International Trade](#)

[U.S. Agency for International Development](#)

Business Travel

Business Customs

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

Travel Advisory

Please visit the [State Department Travel Website](#)

Visa Requirements

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

- [State Department Visa Website](#)
- [Consular Section of the U.S. Embassy Paris](#)

Currency

- [Currency used in France is the Euro](#)

Telecommunications/Electric

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

Transportation

Frequent direct air service is available to many U.S. and French cities. The two airports serving Paris, Charles De Gaulle Roissy and Orly, are easily accessible by bus (Air France) and rail services. The French railway system is among the best in the world; its efficient network works 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, as in many large cities worldwide, one should be alert to the dangers of pickpockets while in public places.

Language

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

Health

- [Consular Section of the U.S. Embassy Paris](#)

American Hospital in Paris

63, boulevard Victor Hugo

92200 Neuilly sur Seine

Tel: +33 1.46.41.25.25

[American Hospital in Paris](#)

(24-hour English-speaking medical and dental emergency service; credit cards accepted.)

Emergency Medical Team and Ambulance (SAMU)

Tel: 15 or +33 1.45.67.50.50

Local Time, Business Hours and Holidays

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

Holidays 2018:

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

Temporary Entry of Materials or Personal Belongings

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

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

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

Web Resources

- [State Department Travel Website](#)
- [State Department Visa Website](#)
- [Consular Section of the U.S. Embassy Paris](#)
- [Commercial Service of the U.S. Embassy Paris](#)