



U.S. Department of State FY 2001 Country Commercial Guide: France

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I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at France's commercial environment from economic, political and market perspectives. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. embassies through the combined efforts of U.S. government agencies represented there.

France has the world's fifth largest industrial market. The impressive growth of the French economy and its continued expected expansion make France one of the foremost markets worldwide for American goods and services. With an annual GDP about one-fifth that of the United States (USD 1.5 trillion), it is its ninth largest trading partner, accounting for USD 25 billion of U.S. exports of goods and services in 1999.

The United States and France share many trade similarities, in particular their status as the world's top two exporting countries in three key sectors: defense products, agricultural goods, and services. In addition, France is currently "digitizing" its economy, embracing the Internet with accelerating rapidity. The beneficial effects of this transformation in term of increased productivity; employment and growth are just beginning to be realized.

France's population of 60 million people has a high disposable income of over USD 20,000 per capita. In 1999, French GDP grew by 2.9 percent in real terms, following 3.2 percent growth achieved in 1998. The outlook for 2000 and 2001 is for continued higher growth, reaching 3.5 percent in 2000, according to current projections, inflation is the lowest among the major European economies. It is a member of the G-7, the European Union, the World Trade Organization and the OECD, confirming its status as a leading economic player in the world.

France's coalition government, led by the Socialist party, is concentrating on implementing a domestic agenda focused on raising economic growth and lowering unemployment, which stood at 9.8 percent as of May 2000. As a spur to create jobs, plans to implement a reduction of hours

worked from 39 to 35 hours per week have been put in place. The new workweek officially came into effect on February 1, 2000, for medium-to-large firms. Its eventual economic impact remains uncertain.

Efforts to sell French government-owned enterprises continue, but the public sector still controls major firms in several sectors. In addition, that same French concept of a “golden share” gives the government a virtual veto in strategic moves made by key firms in which it holds a minority interest. Although progress has been made in privatization and in a corresponding reduction of the budget deficit, taxes remain the highest in the G-7 industrial countries, and regulation of goods and labor markets is still pervasive.

Further structural change is likely to be stimulated by global competitive pressures and the continued evolution towards a European Single Market. Both President Jacques Chirac and Prime Minister Lionel Jospin are strong advocates of European Union as a way to strengthen France both politically and economically. France's adoption of the Euro as its single currency will also stimulate increased competitiveness of French firms.

In general, the commercial environment in France is favorable for sales of U.S. goods and services. Marketing products and services in France bears similarity to the approach in the U.S., notwithstanding some significant differences in cultural factors and legal restrictions. But as reflected in the growth of direct marketing and franchising, American sales concepts are increasingly impacting upon French marketing practices and distribution channels. Moreover, France, perhaps more than any country in Western Europe, is poised for the Internet “revolution” which is expected to drive further economic growth and establish even stronger commercial linkages with the U.S. economy. While use of the Internet is rapidly increasing, electronic commerce in France is still characterized by the huge, if declining, installed base of France Telecom's “Minitel” units.

The leading non-agricultural products considered to offer "best prospects" for U.S. business in France are (in order of market size): computer software, computers and peripherals, electronic components, security & safety equipment, textiles, aircraft & parts, telecommunications equipment, scientific laboratory equipment, medical equipment, environmental technology equipment and services, automotive parts and services equipment, automobiles and light trucks, and agricultural machinery. On the services side, the French markets for travel and tourism, employment services, franchising and telecommunications services and IT Internet hold the most export potential for American suppliers. Travel and tourism is the single largest U.S. “export” earner, as the French increasingly travel to the U.S. for business and pleasure.

French imports of U.S. food and agricultural products (including manufactured tobacco, spirits, and wood products) in 1999 were valued at USD 842 million, a decrease of 14 percent compared to 1998. Fish and seafood are the leading U.S. agricultural exports, valued at USD 115 million. Processed fruits and vegetables (including fruit juices) and fresh and dried fruits were the second and third largest export items, valued at USD 113 million and USD 92 million, respectively. The French market for food products is mature, sophisticated and well-served by suppliers from

around the world. Generally, high quality food products with an American image can find a niche in the French market, particularly if they can gain distribution through stores and supermarkets that specialize in U.S. or foreign foods. Niche market opportunities also exist for regional American foodstuffs (Cajun, California Cuisine and Tex-Mex), candies and chocolates, wild rice, and organic and health food products.

France offers a variety of financial incentives to American and other foreign investors. Its investment promotion agency, DATAR, provides extensive assistance to potential investors both in France and through its agencies around the world. Financial subsidies and tax incentives are offered to attract investment, particularly to the country's economically depressed areas. Foreign companies registered in France receive the same treatment with respect to participation in technology development programs sponsored by the French and E.U. governments and have equal access to their R&D funding. Though some aspects of the investment climate could be improved, especially the tax structure (there are over 100 taxes), France continues to offer a myriad of attractive investment opportunities.

In support of U.S. commercial interests in France, the U.S. Embassy in Paris uses the combined resources of various U.S. Government agencies to remove barriers to increased exports of U.S. goods and services, supply information on areas of trade and investment opportunity and to advocate effectively on behalf of U.S. firms.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1-800-STAT-USA for more information. Country commercial guides can be accessed via the World Wide Web at:

[HTTP://WWW.USATRADE.DOC.GOV](http://www.usatrade.doc.gov)

[HTTP://WWW.STAT-USA.GOV](http://www.stat-usa.gov)

[HTTP://WWW.STATE.GOV](http://www.state.gov)

[HTTP://WWW.MAC.DOC.GOV](http://www.mac.doc.gov)

They can also be ordered in hard copy or on diskette from the National Technical Information Service-NTIS at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce Trade Information Center by phone at 1-800-USA-TRAD (E) or by fax at (202) 482-4473.

CHAPTER II.

ECONOMIC TRENDS AND OUTLOOK

A. Major Trends and Outlook

In 1999, French GDP grew by 2.9 percent in real terms. This compares with 3.2 percent in 1998, the best performance in 10 years and a marked improvement since the slow growth of the mid-1990s. Inflation remained low and under control. Strong growth helped bring the unemployment rate to 10.6 percent by the end of 1999. The unemployment rate continued to fall in 2000, down to 9.9 percent in April and 9.8 percent in May, the first times the rate fell below 10 percent since December 1991. The capital goods sector was the fastest growing sector, followed by automobiles and services. The construction industry increased 4.3 percent after contracting by 1.0 percent in real terms.

The outlook for 2000 and 2001 is for continued growth. The government projects growth of at least 3 percent, probably 3.5 percent, in 2000, and in the range of 2.5-3 percent in 2001, 2002 and 2003. A 3 percent growth would incorporate effects of investment in new technologies and continued efforts toward structural reforms.

Despite good short-term prospects, most observers believe the French economy continues to function below its long-term potential. Reaching that potential will require continued deregulation and reduction of the role of the state in the economy. Progress was made during the 1990s, notably in privatization and reduction of budget deficits, but taxes remain the highest in the G-7 industrial countries and regulation of goods and labor markets is pervasive. Structural rigidities still affect the labor market, however, and experts question whether unemployment will drop below the presumed structural rate of unemployment, estimated at 8.5 percent, absent further significant liberalization. Furthermore, the economic impact of the transition to the 35-hour workweek, as of January 1, 2000, is perceptible, but not yet clear. The Government claims 180,000 jobs created or preserved. According to the Labor Ministry, the number of jobs created or preserved should be higher due to the impact of agreements already signed at the sector level

("accords de branche"). Many large companies say that the cost of the 35-hour workweek has been offset by increased flexibility. France's adoption, along with 10 other EU countries of the Euro as their single currency has increased competitive pressures on French companies and the French economy.

B. Principal Growth Sectors

In 1999 the five fastest growing sectors, as measured in real terms in the new 1995 accounting basis, were capital goods (8.0 percent), automobiles (7.8 percent), financial services (4.8 percent), and construction (4.3 percent). As measured in nominal terms these sectors represented 3.8, 1.4, 5.0 and 3.8 percent of total value added, respectively.

C. Government Role in the Economy

France has a tradition of highly centralized administrative oversight of its essentially market-based economy. In 1999, total general government outlays amounted to 53.9 percent of GDP, according to the OECD. Considerable progress has been made in privatization, although the government maintains a presence in industries such as aeronautics, defense, automobiles, and telecommunications, and can still exert control over privatized firms (see attached discussion of "golden share" provisions in section VII).

D. Balance of Payments

France has run overall trade and current account surpluses in recent years. The trade and current account surpluses totaled USD 37 billion and USD 18 billion, respectively, in 1999. However, according to French government data, France runs a deficit in its trade with the United States. (U.S. data tell a somewhat different story, which is usually explained by the significant amounts of U.S. products that are re-exported to France from Dutch and Belgian ports.)

Among non-E.U. exporters, the United States is the second largest supplier of food and agricultural products to France, after Brazil, and the largest export market for French agricultural products outside of the European Union. According to French customs data, the value of French agricultural exports (including spirits, manufactured tobacco and wood and wood products) to the United States in 1999 was USD 2.1 billion, while the value of French agricultural imports (including spirits, manufactured tobacco and wood and products) from the United States during the same period was USD 842 million, leading to a positive agricultural trade surplus for France with the U.S. of USD 1.4 million.

E. Trade Barriers

As a member of the European Union, France shares common tariff and, in many cases, non-tariff external barriers with other members of the Union. Product safety and sanitary standards affecting imports into France are increasingly established at the EU level. The United States and

EU have negotiated Mutual Recognition Agreements covering certain product standards that should ease entry into EU and French markets for U.S. firms. Despite occasional highly publicized disagreements, the sizable bilateral trade between the U.S. and France is for the most part non-controversial.

G. Labor Force

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

The labor code sets minimum standards for working conditions including the workweek, overtime, vacation and personal leave. Other labor standards are contained in collective agreements, which are usually negotiated by sector on a national or regional basis by the various unions and employers' associations. French absenteeism is modest by European standards and in the private sector peaceful labor relations prevail.

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

- In companies with more than 10 employees, employee delegates are elected for a one-year term. They are authorized to present individual or collective claims and grievances relating to working conditions, to inform government labor inspectors of any complaints under the labor law, and to concur with management in any reorganization of the workweek. Management is required to meet with employee delegates at least monthly.
- A company with more than 50 employees must have a joint management/employee enterprise committee, to which employee representatives are elected. The committee must be consulted for all major corporate decisions, but has no veto. The enterprise committee must be provided with the same information that is made available to shareholders. It is funded by the company at a rate equal to at least 0.2 percent of the firm's payroll, and uses this money to finance social and cultural activities for the benefit of employees.
- Workers also hold most slots on occupational health and safety committees, which are mandatory in medium and large size companies. Labor tribunals (playing a role largely equivalent to the NLRB in resolving labor disputes) are comprised of equal numbers of union and employer representatives. Appeals are possible to the level of the Cour de Cassation, one of France's high courts.

H. Major and Third Country Competitors

As the world's fourth largest economy, centrally located within the European Union, there is strong competition for market share in all French industrial and service sectors. American

exporters to France generally face more competition from European companies than from Asian ones, although Japanese companies have successfully established a foothold in the French market, primarily through investment. German companies tend to be strong competitors, building on the many Franco-German joint ventures. Each sector has its own characteristics and should be carefully analyzed as part of a strategy to capture a share of the French market.

I. Infrastructure Situation

France's transportation infrastructure is among the most sophisticated in the world, benefiting from advanced technology and extraordinary investment by the government. The three main entry points for airfreight are the Orly and Charles de Gaulle airports in Paris and Lyon's Saint-Exupery airport. France has twelve major seaports, many of which are equipped for container ships. There is also an extensive highway and river-transport system and a state-owned rail network that is among the most comprehensive and technologically advanced in the world.

Communications infrastructure is similarly advanced. Telephone lines blanket the country and there is easy access to the Internet via French and Foreign Service providers. The French "Minitel" telephone based computer network is also widespread and provides many consumer services. France is behind the U.S. and some other countries in the use of personal computers and the Internet, but is catching up rapidly. High-speed Internet access is still limited, but should expand rapidly in 2001. The government is trying to promote better use of information technologies.

J. Major Infrastructure Projects Underway in France

- a. Roissy airport extension (estim.USD 2,300 millions)
- b. Lyon-Torino transalpine rail link (estim.USD 2,300 millions)
- c. Fast train project (TGV-Est) between Paris and Strasbourg
- d. Renovation of the Mont Blanc tunnel (estim.USD 250 million)
- e. Nice-Riviera Airport extension (estim.USD 250 million)

CHAPTER III.

POLITICAL ENVIRONMENT

A. Bilateral Relationship

France and the U.S. are long-standing, close allies, as witnessed by the 1999 Kosovo crisis. Despite occasional differences of view, the U.S. and France work together on a broad range of trade, security and geopolitical issues. In general, the U.S. and France agree on strategy, even if they may differ on tactics.

B. Political System

France is a democratic republic whose political system is based on a written constitution that was approved by referendum in 1958. According to the French Constitution, the President of the Republic is elected by direct suffrage every seven years, though efforts are underway to reduce that term to five years. The President presides over the cabinet, commands the armed forces, and concludes treaties. He is also empowered to dissolve the National Assembly and, in certain emergency situations, may assume full power. The President appoints the Prime Minister, but because France's political system is a hybrid of presidential and parliamentary elements, the composition of the National Assembly (the lower house of the French parliament) determines the party or political grouping from which the President must choose his Prime Minister. Especially in recent years, this has resulted in the head of state and the head of government being from opposing parties, in an arrangement known as "cohabitation". Currently, center-right President Jacques Chirac "cohabits" with a government of the center-left that was elected in June 1997. The Socialist coalition includes representatives of the Communist and Green parties and is headed by Prime Minister Lionel Jospin, former Minister of Education and head of the Socialist Party. Jospin ran unsuccessfully against Jacques Chirac in the 1995 presidential elections.

The Constitution provides for a bicameral parliament consisting of a National Assembly and a Senate. National Assembly deputies are directly elected by universal suffrage for five-year terms. Senators are indirectly elected for nine-year terms; one-third of the Senate is renewed every three years.

The French political spectrum includes numerous political groups. Key among these, from the right to the left, are: the extreme right National Front (FN); the neo-Gaullist Rally for the Republic (RPR), from which a rival group, the Rally for France (RPF), broke away in 1999; the moderate Union for French Democracy (UDF); the Socialist Party (PS); the Green party; and the Communists (PCF). Other smaller parties have minimal national political impact, but exert influence on a local and even occasionally on a national level.

C. Political Events Affecting Business Climate

The current cohabitation between center-right President Chirac and Socialist Prime Minister Jospin has proceeded smoothly and enjoys strong backing from the French public. This was especially true during the Kosovo crisis, when both halves of the French executive united in favor of NATO military action and each received record high approval ratings. Competition between Chirac and Jospin has also been restrained because continued disarray among center-right parties has limited the opposition's effectiveness, thus depriving Chirac of a solid base from which to challenge Jospin. For his part, Jospin has preferred to consolidate the Socialists' record in office before turning his attention to the pre-electoral competition for the next presidential election. Notwithstanding municipal elections in 2001, the absence of national elections before parliamentary and presidential elections in 2002 means that both men are already carefully choosing their subjects for disagreement, having very much on their mind the presidential election.

In the meantime, the Socialists are concentrating on implementing a domestic agenda focused on economic growth and bringing down high unemployment. Fiscal policy has emphasized meeting budgetary disciplines set forth under the Maastricht Treaty. The government has made some initial progress in lightening the tax burden on employers to stimulate job creation but has hesitated to take more fundamental structural reforms. Efforts to implement a reduction of work time from 39 to 35 hours a week as a spur to create jobs are ongoing. On February 1, 2000, the law establishing the shorter workweek went into effect for firms of 20 or more workers; smaller firms have until January 1, 2002, to comply. The Jospin government has put off reform of the pension system, mindful of the bitter experience of its center-right predecessor when it attempted to tackle this highly emotional issue. In March 2000, the Prime Minister formed a commission of experts to examine the pension system, including the sensitive question of harmonizing regulations governing the public and private sectors.

Both Chirac and Jospin are strong advocates of European Union. They view a strong Europe as a way to strengthen France, both economically and politically. The French are also fully

supportive of Economic Monetary Union (EMU), and France is one of the eleven initial members of EMU. French efforts to elaborate a detailed European plan to stimulate job creation, however, have so far been unsuccessful.

Chirac's decision in 1996 to streamline defense industries and to restructure the armed forces has led to mergers and industrial realignments among French defense firms in 1998 and 1999. The Jospin government has helped to move ahead in privatizing and merging defense industries, such as Thomson-CSF and Aerospatiale-Matra.

CHAPTER IV.

MARKETING U.S. PRODUCTS AND SERVICES

The United States and France produce many of the same goods and services and export them to each other. Therefore, marketing products and services in France can bear some resemblance to marketing them in the United States. French business representatives are sophisticated and knowledgeable about their respective markets. At the same time, American firms must take into consideration certain business practices, cultural factors, and legal requirements in order to do business effectively in France. A basic assumption should be that everything will not always be as it is in the U.S. Following is a general overview of marketing in France. Specific counseling sessions with United States Department of Agriculture/Foreign Agriculture Service & Department of Commerce/U.S. Commercial Service trade specialists are recommended for those wishing more details as they plan their specific marketing campaigns in France.

A. Distribution & Sales Channels

The Retail Network

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, which could affect how products are sold in France.

Small- and medium-sized family-owned firms, which traditionally accounted for a majority of French wholesale and retail trade, are rapidly losing ground to hyper markets - large retail outlets carrying a wide variety of products at discounted prices. At the same time, mail order marketing and specialized chain stores have shown strong growth, further demonstrating the changing needs

and preferences of consumers. On the other hand, a law limits the amount of retail space that can be purchased or leased commercially, with a special exemption required for space purchased or leased that is greater than 300 square meters.

Primary Retail Channels:

- Grands magasins - Department Stores
- Hypermarchés - Hypermarkets
- Supermarchés - Supermarkets
- Magasins populaires - Convenience Stores
- Magasins discount - Hard Discounters
- Grandes surfaces specialisees - Large Specialized Stores
- Groupes de distribution multi-canaux - Multi-Channel Retail Groups
- Vente par catalogue - Mail-order Marketing
- Centrales d'achats - Central Buying Offices

Department Stores:

In 1999, six major department stores closed, leaving a total of 155 stores in France, which employed 28,525 people. Sales have been increasing an average of 3.4 percent per year over the last three years and reached approximately USD 3,487 billion (FF 24,410 billion) in 1999. Paris has the highest number of department stores of any French city, and six of the ten top-selling stores are located there. Department stores have lost some market share in all areas except in the medium-to-high price range. A unique feature of the French department store is that many non-food products are sold by the manufacturer's own sales staff, which can account for up to 20 percent of the store's total sales force.

Hypermarkets:

Hypermarkets are technically defined as stores with a minimum selling area of 2,500 square meters. On average, French hypermarkets are self-service retail stores offering 25,000-40,000 products for sale at competitive prices, of which 3000-5000 are food items and 20,000-35,000 are a non-food article. They are generally located in suburbs, and cover a total sales area of 6.5 million square meters. Although, for the second year in a row, there were no new openings of hypermarkets in 1999, the sector continues to grow through expansions of existing stores. As of September 1, 1999, there were 1,118 hypermarkets, employing 219,499 people. The top five hypermarket companies are Leclerc, Carrefour, Auchan, Geant and Continent.

Supermarkets:

Supermarkets are also self-service retail grocery stores. In essence, supermarkets are smaller versions of hypermarkets, with a selling area between 300 and 2,500 square meters. They usually carry 3,000-5,000 items, of which 500-1500 are non-food products, and cover a total sales area of 6.6 million square meters. As of September 1, 1999, there were 5,938 supermarkets, employing 156,211 people. More stores were closed (38) than opened (26) during the year, and several were converted to hypermarkets (13) and hard discounters. The top five supermarket companies are Intermarché, Super U, Champion, Stoc and Casino.

City-Center Stores:

Defined as high-quality supermarkets, and dating back to the turn of the century, these establishments are smaller than regular supermarkets, are usually located in town centers and offer a wide selection of food and non-food products. These stores number about 500 in total and tend to be grouped under major leading companies such as Monoprix/Prisunic.

Hard Discounters (Discount Grocers):

Hard Discount Stores trade principally on the basis of low price. They do not offer a comprehensive range of goods and are, thus, not as convenient as supermarkets and hypermarkets. As of September 1, 1999, there were a total of 2,362 hard discount stores in France. These stores represent about 8 percent of total food sales and usually sell generic products or their own private-label items. They generated total sales of USD 11.29 billion in 1998. The top five hard-discount companies are Lidl, Ed, Aldi, Leader Price and Le Mutant.

Large Specialized Stores:

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 was composed of over 8,254 stores in 1999, including such store categories as toys, health and beauty, gardening, and media/books/music. Do-it-yourself equipment stores are the most numerous (2,545), followed by textile (1329) and furniture stores (1227).

Multi-Channel Retail Groups:

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

Mail Order Marketing:

The French mail order market for consumer products is the fourth largest in the world. This market has tripled in the last ten years, reaching USD 8.65 billion (FF 53.2 billion) in 1999. This amount represents a slight decline as compared to last year (FF 53.6 billion). Although total mail-order sales are still greater than telephone sales, a general downward trend in mail-order sales may be observed in recent years just as telephone sales have undergone a rapid expansion. One out of two French households buys through mail order. Textile products make up 46 percent of direct sales, books and records 14 percent, and furniture and home decoration 10 percent.

Central Buying Offices:

In addition to contacting the largest store chains listed above, introducing products via central buying agencies is an excellent distribution method. A complete list of French central buying agencies, the *Annuaire des Supermarchés, Hypermarchés, Centrales d'Achat et Groupements d'Achats*, is available for about US 150 (freight included) from:

L.S.A
Mrs. Majeau
12/14, rue Mederic
75817 Paris Cedex 17
France
Tel: (33) 1.56.79.43.00
Fax: (33) 1.56.79.43.06
Web Site: <http://www.lsa.fr>

Trends and French Food Retail Distribution Channels:

Diverse and comprehensive, France's retail network is beginning to resemble that of the United States. French food retailers fall under six principal formats: hard-discounters, hypermarkets, supermarkets, city center stores, department stores, and traditional outlets. The first five account for 75 percent of the country's food distribution; the sixth, which includes neighborhood and specialized food stores, for about 25 percent.

Developments in the last several years have altered the country's retail food distribution system. First, the Government of France passed legislation that limits the number of store openings among hyper/supermarkets. While the new law has limited the number of new establishments, it has prompted hyper/supermarkets to expand their existing surface areas. Second, mergers and alliances among major hyper/supermarkets have formed the country's 8 largest retailers with five central buying offices that represent 80 percent of total food purchases.

In November 1999, Carrefour and Promodes announced an alliance that would create the world's second largest retail chain after Wal-Mart, Inc. Insiders estimate that the alliance will create a company with over \$51 billion in sales and 8,800 stores. In 1998, Wal-Mart's total sales at 3,600 stores reached \$111 billion.

With an eye to capturing market share from the restaurant and fast-food sectors, hyper/supermarkets have begun to sell ready-to-eat products such as roasted meats, fresh-baked bread, and pastries.

Formats of Major French Food Retailers:

In addition to the Hypermarkets and Supermarkets, Hard Discounters, City Center Stores/Department Stores, Central Buying Offices above described in "A. Distribution & Sales Channels, Primary retail network", following are additional food retail networks:

Convenience stores are generally located in city centers of small- to medium-size towns. They are self service stores run by one or two independent operators, i.e., individuals not paid by the distribution group. These stores have a total of 1,500 outlets representing no more than 3 percent of total food sales.

Gas-Marts linked with gasoline stations account for less than one percent of total food sales and represents about 400 outlets in France.

Traditional outlets include a broad array of establishments from corner grocery stores, bakeshops, and neighborhood butcher shops, to open air markets, to frozen and gourmet food stores. The aggressive expansion of mass distribution outlets threatens traditional outlets, which account for 20 percent of the country's total retail food distribution and represent a total of about 50,000 stores. To survive, these outlets must have flexible store hours, product variety, and special services such as home delivery. A small neighborhood store chain offers U.S. suppliers entry into the French market.

Distribution Channels for Food Products in France

France has one of the most highly developed distribution systems for agricultural and food products in the world. There is an extensive network of transportation and distribution channels that ensure consumers will receive the final product in good quality and at the proper time.

Normally, French imports of agricultural and food products are brought in from the west Atlantic via the northern French port of Le Havre, or via the ports of Antwerp, Belgium and Rotterdam, The Netherlands. Imports from the Mediterranean and African countries enter through the southern port of Marseille. Imports from other EU and European countries are often brought in by truck through the world's largest wholesale food market at Rungis, located south of Paris. Since much of the processed food products in France are of domestic origin, there are well-developed regional markets throughout the country.

Despite the fact that France has a very modern and relatively efficient distribution and transport system, frequent disruptions occur in product transport, due to unexpected strikes by port dockers or truck drivers, or some other labor dispute. Fortunately, the availability of alternative entry ports minimizes the magnitude of this problem for U.S. exporters.

Wholesale Distribution

The food industry, however, continues to consolidate and diversify, with individual firms adding new services to their basic wholesale activities. Wholesalers now offer a whole "menu" of services for small and medium-sized food retailers and processors. Other services which wholesalers are adding to their repertoire include deliveries to restaurants and other food institutions, as well as distributing new-to-market products for a fee. In spite of their efforts to consolidate, many traditional French wholesale food companies continue to lose ground to large super, and hypermarket chains, as well as to "hard discounters," which are increasingly expanding their own wholesale activities. Also, most of the major supermarket companies

produce their own private labels for distribution, which effectively reduces the business for traditional wholesalers.

There are, throughout France, 17 wholesale markets generating total sales in 1998 of about \$11 billion. The largest wholesale market is Rungis, just outside of Paris, which groups together the traditional trade between suppliers, and clients, and complementary services, i.e., meat and cheese cutting, ripening, storage, packaging, health controls, logistics, etc. Rungis international market covers five product sectors: fruit and vegetables, meat products and preparation, seafood products, dairy and catering products (delicatessen, wines, etc.) and horticultural products. Next to the product sectors, the business center groups together the service companies to meet all business needs. The wholesale international market at Rungis is the most important fresh product market in the world. Rungis' sales total some \$7 billion annually. Its coverage area supplies around 18 million consumers.

For wholesalers of manufactured goods, the growth of hypermarkets and supermarkets, as well as hard discounters, offer a myriad of opportunities (see the list attached).

Hotel, Restaurants Food Institutions (HRI)

The French HRI food service is a USD 50 billion market that serves more than 7 billion meals per year outside the home. It is very competitive but offers opportunities for a variety of reasonably priced high quality U.S. products such as prepared meals, single portion packaged foods, alcoholic beverages, ethnic foods and fish. Experts predict that this market will grow at a rate of 4.5 percent per year in the next few years as new lifestyles take hold in France. U.S.-style outlets, especially fast food restaurants, are doing well in France.

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B. Use of Agents and Distributors

Considering the host of distribution options available in France, it is important for the would-be exporter to select the method best suited to his or her product. French buyers generally prefer to purchase through an intermediary, making sales directly to the end-user a scarce practice. However, sales of expensive, technically sophisticated goods are an exception to this rule.

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

- Distributor
- Agent
- Salaried Representative

Distributor

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

The conditions of contract termination are an important concern, and vary with the type of distribution agreement. A distribution agreement of specified duration may be terminated at the end of the contract period by either party without prior notification or indemnification. If the termination takes place before the end of the contract period, the terminating party may be sued for breach of contract.

A distribution agreement with an unspecified duration may be terminated by either party without indemnification after a fair notice period, usually six months. The termination of such a contract by the producer without fair notice may be grounds for damage claims by the distributor.

Agent

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

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

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

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

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

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

Salaried Representatives

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

Statutory Representatives:

Whatever their qualifications or title, persons are considered statutory representatives if they exercise their activity as a sustained independent profession and fulfill the following conditions:

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

Statutory representatives, like all employees, perform their work according to the instructions of their employers and benefit from the system of labor law protection. However, they possess a special right to indemnification if their employment is unjustly terminated. This indemnity is based on the size and importance of the clientele created by the statutory representative.

Nonstatutory Salaried Representatives:

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

Finding a Partner

The Department of Commerce's International Trade Administration offers several services to help the would-be exporter identify potential foreign representatives. The three primary services

available from the Commercial Service in France are the Gold Key Service, the Agent Distributor Service (ADS) and Industry Targeted Mailings. To request any one of these services, firms should contact the nearest U.S. Department of Commerce District Office. The number can be found in the US government pages of your telephone directory, or you may call 1-800-USA-TRADE.

Contacting and Evaluating Potential Representatives

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

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

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

The U.S. firm should not hesitate to ask potential representatives or distributors detailed questions; exporters have the right to explore the qualifications of those who propose to represent them overseas.

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

The French agency of Dun & Bradstreet offers this service.

Dun & Bradstreet France
Service Renseignements de Notoriété
Immeuble Defense Bergeres
345, avenue Georges Clemenceau
92882 Nanterre cedex 09
France
Tel: (33) 1.41.35.18.98

Fax: (33) 1.41.35.17.00

Web Site: <http://www.ddfrance.com>

Negotiating an Agreement with a French Representative

Once the U.S. firm has selected a prospective representative, the next step is to negotiate a foreign sales agreement. The content of this agreement is extremely important, as it will determine the legal basis for any relationship between the exporter and the representative. Although U.S. Department of Commerce District Offices can provide counseling to firms planning to negotiate agreements with French representatives, engaging a French lawyer is *strongly* advised.

In drafting the agreement, special attention must be paid to safeguarding the exporter's interests in cases in which the representative proves less than satisfactory. Procedures and conditions for terminating the relationship should be clearly defined. Furthermore, any right to indemnification on the part of the exporter or distributor should be specified.

C. Franchising

The French franchise industry is ranked first in Europe. Although it is a very competitive market, it offers many opportunities for U.S. franchises. Out of a total of 61 foreign franchises in France, 28 are American, accounting for 3 percent of the total franchise market. The market size in 1999 was USD 30.4 billion. The annual growth rate for 1998-1999 was 6 percent. Sales by U.S.-owned companies reached USD 975 million in 1999. Fast food has been the most successful sector, but is now very competitive. However, there remains potential for specialty restaurants. The greatest potential for U.S. franchisers lies in sub-sectors yet to be fully exploited, such as computer education and services, or, for example, renovation services.

D. Direct Marketing and E-Commerce

Direct marketing

Direct marketing in France is a growing industry with sales to private individuals evaluated at USD 8.29 billion (FF 51 billion) in 1999. This figure includes expenses for all direct marketing media: mailings, catalogs, telephone marketing, targeted and non-targeted fliers, press and television.

Direct marketing sales are expected to grow at a rate of 2.7 percent per year. Mail-order sales account for 2.34 percent of total retail sales. While in recent years the mail-order market had been growing faster than that of retail business, this trend reversed for 1998-1999. Catalog sales were USD 5.8 billion (FF 35.7 billion) in 1999, representing 70 percent of the total market. Catalog sales remain a good opportunity for U.S. companies. U.S. companies rank second after German companies in mail order sales in France with USD 383 million in sales. The best prospects for growth are specialty catalogs which would sell apparel, books, records as well as entertainment videos since they are the most ordered items. However, there is room for specialty catalogs that would take advantage of unexploited sectors.

E-Commerce

Direct marketing via the Internet is booming in France. Product and services sales, as well as the number of web sites on the Internet, have increased dramatically in recent years. In 1997, Business-to-Consumer sales via the Internet were valued at USD 6.8 million; in 1999 they reached USD 196 million. The number of Internet users has also increased. In 1997, statistics showed that there were approximately 120,000 buyers in France making purchases over the Internet. In 2000, the number of Internet buyers had risen to 800,000 out of the 10.9 million total French web users. Additionally, the number of web sites has considerably increased, from 120 web sites in 1997 to more than 900 at the end of 1999.

The leading sectors in terms of number of sales over the Internet are Computer products and services (31 percent), Tourism, (28 percent), Financial Services (11percent), Automobile and Motorcycle items (10 percent) and TV sets, Hi-fi, Video (9 percent). Also purchased on the Internet are Books and Press (3 percent), Music (3 percent), Houses, Gardens (2 percent), Food (2 percent), Fashion and Accessories (1 percent) and Gifts and Flowers (1 percent).

E. Approaches to the French Market

American companies have prospered in the French market and will continue to do so if special attention is paid to their approach to the market and the products/services they offer. As outlined above, the best "first step" is to appoint an agent or distributor; however, expansion in the market can take various other forms, depending on the product/service.

Joint Venture/Licensing

A joint venture with a French firm having similar commercial interests is one recommended approach. The French government encourages this type of investment and offers a wide range of incentives. In selecting a joint venture partner, the American company must carefully analyze its strengths and weaknesses and search for a firm that offers the appropriate support. Traditionally, a French joint venture partner strengthens the marketing activities of an American firm with its in-place distribution system. In certain industries, French manufacturers have skills that augment those of the American partner. Financing is also of special concern. Each joint venture proposal requires special analysis and conditions if it is to be successful. A joint venture with a French firm that has full French government support can be beneficial as long as manufacturing decisions can be made independently of government involvement. Recognizing the differences in each market is essential for success; consequently, it is recommended that companies interested in forming joint ventures consult with the Commercial Service in Paris before making any alliances.

Steps to Establishing an Office

Establishing a subsidiary/branch office in France is also an advisable approach for some industries. The French government encourages the formation of new enterprises and, in

conjunction with the Paris Chamber of Commerce and other Chambers throughout the country, offers extensive counseling and assistance to those wishing to set up an office in France. Detailed "how to" guides are available not only from the various chambers of commerce, but also from the Commercial Service and the numerous American consulting firms present in France.

Logistics

Companies which wish to develop their long-term marketing and sales capabilities in France should pay close attention to securing proper distribution and storage facilities close to major airports and seaports. Logistics firms, many of which, including American-owned, operate in France should be considered when firms develop significant market opportunities and sales channels in France. See Appendix XI. Country Contacts - Logistics.

F. Selling Factors/Techniques

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

Advertising and Trade Promotion

There are far too many newspapers, magazines and technical journals to list. However, judicious use of the media is an important part of any and all promotional programs. Below is a list of the most prominent general circulation French newspapers and magazines:

Le Figaro

37, rue du Louvre
75081 Paris Cedex 02

France

Tel: (33) 1.42.21.62.00

Fax: (33) 1.42.21.64.05

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

Yves de Chaisemartin, President and Managing Director

Franz-Olivier Giesbert, Editor

Le Monde

21 bis, rue Claude Bernard
75005 Paris

France

Tel: (33) 1.42.17.20.00

Fax: (33) 1.42.17.21.21
Web Site: <http://www.lemonde.fr>
Jean Marie Colombani, President and Managing Director
Alain Fourment, General Secretary

L'Express
17, rue de l'Arrivée
75733 Paris Cedex 15
France
Tel: (33) 1.53.91.11.11
Fax: (33) 1.53.91.12.10
Web Site: <http://www.lexpress.fr>
Mr.Seillée, President and Managing Director
Denis Jeambar, Editor

Liberation
11, rue Beranger
75154 Paris Cedex 03
France
Tel: (33) 1.42.76.17.89
Fax: (33) 1.42.72.94.93
Web Site: <http://www.liberation.fr>
Serge July, Publisher

France Soir
45, avenue Victor Hugo
Bât. 265
93534 Aubervilliers Cedex
France
Tel: (33) 1.53.56.87.00
Fax: (33) 1.53.56.87.68
George Ghosn, President and Managing Director
Jean-Claude Nardonnet, Editor

Le Parisien
25, avenue Michelet
93400 Saint-Ouen
France
Tel: (33) 1.40.10.30.30
Fax: (33) 1.40.10.35.16
Web Site: <http://www.leparisien.fr>
Philippe Amaury, President and Managing Director
Fabrice Nora, Managing Director

International Herald Tribune

181, avenue Charles de Gaulle
92251 Neuilly Cedex
France
Tel: (33) 1.41.43.93.00
Fax: (33) 1.41.43.93.38
Web Site: <http://www.iht.com>
Richard Woolridge, President
Richard Goldmark, Editor

Le Nouvel Observateur
12, Place de la Bourse
75002 Paris
France
Tel: (33) 1.44.88.34.34
Fax: (33) 1.44.88.34.01
Web Site: <http://www.quotidien.nouvelobs.com>
Claude Perdriel, President and Managing Director
Jean Daniel, Editor

Le Point
74, avenue de Maine
75014 Paris
France
Tel: (33) 1.44.10.10.10
Fax: (33) 1.43.21.43.24
Web Site: <http://www.lepoint.fr>
Bernard Wouts, President and Managing Director
Jean Chmitt, Editor

Les Echos
46, rue la Boetie
75381 Paris Cedex 08
France
Tel: (33) 1.49.53.65.65
Fax: (33) 1.42.89.14.69
Web Site: <http://www.lesechos.fr>
Mr. de la Barre de Nanteuil, President and Managing Director
Nicolas Beytout, Editor

L'Expansion and La Vie Francaise
Groupe Expansion
14, boulevard Poissonniere
75308 Paris Cedex 09
France
Tel: (33) 1.53.24.40.40

Fax: (33) 1.53.24.41.22
Web Site: <http://www.expansion.fr>
Damien Defour, President
François Roche, Editor

La Tribune Desfosses
Cote-Desfosses
42-46, rue Notre Dame des Victoires
75002 Paris
France
Tel: (33) 1.44.82.16.16
Fax: (33) 1.44.82.17.16
Web Site: <http://www.latribune.fr>
Fabrice LaRue, President and Managing Director
Philippe Mudry, Editor

Le Nouvel Economiste
10, rue de Faubourg Montmartre
75009 Paris
France
Tel: (33) 1.55.33.30.00
Fax: (33) 1.55.33.30.20
Web Site: <http://www.nouveleco.fr>
Françoise Sampermanf, President and Managing Director
Valerie Lecasble, Editor

G. Pricing Product

The U.S. exporter can usually determine the export price of his/her manufactured product using 70% of the domestic price (after deduction of all local marketing costs). This will allow the French importer to price imports from the U.S. on the same price level as an American counterpart. A simple way of comparing U.S. and French retail prices consists of taking the net U.S. retail price and comparing it with the French retail price without Value Added Tax, (V.A.T.) currently 19.6%. The French consumer is generally willing to pay a maximum of 10-15% over the American retail price.

When determining the export price, it is important to consider that if prices are FOB, the French importer will have to pay for transportation, insurance, customs duties, value-added tax and fixed fees per shipment.

Terms of Payment

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

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

- Commercial letters of credit
- Sight and time drafts
- Bank transfers
- Certified checks

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

H. Sales service/Customer support

Although less developed than in the U.S., French businesses also provide all kinds of services such as after-sales service, home delivery, maintenance contracts, warehousing facilities, hotlines, or toll free numbers for any technical assistance.

For some products such as electrical appliances, e.g. TV, replacement service is available.

I. Selling to the Government

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

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

France, as a member of the EU, is obliged to follow EU public works regulations which require government purchasing entities to publish tender notices for all public works projects valued at over ECU 5 million, or approximately US 5.75 million. Tender notices that exceed this threshold must be published in the Official Journal of the European Union, as well as in the French Bulletin Officiel des Annonces des Marches Publics. In the case of Telecommunications, however, a European Community Utilities Directive (January 1, 1993) requires France to give EU bidders a three percent price preference and gives France the option to reject bids with more than 50 percent non-EU content. Certain defense-related industries are also excluded from regular procurement rules. In addition, public projects must conform to the following requirements:

- A minimum of 52 days is required for bid submissions after an offer is announced.

- The reason for a bid's rejection must be provided upon request.
- The values of the winning bids must be publicly disclosed.

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

CCM

Tour de Lyon
185, rue de Bercy
75572 Paris, France
Tel: (33) 1.44.87.17.17 or 1.53.17.86.69
Fax: (33) 1.53.17.87.04

Information on current and past French and EU procurement tenders and bids may be obtained through France's MINITEL service, an on-line information bank. This service offers up-to-date information and immediate access.

MINITEL Services Company
888 Seventh Avenue, 28th Floor
New York, NY 10106
Tel: (212) 399-0080
Fax: (212) 399-0129

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

UNIPUB
4611F Assembly Drive
Lanham, MD 20706-4391
Tel: (800) 274-4888
Fax: (301) 459-0056
Web Site: <http://www.unipub.fr>

For subscriptions to BOAMP, contact:

BOAMP
Direction des Journaux Officiels
26, rue Desaix, France
75727 Paris Cedex 15, France
Tel: (33) 1.40.58.77.58
Or (33) 1.40.58.75.00
Fax: (33) 1.45.77.10.85

J. Protecting your Product from IPR Infringement

Intellectual property consists of industrial property as well as literary/artistic property. Under the French intellectual property rights regime, patents, trademarks, and designs and models protect industrial property, while literary/artistic property is protected by copyrights.

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

Patents

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

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

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

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

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

INPI

Division des Brevets
26 bis, rue de Saint-Petersbourg
75800 Paris Cedex 08, France
Tel: (33) 1.53.04.53.04
Fax: (33) 1.42.94.02.09
Web Site: <http://www.inpi.fr>

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

Office Europeen des Brevets
Erhardtstrasse 27
8000 Munich 2, Germany
Tel: (49) 89 23 990
Fax: (49) 89 99 4465

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

CNCPI
92, rue d'Amsterdam
75009 Paris
Tel: (33) 1.53.21.90.89
Fax: (33) 1.53.21.95.90
Web Site: <http://www.cncpi.fr>

Certificate of Utility Registration:

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

Fees:

- * Patents for Inventions
 - Application fee: US 41, which includes the first year of annual renewal fees.
 - Documentation and research fee: US 690. This amount is to be paid at the latest one month after the application.
 - The annual renewal fee is calculated each year on a sliding scale.

- * Certificates of Utility
 - Registration fee: US 41
 - Annual renewal fees are calculated on a sliding scale.

Trademarks

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

- * Can be written or designed trademarks.
- * Can be sonorous trademarks, such as musical tunes, jingles, words, slogans.

- * Must not be deceptive as to the nature or origin of the goods.
- * Must be recognizable by sight or sound.
- * Must have novelty for the specified product line.

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

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

INPI

Division des Marques
32, rue des Trois-Fontanot
92016 Nanterre, France
Tel: (33) 1.53.04.53.04
Fax: (33) 1.49.01.07.37
Web Site: <http://www.inpi.fr>

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

Fees:

* Application fee (first registration or renewal): US 245 for up to three product/service categories; US 50 for each additional category protected.

For designs and models specifically:

- * For each photographic reproduction:
 - In Black and White: US 30
 - In Color: US 60
- * For a renewal: US 35

Designs and Models

Designs and models have the following characteristics:

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

Although some designs and models can be protected under patent or copyright procedures, others fall into a category, which requires special treatment. Designs or models having an industrial

function follow patent procedures, while designs or models having a purely ornamental function follow copyright procedures. Those designs or models which have both a practical and an ornamental function are subject to the following:

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

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

INPI-Designs and Models Section
26 bis rue de Saint Petersburg
75008 Paris, France
Tel: (33) 1.53.04.53.04
Fax: (33) 1.42.93.59.30

To prove the date of creation of a design or model without formal registration, a designer may wish to use a special envelope (enveloppe speciale) for a US 11 fee. The date of creation begins when the envelope is received by the INPI.

Copyrights

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

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

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

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

Societe des Auteurs, Compositeurs et Editeurs de Musique (SACEM)
225, avenue Charles de Gaulle
92521 Neuilly sur Seine, France
Tel: (33) 1.47.15.47.15
Fax: (33) 1.47.45.12.94
Web Site: <http://www.sacem.fr>

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

Syndicat National des Auteurs et Compositeurs de Musique (SNACM)
80, rue Taibout
75009 Paris, France
Tel: (33) 1.48.74.96.30
Fax: (33) 1.42.81.40.21

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

Societe des Auteurs et Compositeurs Dramatiques (SACD)
11 bis, rue Ballu
75442 Paris Cedex 09, France
Tel: (33) 1.40.23.44.44
Fax: (33) 1.45.26.74.28

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

Societe des Gens de Lettres (SGDL)
38, rue du Faubourg Saint-Jacques
75014 Paris, France
Tel: (33) 1.53.10.12.00
Fax: (33) 1.53.10.12.12

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

Societe Civile des Auteurs Multimedia (SCAM)
5, avenue Velasquez
75008 Paris
France
Tel: (33) 1.56.69.58.58
Fax: (33) 1.56.69.58.59

K. Need for Local Attorney

Establishing an entity to do business in France does not warrant a "do-it- yourself" approach. A lawyer with experience in France should be retained as soon as the establishment of a French business entity is contemplated. The American Embassy in Paris maintains a list of American Lawyers practicing in France, which is available upon request. More detailed information about professional backgrounds can be obtained from the Martindale-Hubbell Law Directory and for

the Bar Register of Pre-eminent Lawyers. Lawyers and bankers in the United States also will normally have means of recommending lawyers in France.

France has two major categories of legal practitioners:

Avocats: An "avocat" must be a lawyer. "Avocats" may render legal advice on all matters, draft agreements and contracts, handle commercial disputes and collection cases, and plead and defend civil and criminal cases before the French courts to which they are admitted.

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

CHAPTER V.

LEADING SECTORS FOR U.S. EXPORT AND INVESTMENT

LIST OF BEST PROSPECTS FOR AGRICULTURAL, INDUSTRY AND SERVICE SECTORS FOR U.S. EXPORTATERS TO FRANCE (U.S. millions)

A. BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES

Listed below are 15 industry sectors which the U.S. Embassy in France considers best prospects for U.S. business; they are ranked by forecast total imports from the U.S.

Rank	TOTAL IMPORTS FROM U.S.	SECTOR
1/	6,412	Computer Software (CSF)
2/	4,135	Travel & Tourism (TRA)
3/	3,700	Industrial Chemicals (ICH)
4/	3,522	Employment Services (EMP)
5/	2,673	Computers & Peripherals CPT)
6/	2,343	Electronic Components (ELC)
7/	1,816	Security and Safety Equip. (SEC)
8/	1,300	Telecommunication Equip. (TEL)
9/	866	Scientific Laboratory Equip.(LAB)
10/	914	Franchising (FRA)
11/	720	Medical Equipment(MED)
12/	620	Pollution Control Equip.& Services(POL)

13/	453	Telecommunications Services(TES)
14/	350	Automobiles and Light Trucks(AUT)
15/	375	Automotive Parts and Service Equip.(AUT)
16/	282	Agricultural Machinery (AGM)
17/	221	Textile (TXT)
18/	162	Educational Services (EDU)

COMPUTER SOFTWARE (CSF)

With over 6,000 software service firms generating USD16 billion worth of services in 1999, France is a large market for software and software services. This market is divided into engineering and integration (23 percent); software development and technical assistance (23 percent); packaged software (22 percent); facilities management (10.5 percent); provision of services (7.5 percent); consulting (6.5 percent); call centers (3.5 percent); third-party maintenance (2 percent); and training (2 percent).

The ten largest software houses in France are: IBM Global Services (USD 1.3 billion), Cap Gemini (USD 1.05 billion), Bull Services (USD 703 million), Atos (USD 684 million), IBM Software France (USD 614 million), Sema Group (USD 500 million), Microsoft France (USD 485 million), Andersen Consulting France (USD 419 million), Hewlett-Packard France (USD 392 million) and EDS France (USD 345 million). The market experienced a growth rate of 15 percent in 1999. It is expected to reach USD 21 billion by the end of 2000.

Telecommunications, the mobile Internet, and associated services will play a determining factor in the future growth of French software houses. The French market for Intranet and software services is estimated at USD 1.2 billion and should reach USD 4 billion by 2001. Today, the French web counts nine million pages and over five million users. As far as E-commerce is concerned, the latest statistics show that the French have not yet developed the habit of purchasing goods over the Internet. About 90 percent of the sales made over the Internet are generated by 10 percent of the companies, which are represented primarily by large, well-established retail chains. Overall Internet use, however, is developing at an extremely rapid pace, with growth in Internet users expected to grow to 13.2 million in 2000.

Over half of all software products in France are American-made. Firms such as IBM Software Group, Microsoft, Oracle, Computer Associates, and Parametric Technology are among the 10 largest package software firms in France, and generate combined yearly sales of USD 2 billion.

	1998	1999	2000*
A. Total Market Size	38,658	42,878	44,451
B. Total Local Production	35,073	38,980	40,410
C. Total Exports	7,414	8,117	8,415
D. Total Imports	10,999	12,016	12,456
E. Total Imports from U.S.	5,524	6,498	6,412
F. Exchange Rate: USD 1.00	FF 6.0	FF 6.15	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

TRAVEL AND TOURISM (TRA)

International travel and tourism to the United States is America's leading services export, creating a trade surplus in that category of nearly USD 14 billion in 1999, marking the tenth consecutive year in which there has been a surplus in this category. Last year, international travelers to the United States generated more than USD 11 billion in federal, state, and local tax revenue. The United States is the leading country in the world for tourism receipts and ranks third behind France and Spain for international visitors.

The United States remains the top choice among long-haul destinations for French travelers. Since 1985, the number of French tourists to the U.S. has more than tripled and reached more than one million in 1999.

France ranks third among the top European markets, after the U.K. and Germany, and sixth in the world after Canada, Mexico, Japan, the U.K., and Germany as an overseas source of income for the tourism industry in the United States. North America (California, the U.S. National Parks, New York and Florida) remain the favorite destinations. Increasingly, such areas as the Southwest and mountain states are becoming popular, particularly with second- or third-time visitors. With a minimum of 5 weeks of statutory paid vacation per year, 25 percent of the French population traveled abroad in 1999. France outbound travel is highly seasonal. The French are very individualistic in their travel behavior. The average length of stay is approximately 15 nights. Visitor spending in the U.S. amounts to approximately USD 103 per day per person.

Of the 6,000 travel agents in France, the "Visit USA" travel trade in France consists of about 3,900 retail agents, 50 tour operators, and 80 incentive and business/group specialists, mostly located in Paris and its region. The Commercial Service of the Department of Commerce is actively promoting U.S. tourism destinations and considers it a priority. Following the closing of the United States Travel & Tourism Administration in 1996, the Commercial Service office in

Paris has supported the establishment of the Visit USA Committee/France, a private industry association aimed at promoting the United States as a travel and tourism destination. Today, the Visit USA Committee/France has more than 100 members and is organizing promotional activities such as workshops, trade and consumer shows and publishing travel guides for the travel trade industry and the general public.

	1998	1999	2000
A. Total Market Size	90,380	96,000	99,840
B. Total Local Production	102,000	108,300	111,592
C. Total Exports	29,800	31,500	33,062
D. Total Imports	18,100	19,200	20,173
E. Total Imports From U.S.	3,500	3,800	4,135
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions) (*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

INDUSTRIAL CHEMICALS (ICH)

The French chemical industry ranks fourth in the world, with sales of USD 78.7 billion, following the United States, Japan, and Germany. France is also the third largest exporter of chemicals and pharmaceuticals in the world, with sales of USD 8.8 billion, (an increase by 4.8 percent since 1998). Chemical sales in France increased significantly in 1999 (USD 78.7 billion), compared to USD 77.5 billion in 1998. The breakdown by sectors is the following in USD billion:

- Pharmaceuticals:	22.1
- Organic chemicals:	21.5
- Specialty chemicals:	14.6
- Soaps, Perfumes and Detergents:	14.4
- Inorganic chemicals:	6.0

After steady growth in 1998 (plus 3.2 percent), French chemical production increased by 3.3 percent in 1999. The French chemical industry is divided into five categories:

- Basic chemistry, which includes inorganic chemistry (minus 2.6 percent in 1999)
- Organic chemistry (0.6 percent in 1999)
- Fine chemistry (2.8 percent in 1999)
- Specialty chemistry (3.8 percent in 1999)
- Pharmaceuticals (7.4 percent in 1999).

The industry has the third highest turnover among all industries in France. It employs 8% of the industrial labor force. Investments reached USD 3.6 million dollars in 1998 and USD 3.8 million in 1999, representing an increase of 6 percent in 1999. The French chemical industry comprises some 1,200 companies (with more than 20 employees), employing more than 230,000 people. The French chemical industry is very diverse, including larger international groups as well as

small and medium sized companies. The wide range of products manufactured includes the production of more than 30,000 molecules and ranges from basic inorganic and organic products to medicines, fertilizers, plastics, perfumes, glues, and cosmetics. French exports represented 43 billion dollars in 1999 compared to 42 billion dollars in 1998 (plus 4.8 percent). Imports also increased between 1998 and 1999, an increase of 5.2 percent, (32.78 USD billion in 1998 and USD 34.4 billion in 1999). The United States is one of France's primary suppliers of chemicals, after the United Kingdom and Germany. U.S. imports represented USD 4.2 billion in 1999, an 11 percent increase over 1998.

	1998	1999	2000*
A. Total Market Size	36,113	36,698	33,579
B. Total Local Production	44,682	45,400	42,295
C. Total Exports	42,006	43,301	40,375
D. Total Imports	33,437	34,599	31,658
E. Total Imports from U.S.	3,922	4,282	3,806
F. Exchange rate: USD 1.00	FF 6.00	FF 6.10	FF 7.00**

Figures in USD millions); (*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999; Source UIC: Union des Industries Chimiques
EMPLOYMENT SERVICES (EMP)

Unemployment continues to be a major concern in France. However, for the first time in a decade, the rate of unemployment has been steadily decreasing and recently fell to less than 10 percent. In March 1998, it was at 12 percent and at 11 percent in October 1999. This significant change is the result of the recent growth in the French economy, and to some extent to the law establishing a 35-hour workweek. Over the last year, 431,000 jobs have been created, with 142,300 created during the first six-month period of 2000.

Temporary help services:

France has the largest temporary help market in Europe, benefiting from the recent growth of the French economy (plus 3 percent). The temporary employment industry experienced a 21 percent increase of the number of job placements compared to 1998, which corresponds to a gain of 13 percent market share of the full-time employment market.

France currently has 4,219 temporary help agencies, and 514,925 temporary employees were registered in 1999, which represents an increase of 12.5 percent over 1998. French temporary employment market turnover (VAT excluded) increased by 11.5 percent since 1998 (USD 11.4 million in 1998 and USD 12.7 million in 1999).

Those who use temporary employment are primarily divided among four sectors. These include the industrial sector (267,177 temporary employees in 1999, representing an increase of 5.7 percent over 1998), services sectors (151,588 temporary employees in 1999, an increase of 21.8 percent over 1998), the construction sector (93,910 temporary employees in 1999, an increase of 19.2 percent over 1998) and the agricultural sector (2,250 temporary employees in 1999, an increase of 19.5 percent over 1998).

Over the last 10 years, the temporary employment industry has become more concentrated, with small agencies consolidating into large, more powerful companies. The temporary employment market is composed of large groups of companies such as ADECCO, which continues to dominate the French market, followed by ADIA, MANPOWER, VENDIOR BIS, SYNERGIE, and RANSTAD INTERIM.

Recruitment firms:

Executive and other search firms announced a 9 percent decrease in job placements for the first quarter of 2000. This positive trend is mostly due to a 23 percent increase recorded in the last quarter of 1999. Recruitment firms have documented that 64 percent of placements were related to new job positions. The bank and insurance industries have shown the highest number of placements, with a 118 percent increase since the fourth quarter of 1999. The computer industry follows with a 44 percent increase since the fourth quarter of 1999, while the human resources management sector experienced a 20 percent increase.

Demand for commercial/marketing, finance, and industrial director positions has decreased since 1999 (minus 21%, minus 16%, minus 35%, respectively).

Major U.S. executive search companies, such as Spencer Stuart, Russel Reynolds, and Boyden Executives search, are already present in France and enjoy a good reputation.

Recruitment via Internet has become an effective tool for French firms. The majority of professionals in all industries use the Internet to retrieve and submit applications.

In September 1999, 41 percent of recruitment firms in France had a recruitment section available on their web site. By June 2000, the number of firms with such a section on their web sites had increased by 6 percent. Furthermore, in July 2000, 43 percent of recruitment firms in France publish their job announcements on their web sites, compared to 37 percent in September 1999.

American firms specializing in this field may want to take advantage of this new trend to enter the French market.

There are no trade barriers to access to the French employment services market and all nationalities are subject to the same regulations and standards.

	1998	1999	2000*
A. Total Market Size	15,251	16,737	16,773
B. Sales by Domestic Firms	10,676	11,716	11,741
C. Export Sales	1,525	1,673	1,677
D. Sales by foreign-owned firms	2,897	2,845	2,515
E. Sales by U.S. owned firms	3,203	3,514	3,522
F. Exchange rate	FF 6.00	FF 6.10	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

COMPUTERS AND PERIPHERALS (CPT)

The French information technology sector represents a USD 60 billion market, which ranks second in Europe and fourth in the world. Spurred by an exceptionally healthy environment, it is growing at an annual rate of 10 percent.

Like other Western nations, France is embracing the Internet. Nearly 10 percent of French households (5.5 million) are connected to the Net. Connections are expected to increase by 80 percent each year until the year 2002. This trend is aided by Internet Service Providers (ISPs) that are now offering ever-decreasing rates. E-commerce transactions are anticipated to reach USD 40 billion by 2003. The five largest suppliers of computer hardware in France are IBM, Bull, Compaq-Digital, Hewlett-Packard and ICL. The market for Internet/Intranet applications servers should reach USD 2.5 billion in France by 2004, compared to USD 32 million in 1999. This high growth rate is due to a new approach on the part of corporations concerning the extent of the Internet/Intranet applications within their organizations.

The French PC market currently consists of 4.5 million units, corresponding to a value of USD 5.4 billion. In 1999, the market increased by 21.7 percent in volume, but by only 8 percent in value. Growth in the sale of PCs is expected to reach 22 percent in volume and 11 percent in value in 2000. The top 10 PC firms in France are: Compaq-Digital (15 percent); Packard-Bell/NEC/Zenith (13.3 percent); IBM (12.4 percent); Dell (10.6 percent); Hewlett-Packard (10.4 percent); Fujitsu-Siemens (5.6 percent); Unika (4.6 percent); Apple (3.7 percent); Cibox (3.3 percent); and Toshiba (3.2 percent). Fifteen percent of PC sales take place in hypermarkets, department stores, or through mail-order companies, while 12% take place through specialized stores. The best prospects for companies seeking to enter the French market include the following products: PCs with enhanced CD-ROM/DVD and Internet capabilities; video-conferencing equipment; electronic document processing equipment; flat monitors; portable computers, including laptops, notebooks, and palmtops; ink-jet printers; high-speed modems; and wireless LAN communication equipment.

	1998	1999	2000*
A. Total Market Size	17,580	18,142	19,240
B. Total Local Production	10,530	10,921	11,576
C. Total Exports	841	852	894
D. Total Imports	7,891	8,073	8,558
E. Total Imports from U.S	2,647	2,907	2,673
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions); (*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

ELECTRONIC COMPONENTS (ELC)

In spite of a relatively flat world market, the French electronics industry has managed to maintain modest growth over the past year. New investment, a general upswing in the French economy and a restructuring of the market (i.e. alliances and defense electronics industry conversion) should stimulate future growth.

The telecommunications market continues to offer the greatest opportunities for the electronic components industry. This market represents approximately 40 percent of the active electronic components industry and 30 percent of the passive components industry. This is largely due to the deregulation of the telecommunications industry, which has spurred competition, innovation and lower prices. This in turn has stimulated demand for telecommunication equipment and generated a need for standard as well as new generation electronic components.

The consumer market has also contributed to a strong demand for electronic components. Innovative digital products and technologies such as the Internet, DVD (Digital Versatile Disc) and GPS (Global Positioning System) will continue to present valuable market opportunities.

Although the defense industry has suffered from a shrinking market due to budget constraints, the defense electronics industry has maintained growth through restructuring. In December 1999, Thomson-CSF, one of France's leading defense electronics manufacturers, created BGEI, a group of nine defense electronic companies, to compete in the civilian commercial market with special emphasis on the telecommunications market.

In the automotive sector, electronic components will continue to play a major role in the evolution of more sophisticated vehicles. Currently, electronic components account for 5% of the content of vehicles manufactured in France. As the number of vehicles manufactured and the percentage content of electronic components increase over the next several years, a growing need for electronic components in this industry will be inevitable.

	1998	1999	2000*
A. Total Market Size	6,747	7,759	7,991
B. Total Local Production	7,815	8,987	9,257
C. Total Exports	7,861	9,040	9,311
D. Total Imports	6,446	7,413	7,635
E. Total Imports from US	2,127	2,297	2,343
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

SECURITY AND SAFETY EQUIPMENT (SEC)

The statistics for security and safety equipment do not include security services (audit, engineering, security guards), technical control and information systems security.

In 2000, the French security and safety equipment sector* was made up of 1,177 companies, employing 68,640 persons, for a total sales volume of USD 7,018 million. Market estimates for 2000 show an 8 percent growth over 1999. Overall, it is projected to continue at this pace over the next year, with some sub-sectors particularly buoyant.

Security has become a national issue, mostly due to the continuing significant rise in incidents of vandalism, crime, terrorism, theft and computer fraud. As a result, demand for advanced access controls and electronic surveillance equipment (video- and tele-surveillance) is projected to expand at an annual rate of 8%, for alarm systems at 6% and for equipment for cash in transit at 12%. It is anticipated that imports from the U.S. will continue to grow, as American equipment of advanced technology, renowned for innovation, performance and reliability, meet the requirements of the highest-growth security segments.

The ten largest firms dominating the French market are: 1. Bureau Veritas (USD 766 million), 2. Proteg (USD 612 million), 3. Bacou (USD 498 million), 4. Apave (USD 392 million), 5. Tyco (USD 389 million), 6. Socotec (USD 265 million), 7. Brink's France (USD 237 million), 8. Sicli (USD 237 million), 9. Christian Dalloz SA (USD 200 million), 10. Fichet Bauche (USD 193 million).

	1998	1999	2000**
A. Total Market Size	6,718	7,457	7,018
B. Total Local Production	5,428	5,916	5,478
C. Total Exports	1,130	1,301	1,258
D. Total Imports	2,420	2,842	2,798
E. Total Imports from U.S.	1,420	1,797	1,816
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.10	FF 7.00***

(Figures in USD millions)

(*) The statistics for security and safety equipment do not include security services (audit, engineering, security guards), technical control and information systems security.

(**) Estimated figures; (***) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

TELECOMMUNICATIONS EQUIPMENT (TEL)

The French telecommunications industry is a leader in world markets. France's Alcatel ranks among the top five world-telecommunication equipment manufacturers, while France Telecom ranks among the top five telecommunications operators. France has a long history of high-tech research and development, and it is open to new technology. France spends proportionally more on R&D than any other nation, except for Japan. American companies have found skilled engineers in France, and the areas of Sophia-Antipolis (Nice) and Rennes have proven to be the French version of the high-tech Silicon Valley.

Future market growth is expected to result as new telecommunications operators invest in infrastructure and equipment, existing operators continue to maintain and reinvest in their systems, and demands for high speed Internet access stimulate a need for new technologies. One in two French businesses are connected to the Internet. Underwater cables are expanding the capacities of terrestrial communications, in addition to those that are developing via satellite. Additionally, by the year 2004, 30-50 percent of business-to-business transactions in France will be on mobile devices.

Through intensified marketing efforts, and increasing deregulation, American companies are finding the French telecommunications equipment market more accessible and full of potential. In addition, as American suppliers have a reputation for product reliability, quality, service and price, they should find expanding opportunities in this sector in France. However, it must be noted that services and products imported from the US must be adapted to French standards language and usage into French standards (including use of French for user instructions) in order to be successful in the French market.

	1998	1999	2000*
A. Total Market Size	8.4	10.1	12.1
B. Total Local Production	11.3	13.5	16.2
C. Total Exports	6.6	7.9	9.5
D. Total Imports	3.7	4.4	5.3
E. Total Imports from U.S.	0.9	1.1	1.3
F. Exchange Rate: USD 1.00=	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

SCIENTIFIC LABORATORY EQUIPMENT (LAB)

The private sector remains the most dynamic area within the scientific laboratory equipment industry. The long-term outlook for this industry is very promising, particularly in the agriculture/food processing, pharmaceutical, environmental technology and biotechnology industry.

France's active role in the evolution of the micro-genetics industry offers a growing market for the scientific laboratory equipment industry. Along with other developed countries, France has been one of the major players in mapping the human genome. As research and development to utilize this information intensifies, innovative laboratory instruments will become a premium.

New French environmental safety regulations, tougher E.U. directives and a growing awareness of sustainable development have pushed environmental technology to the fore. Consequently, scientific laboratory equipment in this field will remain in high demand.

France is one of the leaders in the agriculture and food industry, which is valued at USD 135 billion. Given the size of the market and of investments in the sector, the industry takes strong measures to guarantee the quality and safety of its products. Therefore, to maintain consumer confidence and high food safety standards, a strong push for laboratory equipment that offers both rapid and accurate results is constantly in demand.

	1998	1999	2000*
A. Total Market Size:	2,566	2,595	2,699
B. Total Local Production:	954	964	993
C. Total Exports:	741	749	771
D. Total Imports:	2,353	2,380	2,428
E. Total Imports from the U.S.	832	849	866
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

FRANCHISING (FRA)

The French franchise industry is ranked fourth in the world and first in Europe. It has been growing steadily over the last several years, at an average annual growth rate of 4.5 percent. With 553 franchisers and 30,630 franchisees as of January 1, 2000, the French market is valued at USD 29.1 billion (FF 204 billion) and accounts for approximately 6% of the total retail and service markets.

The main sectors of the industry include the commercial sector (54.1 percent), the services sector (30.5 percent) and the hotel/restaurant sector (11.6 percent). Changes in different areas of the French franchise market reveal consumer behavior trends, as well as best market prospects. The service sector currently has the highest recruitment rate, followed by non-food retail trade. The specific markets showing the most potential are real estate agencies, hair salons and convenience stores. In the retail sector, traditionally independent shops have been closing to make room for franchise networks. While the hotel/restaurant sector has recently not been performing as well as other sectors, the increasing success of fast food and theme restaurants is contributing to a revival of this sector. The current popularity of theme restaurants demonstrates consumers' preference for a pleasant, slightly unusual restaurant atmosphere.

While French entrepreneurs are attracted to franchising and look to the U.S. for advanced, profitable and innovative franchising formulas, French franchise formulas, especially in the commercial sector, are still dominant in France. In terms of the foreign-owned franchise market, U.S. companies dominate with a 52 percent market share. Yet, sales by U.S. franchises account for only 3 percent of the total French franchise market. Foreign-owned franchises in France are mainly in the services and hotel/restaurant sectors and were well established in their respective countries before entering the French market. U.S. companies possess special advantages including superior know-how of network development, delivery speed, good service and competitive prices. Consequently, they can expect to do well in franchise sectors not yet exploited, as well as in competitive markets, when offering a good price/quality ratio.

	1998	1999	2000*
A. Total Sales	32,666	33,171	30,454
B. Sales by Domestic Firms	30,781	31,253	28,694
C. Sales by Foreign-owned Firms	1,884	1,914	1,757
D. Sales by U.S.-owned Firms	980	996	914**
E. Total Imports from the U.S.	n/a	n/a	n/a
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999

MEDICAL EQUIPMENT (MED)

The French medical sector continues to grow, reflecting the increase in population and longer life expectancy. The emergence of new technologies, such as same-day surgery, has generated a new market for home health care equipment. Approximately 70 percent of all French medical costs are reimbursed a factor that has led to a widespread tendency to overuse medical services. Any attempt to control medical costs creates strong opposition from the public, and from medical professionals. This attitude persists in spite of the fact that an increasing number of French people agree that some savings must occur in order to save the French social security (medical insurance) system.

Since June 1998, as in the rest of Europe, all medical devices sold in France must bear the CE Mark. In France, the medical equipment sector is highly dependent on imports, mainly from the U.S., followed by Germany, Japan and Italy.

	1998	1999	2000
A. Total Market Size	3,891	3,942	4,089
B. Total Local Production	3,440	3,543	3,650
C. Total Exports	1,657	1,740	1,827
D. Total Imports	2,108	2,139	2,266
E. Total Imports from U.S.	666	692	720
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

POLLUTION CONTROL EQUIPMENT & SERVICES (POL)

The market for environmental technologies (ET) in France is generally favorable, largely due to greater public and government interest in dealing with growing threats to environmental challenges. In addition, a growing economy, stronger E.U. regulations and the increasing costs associated with polluting, have played a major role in an expanding market for environmental technologies.

The air pollution control market is one of the most dynamic markets within the ET industry. It is currently worth approximately USD 558 million. The market has grown nearly seven percent over the course of the last few years and is expected to show accelerated growth in the years to come. The principal forces behind the market expansion include stricter European directives that will require monitoring 13 new pollutants and a reduction in the emission levels of several gases and other pollutants.

The market for dedusters, gas scrubbers and gas purification systems in France is among the fastest growing sectors in the air pollution control industry. Seventeen-percent growth for 2000 is expected, after two years of double-digit growth -- 10 percent in 1998 and 14 percent in 1999.

The French water treatment market is expected to show strong signs of growth over the next several years. European legislation has created high standards for water treatment, which will entail considerable investment, construction and upgrading. A 1991 European Union directive and the French "Law about Water" require that water treatment systems be established throughout all of France by 2005. Cities with more than 15,000 inhabitants will have to be equipped with sewage plants by 2001, while cities with a population of 2000 to 15,000 will have until 2006. This EU directive is expected to offer a growing market for the next 10 years.

The 1998 French Government announcement enlarging the definition of final waste products and placing a greater emphasis on recycling had a crippling effect on the construction of household waste incinerators. The market for waste incinerators dipped 33 percent in 1998, as many contracts were either postponed or cancelled. However, 2000 could see an increase in production by as much as 100 percent, as many contracts earlier postponed or cancelled will be re-scheduled.

	1998	1999	2000
A. Total Market Size	23,222	24,151	20,531
B. Total Local Production	26,092	27,136	22,490
C. Total Exports	7,827	8,040	6,738
D. Total Imports	4,957	5,055	4,779
E. Imports from U.S.	594	618	620
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

TELECOMMUNICATIONS SERVICES (TES)

With over 23 million mobile phone subscribers in France at the beginning of 2000, and 13.2 million Internet users expected by the end of 2000, the market for new products and technology is ripe with consumers. The French are very technology minded, thanks to the Minitel service (the French Videotext Service), which has been used for twenty years and turned France into a computer-literate society. The French network is highly advanced, with over 97 percent of all fixed lines having digital technology.

Major international companies have entered into the French market with great success. They are expanding as a consequence of advances local technology and of the deregulation of telecommunications in the French market. There are multiple support channels for foreign companies with advanced technology that want to develop their services or products in France. With the deregulation of the industry in France, and the gradual convergence of French and European laws, concerning imports and development, France is becoming a more open market.

France Telecom (the national operator), as well as other telecom companies, is joining forces in order to stay competitive. France is positioning itself to take advantage of the rapidly expanding telecommunications industry. American suppliers are successfully taking advantage of the growing French mobile and Internet sector through niche markets and joint ventures. France's drive to keep up with these new technologies will create more opportunities for American companies. With the breakdown of the France Telecom monopoly on fixed line services, other American and European competitors will have greater possibilities to enter the market.

	1998	1999	2000*
A. Total Market Size	37,351	44,784	53,695
B. Total Local Production	34,640	41,533	49,798
C. Total Exports	949	1,137	1,364
D. Total Imports	3,660	4,388	5,261
E. Total Imports from U.S.	315	377	453
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

AUTOMOBILES AND LIGHT TRUCKS (AUT)

The French automobile market is the fourth largest in Europe, following Germany, Italy, and the U.K. Yearly registrations average 2 million new vehicles. Currently, an estimated 26 million private automobiles are in circulation, as well as 5 million light utility vehicles.

In 1999, the new vehicle market grew as household consumption increased, with new automobile registrations increasing 10.5 percent, reaching 2.2 million - the highest level since 1991. The first half of 2000 has confirmed this upward trend, as new registrations continue to increase at this rate, largely the result of an upswing in the economy and renewal of the French car park. The French Automobile Manufacturers Association (CCFA) has revised its estimates upward, predicting a 5% increase in 2000.

The two major French automobile manufacturers, Peugeot-Citroen (PSA) and Renault, account for 57.2 percent of new car registrations in France. Renault and PSA's market share have increased faster than the market, as both have re-designed popular mid-size to compact models, while offering these new versions at lower prices than previous year models. Both companies are offering more features including air-conditioning and automatic transmission as standard, which has also proven to stimulate demand. In addition, Peugeot's new common-rail (Hdi) diesel injection models have helped to stimulate their sales. U.S. automakers have roughly a 16% share of the French market, with the European subsidiaries of Ford and General Motors seeing growth rates greater than 10 and 15 percent, respectively in 1999.

A noteworthy trend indicates an overall consolidation in the automobile distribution network, with many observers expecting the number of dealerships to decrease three-fold. Existing dealerships will consequently become much larger and serve wider sales areas.

	1998	1999	2000*
A. Total Market Size	59,288	61,659	63,800
B. Total Local Production	65,881	68,516	71,300
C. Total Exports	28,352	29,486	31,500
D. Total Imports	21,758	22,628	24,000
E. Imports from U.S.	322	334	350
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

AUTOMOTIVE PARTS AND SERVICE EQUIPMENT (APS)

Original Equipment

In 1999, overall original equipment (OE) sales increased 10 percent to reach USD 23 billion, despite continued strong downward pressure on prices. A particularly strong export market helped to fuel domestic production. European Union markets accounted for 85 percent of French OE exports, as vehicle production in E.U. countries increased during 1999. Overall vehicle production in Europe is expected to increase at a 2 to 3 percent rate, as household consumption is expected to continue to grow. Domestic automobile production increased in 1999 to reach 2.9 million units, another positive factor for the OE market.

Following global trends, OE suppliers to the major automobile manufacturers are increasingly being required to provide full sub-assemblies, while continuing to cut costs and increase the quality and technology of their products. In order to compete, suppliers are locating production and logistic centers close to assembly plants, using just-in-time supply logic. With increasing price pressure in the industry, equipment suppliers are in turn requiring higher quality products at lower cost from second-tier suppliers.

Aftermarket

In 1999, the aftermarket continued its decline of 3 to 4 percent - a trend begun several years earlier - largely due to overall improvements in equipment reliability and durability. In addition, ongoing price wars in this sector have contributed to lower total turnover in the aftermarket.

The manufacturers network represents roughly one third of the aftermarket, while the independent network remains an important force in this area with a two-thirds market share. Auto centers, fast fits, neo-specialists and hypermarkets have become important players in aftermarket distribution, increasing their respective market shares over the course of 1999.

France represents the third largest import market in Europe for automobile parts. The overall import market increased 9% in 1999, and indications in the first half of 2000 confirm that the import market is continuing to expand. European Union imports account for 85 percent of overall imports while U.S. imports have a 3 percent share in France.

	1998	1999	2000
A. Total Market Size	29,152	30,555	31,350
B. Total Local Production	30,340	31,975	34,000
C. Total Exports	8,960	10,125	12,400
D. Total Imports	7,772	8,705	9,750
E. Imports from U.S.	322	334	375
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

AGRICULTURAL MACHINERY (AGM)

1999 was a prosperous year for the agricultural machinery market. This is demonstrated by an 8.7 percent increase in tractor sales in 1999 over 1998. France imports the most agricultural machinery in the world and represents 9 percent of the world market for tractors and agricultural machinery. The United States remains one of France's top suppliers, only behind Germany and Italy. American equipment represented 12.9 percent of the import market in 1999. In addition, between 1998 and 1999, the value of American imports increased by 11 percent. In 1999, agricultural machinery on the French market rose by 2.6 percent over 1998.

U.S. domestic firms (John Deere S.A., CNH, Rain Bird Europe, Toro Europe, and Caterpillar) have a strong presence in France. American manufacturers and exporters benefit from the strong brand image of U.S. products, along with a well-established distribution network in France. The market outlook is positive for agricultural machinery, especially as the French government and the E.U. issue regulation that require the use of safer and more efficient machinery. Although the total market is still recovering from the downturn in the world in 1990-1993 as well as the effects of reform of the Common Agricultural Policy, the market has recovered and economic market condition look bright for the year 2001. Demand is at least expected to remain stable within Europe.

U.S. firms should be aware of opportunities for products, which integrate high technology and computerized operating systems into agricultural machinery products.

	1998	1999	2000*
A. Total Market Size	4,125	4,164	3,737
B. Total Local Production	2,967	2,984	2,678
C. Total Exports	1,293	1,227	1,097
D. Total Imports	2,484	2,430	2,180
E. Total Imports from the U.S.	287	314	282
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.10	FF 7.00**

(Figures in USD millions)

(*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

TEXTILE (TXT)

In 1999, the French textile industry (including apparel) totaled of 3,000 companies, employing 240,300 people. French companies generated a sales volume of USD 27,540 million.

The 1999 French textile industry was valued at USD 37,377 million and was divided into the following three sectors:

- Apparel (76 percent)
- Technical textiles (16 percent)
- Household textiles (8 percent)

The apparel market valued at USD 28,525 million was composed of the following sub-sectors:

- Women's wear, representing 56 percent.
- Men's wear, representing 32 percent.
- Children's wear, representing 12 percent.

In 1999, France's major suppliers of textiles (including apparel, technical and household textiles) were mainly EU countries including Italy (11 percent), Belgium/Luxembourg (6.2 percent), Germany (5.9 percent), Spain and Portugal (3.3 percent), and the United Kingdom (3 percent), followed by China (3.6 percent), Turkey (3.3 percent), Morocco (2.5 percent), and India (2 percent). It is important to note that more recently Eastern European countries are gaining importance in terms of market share because of their ability to provide competitive products due to low production costs. In 1999, American textile imports to Europe represented 1.1 percent of total imports. These imports were mainly composed of sportswear and technical textiles. French consumers are becoming very open to U.S. fashions. As a result American companies are expected to increase their market shares. In addition, American technical textile manufacturers have a strong reputation for technological know-how and innovation. They are introducing a new generation of fibers and textiles corresponding to the needs of new consumers (i.e.; easy-to-clean, anti-bacterial, anti-UV, anti stain, anti-odor, insecticidal, waterproof, breathable, temperature control).

	1998	1999	2000*
A. Total Market Size	37,833	37,073	37,577
B. Total Local Production	32,500	31,545	32,122
C. Total Exports	12,833	12,357	12,645
D. Total Imports	18,166	17,885	18,100
E. Total Imports from U.S.	181	201	221
F. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions); (*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

EDUCATION SERVICES (EDU)

Education abroad has increasingly become an important factor for French university graduates seeking to stand out in the employment market, especially with the expansion of the European Union. English is now effectively the business language of Europe.

Excellent opportunities exist for U.S. schools wishing to expand their enrollment of French students. A select number of undergraduate and graduate students prefer to go abroad to expand their university and post-graduate training and experience. For the academic year 1998/1999, over 14,000 student and exchange visas were issued in France for the United States (6,241 of which were student visas). This is an increase of 4.2 percent over the previous year and generated more than USD 150 million in tuition and educational travel. France ranks third in Europe, after Germany and the United Kingdom, as a source of students for U.S. educational institutions.

Opportunities for U.S. schools are expected to continue growing due to the favorable view of the French toward studies in the United States. Campus life and the possibility of a specialized and focused curriculum contribute to the success of American educational services in France.

Best prospects within this sector include: Intensive “American” English language training programs (summer programs for students or adults); programs in business administration; one-year university programs for French high-school graduates (baccalaureat) usually between graduation and entry into French university; secondary boarding schools; work/study programs (internships); academic summer camps; and degrees in such subjects as engineering, medicine, sciences, law, communications, marketing, management and computer sciences.

	1998	1999	2000*
A. Total Market Size (USD billions)	114	106	117
French Students	n/a	n/a	n/a
B. Total Local Production (USD billions)	103	108	113
French & Foreign Students in France (thousand)	1,427	1,430	1,430
C. Total Exports (USD millions)	296*	304*	311*
Foreign students in France (units)	31,500	33,250	36,350
D. Total Imports	n/a	n/a	n/a
French Students overseas	n/a	n/a	n/a
E. Total Imports from U.S.(USD millions)	148	156	162
French students in U.S. (units)	13,500	14,000	15,000
F. Total Exports to the U.S. (USD millions)	65	68	72
U.S. students in France (units)	7,749	8,136	8,523
G. Exchange Rate: USD 1.00	FF 6.00	FF 6.15	FF 7.00**

(Figures in USD millions); (*) Estimated figures; (**) USD/FF Exchange rate for year 2000 is much higher than for years 1998 & 1999.

B. BEST PROSPECTS FOR AGRICULTURAL PRODUCTS

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

TOTAL FRENCH IMPORTS OF FOOD AND AGRICULTURAL PRODUCTS AND U.S. MARKET SHARE VALUE CY 1999

High Value Products:	Total (USD millions)	From U.S.	U.S. share (percent)
- Meat and Offals	2,773	22	0.8
- Dairy and Eggs	2,033	2	0.1
- Coffee, Tea & Spices	953	1	0.1
- Manufactured Tobacco	1,749	16	0.9
- Prepared Meat	841	8	0.9
- Fish, Seafood, Fresh or Frozen	2,616	115	4.4
- Prepared Fish and Seafood	617	9	1.4
- Processed Grains	210	3	1.4
- Sugar and Confectionery	579	4	0.7
- Cocoa and Chocolate	1,410	1	0.1
- Prepared Grain Products	1,498	4	0.3
- Fresh and Dry Vegetables	1,480	26	1.7
- Fresh and Dried Fruits	2,343	92	3.9
- Processed Fruits & Vegetables(1)	1,811	113	0.4
- Misc. Food Preparations	922	13	1.4
- Beverages (except spirits)	1,258	39	3.1
- Spirits	501	32	6.4
Sub Total High Value Products	23,594	500	2.1
Sub Total Bulk Products (*)	6,116	342	5.6
TOTAL HIGH VALUE + BULK PRODUCTS	29,710	842	2.9

Average Exchange rate for CY 1999: USD 1 = FF 6.15

(*) Includes live animals & animal products, nursery products, grains, oilseeds and seeds, plants for weaving, vegetable extracts, fats and oils, protein meals and other feeds, wood, non-manufactured tobacco and raw products (i.e., cotton, silk, wool & other animal hair, raw hides and skins). (–) Means nil or insignificant. (1) Including fruit juices. Source: French Customs

CHAPTER VI.

TRADE REGULATIONS AND STANDARDS

A. Tariffs and Import Taxes

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

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

France and other EU member states have a network of preferential trade agreements that is expanding rapidly. The EU has customs union agreements (two-way free trade with common external tariffs) with Turkey, Cyprus, Andorra and Malta. There are free trade agreements (two-way free trade without common external tariffs) in place with (in Europe) Norway, Iceland, Switzerland and Liechtenstein; (in central Europe) Hungary, Poland, Czech Republic, Slovak Republic, Bulgaria, Romania, Estonia, Latvia, Lithuania and Slovenia; (in the Mediterranean) Israel, PLO, Tunisia, Morocco, and Jordan (and in negotiation with Egypt, Lebanon, Syria and Algeria). FTA's with Mexico and South Africa were concluded in 1999. The EU opens its borders without reciprocity (one-way EU trade preferences) for southeast Europe, the Mediterranean, the ACP (African, Caribbean and Pacific developing countries under the Lomé Convention), and other developing countries under the Generalized System of Preferences (GSP).

To export consumer-ready food products to France, a U.S. exporter should consider market access restrictions and food laws. Most processed products entering the European Union and France are subject to additional import charges based on the percentage of sugar, milk fat, milk protein and starch in the product. These additional import charges may make certain imported processed products non-competitive in the European market, vis-a-vis similar products produced in the EU. The situation should improve over the next few years because these charges will be converted to fixed tariff equivalents and reduced under the World Trade Organization. Interested U.S. exporters should contact the Office of Agricultural Affairs for up-to-date information on this issue.

The EU tariff schedule is based on the Customs Cooperation Council Nomenclature (CCCN), also referred to as the Harmonized System. This system was introduced to provide a standard tariff classification regime for all products imported and exported throughout the world.

Agriculture has high import tariffs in order to maintain a strict regime of what type of produce and meat are accepted into the EU. Non-hormone treated produce and meat are less likely to face harsh import restrictions. Further tariff reductions are expected due to the Uruguay Round. The decrease average for industrial manufacturing goods is expected to be around 3% over the next few years.

B. Trade Barriers

U.S. companies sometimes complain of France's complex technical standards and unduly long testing procedures. Testing requirements (usually done in France) and standards sometimes appear to exceed reasonable requirement levels needed to assure proper performance and safety. Most of the complaints have involved electronics, telecommunications equipment, and agriculture phyto-sanitary standards. There has been progress towards removal of non-tariff barriers in bilateral trade with the U.S. in the context of the transatlantic dialogue. There are bilateral trade agreements (including MRAs - mutual recognition agreements) that are slowly lowering certain trade barriers between U.S. and European companies.

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

Under legislation enacted in the early 1990s, the French government requires non-EU lawyers to qualify as "avocats," on the basis of full-fledged membership in the French bar. The "legal consultant" category of lawyer no longer exists in France.

C. Customs Valuation

Import duties are calculated on an ad valorem basis, i.e. expressed as a percentage of the value of the imported goods. This dutiable value is the "transaction value" plus freight, insurance, commissions, and all other charges and expenses incidental to the sale and delivery of the goods to the point of entry into EU customs territory. The invoice price will normally be accepted as the transaction value if the seller and the buyer are not related.

Under Article VII of the General Agreement on Tariffs and Trade (GATT), there are four additional methods for the determination of customs valuation in the event that the method described above is rejected by customs authorities.

These methods are to be applied in the following order: (1) the transaction value of incidental goods; (2) the transaction value of similar goods; (3) the deduction method, i.e. the resale price, less such costs as customs duties, taxes and commissions; and (4) the computed value, utilizing costs of production, profit, and other expenses.

Most imports enter under m.f.n. rates. Textile, automobile, and consumer electronics continue to have relatively high duties, but there is rapidly decreasing regulation. Cereal, meat, dairy, sugar, and tobacco continue to have relatively high tariffs and restrictions. Many are EU wide initiatives.

D. Internal Taxes

In addition to the duties levied under the Common External Tariff, goods imported into France are also subject to a value-added Tax (VAT). Currently, the VAT in France is generally charged at one of two rates:

- The standard rate of 19.6 percent
- The reduced rate of 5.5 percent, applicable mostly to agricultural products and foodstuffs, original artworks and certain medicines.

VAT must be added to the price of all goods and services sold in France in connection with an industrial or commercial activity. The supplier of any good or service bills his customer at his selling price, plus the amount of VAT at the applicable rate. The supplier collects the full amount, subtracts his own VAT expenditures from the total amount of VAT collected, and periodically pays over the difference to the tax authorities.

E. Export Controls

France cooperates with her trading partners, including the U.S., to control the export of products and technologies with potentially strategic applications. There are no restrictions or regulations on the export of merchandise from France, with the exception of strategic products (including arms and dual-use technologies) and antiques. Before exporting these items, special licenses must be obtained from customs officials to insure that the objects being exported are not a part of the national heritage of France.

Information on U.S. export controls is available from:

Office of Export Administration

U.S. Department of Commerce

Washington, DC 22030

Tel: (202) 482-4811; For overseas companies: Tel. (202) 482-2547

Fax: (202) 482-3617; Email: bx@doc.gov

F. Import/Export Documentation

Import and export transactions exceeding FRF 250,000 in value must be conducted through an approved banking intermediary. Goods must be imported/exported no later than six months after all financial and customs arrangements have been completed.

For products originating in countries other than EU member states or participants in the World Trade Organization (WTO), and for a limited number of products considered to be sensitive, a specific import/export license may be required by product or by category of products. Otherwise, the following documents are required to import into France:

Shipping Documents. The documents generally required by France on all sea and air shipments from the United States include the commercial invoice, the bill of landing or air waybill, and a certificate of origin.

Commercial Invoice. As in a domestic transaction, the commercial invoice is a bill for the goods from the buyer to the seller. No special form of commercial invoice is prescribed; the firm's letterhead may be used. The invoice should contain the following details both in English and French:

- Names and addresses of seller and buyer.
- Place and date the invoice was prepared.
- Method of shipment.
- Number, kind and markings of the packages and their numerical order.
- Exact description of the goods-customary commercial description according to kind, quality, grade, etc., with special emphasis on factors increasing or decreasing their value.
- Quantity of goods, expressed in units customary in international trade.
- Agreed price of the goods (unit cost, total cost, including shipping and Insurance charges, as well as other expenses charged to the costs of the Goods).
- Delivery and payment terms.
- Although not a requirement, it is advisable to have the signature of a Responsible official of the exporting firm on each invoice.

Bill of Landing or Air Waybill. This is a contract between the owner of the goods and the carrier. Either a straight or negotiable bill of landing is acceptable. No consular formalities are required and shipments may be made freight collect.

Certificate of Origin. This document certifies that the goods entering French territory are made in the United States, and thus are subject to the duties, taxes and restrictions that apply to U.S. goods. Although certificates of origin are not expressly required for all imports into France, they are strongly recommended. If a shipment is not accompanied by a certificate of origin, it may be

held up by customs. French authorities accept certificates of origin certified by local U.S. Chambers of Commerce.

Other Documents. Information on documents required for exportation to France of agricultural products (including food items), plants and animals is available from the Foreign Agricultural Service of the Department of Agriculture. Owing to the complexities of these regulations, U.S. exporters should also obtain information directly from the importer prior to shipment.

For information on duties, taxes, and documentation, contact one of the following two offices:

Office of European Community Affairs
U.S. Department of Commerce
14th & Constitution, Rm. 3314
Washington, D.C. 20230
Tel: (202) 482-5276
Fax: (202) 482-2897
Email: tic@ita.doc.gov

Centre de Renseignements des Douanes
84 Rue d'Hauteville
75010 Paris
France
Tel: (33) 1.53.24.68.24
Fax: (33) 1.53.24.68.30
Email: dgdddicrd01@calva.net

G. Temporary Entry

Samples and Carnets. Samples of no commercial value enter France free of duties and taxes. When sending such samples parcel post, the sender must specify what types of samples are being shipped. "No commercial value" should be written on the appropriate shipping documents.

In order for samples of commercial value to enter France duty- and tax-free, a bond or deposit of the total amount of duties and taxes must be arranged. Samples must be re-exported within one year if the deposit is to be recouped. An alternative to placing such a deposit is applying for an ATA Carnet.

ATA Carnet. An ATA carnet is a special international customs document designed to simplify and streamline customs entry procedures for merchandise into participation countries for up to one year. The initials "ATA" are an abbreviation of the French and English words "Admission Temporaire/Temporary Admission." Customs authorities in the United States and France accept carnets as a guarantee that all customs duties and excise taxes will be paid if any of the items covered by the carnet are not re-exported within the time period allowed. Carnets may be used for commercial samples, professional equipment, and goods destined for exhibitions and fairs.

To inquire about or apply for an ATA Carnet, contact the U.S. Council for International Business:

USCIB
1212 Avenue of the Americas
New York, NY 10036
Tel: (212) 354-4480
Fax: (212) 575-0327
Web Site: <http://www.uscib.org>

H. Labeling and Marking Requirements

Labeling must provide consumers with precise information that answers six basic questions about the product:

- What is it?
- What is it used for?
- What is it made of?
- What does it cost?
- How is it used?
- When should it be used?

As labeling is strictly controlled in France, the answers are found in many regulatory texts.

U.S. firms entering the French market are strongly advised to examine EU as well as French laws. Each European Union country is integrating the rulings of the EU into its national legislation. As much legislation regarding labeling is still in the developmental stage, EU labeling regulations and standards need to be carefully monitored.

For agricultural products, the Office of Agricultural Affairs has an up-to-date extensive listing of labeling and packaging regulations and requirements on a product by product basis.

Labeling in France serves an increasingly informational and even promotional role. Labels often act as "silent salespeople," especially due to the recent growth of large retail stores offering little sales assistance.

Basic Labeling Requirements. Though many labeling regulations are sector related, the following information is generally required for all categories of products:

Language: Labels must be written in French. Any foreign words or abbreviations must have been authorized by French or international law. The writing must be clear and non-promotional.

Designation: State what the product is. For example: "olive oil."

Brand Names/Trademarks: Any names, symbols and marks relating to the product must be found on the exterior of the packaging, the product label, and the bottle-top or lid, as the case applies. Registered brand names and trademarks can only be used by the manufacturer.

Composition: All ingredients or materials constituting the product must be listed.

Usage Instructions: Explain how the product is to be used.

Required Dates: These include when the product was made, the consumption limit for perishable items, and recommended "use by" date for pre-packaged and frozen food products.

Qualifiers: For example: "made by hand" on leather goods.

Name/Address of Manufacturer or Vendor

Specifications: Labels must inform the consumer of any particular product limitations or sales conditions.

Price: The price (including all taxes) must be marked on all pre-packaged goods, unless they are sold by mail order.

Bar Code Price Labeling (GENCOD): Stores are increasingly using this system to speed up the passage of clients at cash registers. GENCOD, France's bar code price labeling system, is generally used for products with a low per-unit value and rapid turnover, as well as for food and non-food products requiring an individual price marking because of their value, nature, or presentation.

Quality and Ecological Labels. More established quality seals and labels exist in France than in any other European country. Though desirable because they offer extra information to the customer, they are not mandatory.

Quality Labels: There are two types of French quality certificates:

- Certificates issued by professional associations; each must be contacted individually for more information. For a list of professional associations, contact the Mouvement des Entreprises de France (MEDEF):

MEDEF

31, avenue Pierre-1er-de-Serbie

75784 Paris Cedex 16

France

Tel: (33) 1.40.69.44.44

Fax: (33) 1.47.23.47.32

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

- Certificates issued by AFNOR, which controls the coveted and highly regarded French "NF" Mark. This quality seal certifies that a product complies with all applicable French standards.

Environmental Labels: AFNOR also issues the "NF Environment" label, which certifies that a specific product meets the environmental criteria to qualify for a NF mark. This label is only available for a limited number of goods, as it is still in the early stages of development.

Currently, an "NF Environment" label can be issued for paints, lubricants, trash bags, household chemicals, heating equipment, cosmetics, and insulating materials and papers.

The member states of the European Union are currently developing a European Ecolabel, which would certify products as environmentally friendly across the EU. AFNOR is the issuer of the Ecolabel for products manufactured in, first marketed in, or imported to France. An Ecolabel can already be issued for washing machines and dishwashers. There are further twenty-five products for which certification criteria are currently being drawn up by member states.

For information on the "NF" and the "NF Environment" marks, contact AFNOR directly. (See section J)

I. Prohibited Imports

While not traditionally considered to be a "closed market", certain regulations exist in both France and the EU which limit the market access for specific U.S. agricultural exports. The ongoing harmonization of EU import regulations will hopefully result in the revocation of several French regulations that currently prohibit the importation of some agricultural and food products. Products which are subject to restrictive regulations include: poultry meat, enriched flour, genetically engineered foods and crops; "exotic meats" such as alligator and buffalo, crayfish, and certain fruits and vegetables which are subject to seasonal price restrictions. Other fruits such as pineapples and bananas are subject to import certificates. Fresh vegetables such as artichokes, cucumbers, eggplants, tomatoes, lettuce, and squash are also subject to seasonal price restrictions.

J. Standards

U.S. exporters should note that all goods entering France should conform to French and European Union standards. This is mandatory for all products fulfilling publicly funded contracts, as well as for all machinery, tools, household appliances, sporting equipment, toys, etc. Conformity is generally optional for other goods fulfilling private contracts. Products that meet French and EU standards have increased marketability.

These standards often differ substantially from those in the U.S. In many cases, particularly with goods of a technologically complex or potentially harmful nature, rigorous testing and approval procedures must be undertaken before the goods in question can be sold in France. Although one of the goals of the European Union is to harmonize standards across the twelve EU member states, many of these EU standards remain in the developmental stage. Where an EU standard does not currently exist, French standards apply.

Testing requirements sometimes appear to exceed reasonable requirement levels needed to ensure proper performance and safety. Most of the complaints have involved electronics, telecommunications equipment, medical/veterinary equipment, and agricultural phyto-sanitary products.

Mutual Recognition Agreements covering the testing and certification of specified regulated products have been proposed to permit U.S. companies to obtain product certification in the United States which will be recognized by the EU members. Such recognition will enable U.S. firms to market their products throughout the EU and could eliminate the expense of multiple testing and certification procedures. However, certain regulated products covered by MRAs may still be required to have some testing or evaluation done in Europe. MRAs have been proposed in the following sectors: telecommunications terminal equipment, medical devices, pressure equipment and simple pressure vessels, personal protective equipment, visual display units, construction projects, lawn mower noise, recreational craft, equipment for use in explosive atmospheres, and measuring devices.

The Association Française de Normalisation (AFNOR) is the French authority in charge of coordinating the establishment of standards. AFNOR prepares new and revised standards, subjects them to public inquiry, and finally submits them to the relevant ministry for approval. Copies of the most up-to-date standards can be obtained directly from AFNOR:

AFNOR
Tour Europe
92049 Paris La Defense Cedex
France
Tel: (33) 1.42.91.55.55
Fax: (33) 1.42.91.56.56
Web Site: <http://www.afnor.fr>

Information on standards may also be requested from:

American National Standards Institute
11 West 42nd Street, 13th Floor
New York, NY 10036
Tel: (212) 642-4900
Fax: (212) 302-1286
Email: info@ansi.org

National Institute of Standards and Technology (NIST)
National Center for Standards and Certification Information
U.S. Department of Commerce
Building 820, Rm. 164
Gaithersburg, MD 20899
Tel: (301) 975-4040

Fax: (301) 926-1559
Web Site: <http://www.nist.gov>

EU Hotline (on draft standards of the CEN, CENELEC, and ETSI).
Tel: (301) 921-4164

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

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

Standards and testing for medical devices:

Commission National d'Homologation (CNH)
1, place de Fontenoy
75350 Paris 07
France
Tel: (33) 1.40.56.47.56
Fax: (33) 1.40.56.50.89

Laboratoire National d'Essais
1, rue Gaston Boissier
75015 Paris
France
Tel: (33) 1.40.43.37.00
Fax: (33) 1.40.43.37.37
Web Site: <http://www.lne.fr>

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

APAVE
American European Services, Inc.
Suite 120 1054 31st Street, NW
Washington, DC 20007

Standards - ISO 9000 Certification

The AFNOR (Association Française de Normalisation) coordinates work and research relating to standardization in France. AFNOR prepares new and revised standards, subjects them to public inquiry, and then submits them to the relevant ministry for approval. It is the French branch of the European Standardization System (CEN) and a member of the International Organization for Standardization (ISO).

Following EU harmonization policy, the official French standards or "Normes Françaises" (NF) are now in line with those of ISO 9000. In France, compliance with national standards is mandatory for only 5 percent of the cases. These are for the most part safety and health standards on the product itself. However, one must bear in mind that ISO 9000 certifies the company's management organization, not its products. Hence, the ISO 9000 certification will not necessarily fulfill these product-related requirements.

The recognition and use of ISO 9000 in France is expanding at a very fast pace. The ISO 9000 certification is never mandatory, but it increasingly plays a determining role, especially for sub-contracting companies. Contracts between firms now often include a request for quality assurance. In this respect, ISO 9000 is the most widespread and recognized quality management program in France.

ISO 9000 has become a great marketing tool in France, sometimes more cost-effective than advertising. However, its efficiency as a marketing device varies from sector to sector. ISO 9000 is meant to provide quality recognition from firm to firm, rather than from a firm to end-users. For sub-contractors in the public sector or in a heavily competitive field in the private sector, ISO 9000 generally provides added value. In fields such as those under EH directives (i.e. medical equipment) or subcontracting in the auto-industry, conformity to ISO 9000 is crucial to stay competitive.

The AFAQ (Association Française pour l'Assurance de la Qualité) is the French quality system registrar, which delivers ISO 9000 certifications. The AFAQ has issued approximately 1200 companies with ISO 9000 certifications and it is estimated that about 200 more companies in France have the certification. Requests are now booming, with 3500 being processed by the AFAQ. The certification takes about 6 months to complete. A foreign company with an ISO 9000 certification from abroad simply needs to contact the AFAQ in order to be certified in France.

The demand for ISO 9000 registration in France, as well as in Europe, comes primarily from the marketplace as a contractual rather than a regulatory requirement. As compliance with the ISO 9000 standards becomes recognized and required by foreign and domestic buyers and used by manufacturers as a competitive marketing tool, the demand for ISO 9000 conformity will increase. It is therefore critical for manufacturers to determine what are their buyers' requirements regarding ISO 9000 compliance.

Useful Addresses:

AFNOR - Association Française de Normalisation

Tour Europe
92049 Paris La Defense Cedex 7
France
Tel: (33) 1.42.91.55.55
Fax: (33) 1.42.91.56.56
Web Site: <http://www.afnor.fr>

AFAQ - Association Française pour l'Assurance de la Qualité
B.P. 40
92225 Bagneux Cedex
France
Tel: (33) 1.46.11.38.50; (33) 1.46.11.37.11
Fax: (33) 1.46.11.37.77
Email: Mary.francoise.goubaux@afaq.org

In the United States:

AFAQ, Inc.
Woodfield Executive Center
1101 Perimeter Drive, Suite 450
Schaumburg, IL 60173
Tel: (847) 755-9125
Fax: (847) 330-0707

AES - American European Services
1054 31st Street, NW Ste. 320
Washington, D.C. 20007
Tel: (202) 337-3214
Fax: (202) 337-3709
Email: ascert@aol.com

K. Membership in Free Trade Zone/Warehouse Agreements

As a member of the European Union, France is subject to all European Union Free Trade Arrangements. European Union laws and regulations provide that member states may designate parts of the customs territory of the Community as free trade zones and free warehouses. Information on free trade zones and free warehouses is contained in Title IV, Chapter Three, of Council Regulation (EEC) No. 2913/92 of October 12, 1992, establishing the Community Customs Code, titled, "Free Zones and Free Warehouses" (Articles 166 through 182).

Article 166 states that free zones and free warehouses are part of the customs territory of the Community or premises situated in that territory and separated from the rest of it in which:

- Community goods are considered, for the purposes of import duties and commercial policy import measures, as not being on Community customs territory, provided they are not released

for free circulation or placed under another customs procedure or used or consumed under conditions other than those provided for in customs regulations;

- Community goods for which such provision is made under Community legislation governing specific fields qualify, by virtue of being placed in a free zone or free warehouse, for measures normally attaching to the export of goods.

Articles 167-182 details the customs control procedures, how goods are placed in or removed from free zones and free warehouses and their operation.

The use of free trade zones varies from member state to member state. In France, the process of applying for the status of a free trade zone or free warehouse is administered by the Ministry of Economy/Budget at the following address:

Ministry of Economy/Finance
139, rue de Bercy
75572 Paris Cedex 12
France
Tel: (33) 1.53.18.93.14
Fax: (33) 1.53.18.96.03
Web Site: <http://www.finances.gouv.fr>

CHAPTER VII.

INVESTMENT CLIMATE

A. French Investment Regime

Ensuring that France's investment climate is attractive to foreign investors is a priority for French government officials, who see foreign investment as a way to create jobs and stimulate growth. Investment regulations are simple, and a range of financial incentives to foreign investors is available. The investment promotion agency, DATAR, provides active and extensive assistance to potential investors both in France and through agencies around the world. Foreign investors say they are attracted to France by its skilled labor force, central location in Europe, and good infrastructure. However, despite a decade or more of economic reforms and liberalization, U.S. and foreign companies often say they find relatively high payroll and income taxes, pervasive regulation of labor and products markets, and sometimes negative attitudes toward foreign investors to be disincentives to investing in France.

Foreign investment represents a significant percentage of production in many sectors. Foreign investment has been growing at a rate considerably higher than that of the economy as a whole. Using Bank of France balance of payments data based on the historical book value of investment, the United States is the largest foreign investor in France, with U.S. firms representing over 19 percent of the stock of foreign investment. However, using the book value instead of the market value of investments tends to underestimate the value of U.S. investments in France. This is because investments by U.S. companies tends to be considerably older than other countries' investments and because U.S. firms often finance expansions and acquisitions on domestic French capital markets or through subsidiaries in third countries. Thus, much U.S. investment in France is not recorded in balance of payments statistics, even though it is ultimately controlled by U.S. citizens.

Correcting for these statistical biases, the market value of the stock of U.S. investment in France may be as much as double the USD 39 billion book value for 1998 reported in U.S. Department of Commerce data (www.bea.doc.gov/bea/di1.htm). U.S. data also report that in 1997, over 1,200 affiliates of U.S. firms employed over 480,000 people in France and had net sales of USD 131 million.

A1. Openness to Foreign Investment

The Formal Investment Regime

The formal French investment regime is among the world's least restrictive. There is no generalized screening of foreign investment. Only acquisitions, irrespective of size or the

nationality of the investors, involving the health sector, public order or the national security of France are subject to a one-month official review. Nevertheless, there are certain sectorally based foreign investment restrictions that in practice tend to favor investors from other EU countries. France has notified to the OECD restrictions in the following sectors (more details can be found in OECD reports, including the April 1996 *Review of Foreign Direct Investment in France*. The OECD Internet address is www.OECD.org):

Agriculture	Aircraft Production
Air Transport	Atomic Energy
Audiovisual	Banking/Financial Services/Accounting Services
Defense Industry	Insurance
Maritime Transportation	Publishing
Radio and Television	Road Transportation
Telecommunications	Tourism

In applying restrictions by sector, French authorities look to the place of residence rather than to the nationality, of a potential investor. The place of residence of a corporate investor is determined by the place of residence of its ultimate beneficial owners, without regard to place of incorporation. Firms established or incorporated in other EU countries, but owned or controlled by American residents, have therefore been deemed to be non-EU residents. On the other hand, firms owned or controlled by American citizens legally resident in an EU country are considered to be EU residents. For publicly traded entities, a firm is considered not to be an EU resident if a physical person, or group of persons acting together, who are not EU residents own more than 20 percent of a firm's capital. Non-publicly traded entities are considered to be non-EU residents if a physical person or group of persons who are not EU residents ultimately own or control more than 33.3 percent of a firm's capital, unless physical persons who are EU residents also own more than 50 percent of the firm's capital.

However, for publicly and non-publicly traded firms, the French government retains the authority to declare that a firm is controlled by non-EU investors, even if the share of capital held by non-EU investors falls short of the thresholds noted above. To determine if non-EU investors control a firm, the French government may look at, among other factors, the residency of members of the board of directors, and the ability of non-EU investors to veto key management decisions or commercial ties (such as loans, guarantees, options, licenses or contracts) if these factors effectively make the French company dependent on foreign investors. Firms with questions about their residency status should contact the Office of Foreign Investments at the following address:

Service des Financements et Participations
 Direction du Trésor
 139, rue de Bercy
 75012 Paris, France
 Tel: (33)-1-4487-7400 or 7405

The web site of the Paris Chamber of Commerce and Industry provides detailed English summaries of regulations covering direct foreign investment: www.CCIP.fr/uk/etudes/invidir.htm.

Informal Impediments to Foreign Investors

The introduction of the Euro as the single currency of the European Monetary Union (EMU), including France, has increased the competitive pressures on France to improve its domestic business and investment climate in order to promote growth and create new jobs. In addition, France has responded to a more competitive international investment climate by implementing market-oriented economic reforms that increase the attractiveness of the French economy to foreign investors and by offering a variety of investment incentives. Foreign investors also say they are attracted to France by its central location in Europe, highly skilled labor force, and good infrastructure (although France lags behind the U.S. and some other European countries in personal computer use and Internet access).

Yet, while today's foreign investors face far less interference than was once the case, over a decade of reforms has not entirely overcome a traditional preference for national control of business and a sometimes reflexive opposition to foreign investment. In some cases, this can be seen in labor organization opposition to acquisitions of French businesses by U.S. firms, often reflecting a perception that U.S. firms focus on short-term profits at the expense of employment. In other cases, French firms have stated a preference for working with French and European, rather than U.S., firms. A degree of opaqueness in the privatization process (see below) can also aggravate suspicions about the equal treatment of foreign investors in publicly-held firms.

In addition, deregulation is far from complete and the state remains very involved in economic life. There is extensive regulation of business and labor markets and business taxation rates are high compared to other leading industrial countries. Foreign investors most often cite unnecessary labor regulation and high income and payroll taxes as the greatest disincentive to investing in France. In the case of labor market regulation, the impact on companies of the transition to a 35-hour legal workweek (which went into effect in 2000 for firms with over 20 employees and which will apply to other firms by 2002) is so far unclear.

A specific tax burden faced by U.S. investors is the treatment by French authorities of two social security taxes, the "Contribution Sociale Generalisée" (CSG) and the "Contribution au Remboursement de la Dette Sociale" (CRDS), as income taxes rather than social security contributions. The French government has thus far been unwilling to consider these taxes as subject to the provisions of the bilateral social security totalization agreement between the United States and France, under which U.S. contributors to the U.S. Social Security System would be exempt from paying them. Therefore, companies and employees effectively contribute to the financing of two social security systems. Since companies often compensate foreign workers for the extra tax burdens of working abroad, the result can be considerably higher costs for employing highly skilled expatriate workers, notably to work in headquarters operations in France.

An English summary of tax regulations applicable to foreign companies in France is available at the Paris Chamber of Commerce and Industries' web site: www.CCIP.fr/uk/etudes/fisapp.htm.

France's Privatization Program

The current government that took office in July 1997 restarted a process of privatization and opening of government controlled firms to private investment that had been essentially stalled since 1993. The current policy is that sales of government holdings will be allowed when in the national interest or the competitive interest of the specific firm. Since 1997, the government has returned to the private sector all or parts of its stakes in a number of large companies, banks and insurance groups. The privatization of Crédit Lyonnais, a major retail bank was concluded in 1999. U.S. firms have shown an interest in some of these sales. However, the Government still has large stakes in France Telecom (63.2 percent), air France (57.0 percent), Thomson Multimedia (51.7 percent) and Thomson CSF (33.0 percent).

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

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

- To require prior authorization from the Ministry Economy and Finance for any investor or group of investors acting in concert to own more than a certain percentage of a firm's capital. The thresholds would apply to all investors;
- To name up to two non-voting member's of the firm's board of directors; and
- To block the sale of any asset to protect "national interests." Assets could include not only shares, but buildings, technology, patents, trademarks, and any other tangible or intangible property.

Foreign Participation in R&D Programs

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

1. International/European programs (e.g. ESA, CERN, EUREKA);

2. Technology development programs in the private sector (49.2 percent of R&D expenditures are funded by French government), with specific programs to encourage transfer of research and to aid small and medium firms; and
3. national research programs, with specific emphasis given to space, physical science, aeronautics, telecommunications, electronics, nuclear, and engineering research.

The main orientations of France's global (public and private) R&D budget are reflected in the budget allocations: industrial innovation (50.8 percent funded by private companies); basic research and training (16.1 percent); military research (12 percent); civilian "grands programmes" in aerospace, electronics, telecommunications, and nuclear (9,2 percent); support to public research agencies (7.4 percent); support to industrial innovation (2.5 percent). The French contribution to EU programs(1.5 percent) also constitutes a research incentive with an important driving force.

In May 2000, the newly appointed research minister defined the following sectors as priority areas to boost basic and applied research in France and in Europe:

- life sciences (post-genomic research; medical imagery; TV-medicine; development of a national network for biotech incubators)
- information and communication sciences and technologies
- science and environment (water and environment; earth observation and space applications; accidental marine pollution)
- human and social disciplines
- space

For access to R&D subsidies, the French government gives national treatment to all foreign companies registered in France, allowing them to receive the same treatment as French companies. U.S. companies have experienced no difficulty in participating in these opportunities.

Visa, Work Requirements

The government of France requires that foreign citizens follow an extensive procedure if they wish to work in France. The requirements are essentially the same whether foreign citizens work for French or foreign-controlled firms. Non-EU nationals who intend to work or conduct any commercial activity in France must receive a long-term visa and a work permit (carte de travail) or business permit (carte de commerçant) before establishing residence in France. Information can be obtained from French embassies and consulates. The web address of the French embassy in Washington is www.info-france-usa.org/fembassy.htm, the internet address of the U.S. embassy in Paris is www.amb-usa.fr.

In addition, a foreigner's ability to practice a profession may be curtailed by government regulation and the regulations of French professional associations. For example, lawyers seeking to practice in France must become members of the French bar before they can practice any type of law under their own names. This requires passing the bar examination in French. (The ABA

and Paris bar are working to develop a less onerous qualification system for American lawyers wishing to practice international law.)

A2. Conversion and Transfer Policies

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

France has few effective exchange control regulations. For exchange control purposes, the French government considers foreigners as residents from the time they arrive in France. French and foreign citizens are subject to the same rules. Residents are entitled to open an account in foreign currency with a bank established in France and to establish accounts abroad. Residents must report the account number for all foreign accounts on their annual income tax returns. French-source earnings may be transferred abroad.

A3. Expropriation and Compensation

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

A4. Dispute Settlement

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

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

France is a member of the World Bank's International Center for the Settlement of Investment Disputes (ICSID -- www.WORLDBANK.org/ICSID). In addition, in most of its bilateral investment treaties (BIT's) it has agreed to accept binding arbitration to resolve investor-state

disputes. However, because most of France's BIT partners are developing countries, investors from these countries have few investments in France. (See below).

A5. Performance Requirements and Incentives

Investment Incentives

France offers a range of financial incentives to foreign investors. Its planning and investment promotion agency, DATAR (Delegation à l'Aménagement du Territoire et à l'Action Régionale), provides extensive assistance to potential investors. In addition, financial subsidies and tax incentives are offered at the local, regional and national government level to attract investment to the country's less affluent areas. Incentives are available equally to French and foreign investors and eligibility requirements are the same.

Within the French government, foreign investment promotion is the responsibility of the "Invest in France Mission" headed by an ambassador at-large, who is based at the Ministry of the Economy, and backed-up by DATAR. DATAR maintains offices throughout France and around the world to seek out and advise potential investors on project development, site selection, investment incentives (the largest of which are administered by DATAR) and administrative and legal requirements. There are four DATAR "Invest in France" agencies in the United States:

Eastern States

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

Western States

DATAR-IFA Los Angeles
1801 Avenue of the Stars, Suite 1248
Los Angeles, CA 90067
Tel: (310) 785-9735
Fax: (310) 785-9213

Midwestern States

DATAR-IFA Chicago
401 North Michigan Ave., Suite 565
Chicago, IL 60611
Tel: (312) 661-1640
Fax: (312) 661-0623

Southern States
DATAR-IFA Houston
2411 Fountainview Drive, Suite 130
Houston, TX 77057
Tel: (713) 266-9772
Fax: (713) 266-9884

Invest in France Offices:

285 Peachtree Center Avenue, Suite 2801
Atlanta, GA 30303
Tel: (404) 681-4539
Fax: (404) 522-3039

750 North St Paul Street, Suite 220
Dallas, TX 75201
Tel: (214) 220-2037
Fax: (214) 871-6010

Besides DATAR, several French cities and regions have developed their own investment promotion agencies that advise potential investors, offer administrative assistance, and oversee investment incentives. All incentives are covered by regulations set by the European Commission. The DATAR and Invest in France internet addresses are www.InvestinFranceNA.org (in English) and www.DATAR.gouv.fr.

The primary investment incentive offered through DATAR is the Prime d'Amenagement du Territoire (PAT). In the past, PAT incentives have been generous, particularly for investments in disadvantaged zones (including eastern France, part of the North and Corsica). DATAR is in the process of revising the PAT program, with new rules to be issued in mid-2000.

Other investment incentives may also be available. Potential investors should consult DATAR and Invest in France to determine the full range of possibilities, including,

- Research and development project grants
- Special tax treatment for company headquarters
- Local and regional tax holidays and special subsidies
- "Industrial conversion" zones featuring tax breaks and grants for job-creation
- Special access to credit for small and medium-sized enterprises
- Assistance for training, including a portion of wages paid to employees in training

Performance Requirements

Other than those linked to incentives, there are no mandatory performance requirements established by law. However, the French government will generally require commitments regarding employment or research and development from both foreign and domestic investors seeking government financial incentives. For example, to be eligible for DATAR grants, the French government usually requires that firms, whether owned by EU or non-EU residents, create a minimum of 20 jobs within the first three years. As noted above, PAT and R&D subsidies are based on the number of jobs created. In addition, the authorities have occasionally sought commitments as part of the approval process for acquisitions by foreign investors.

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

A6. Right to Private Ownership and Establishment

The French government maintains legal monopolies in the following sectors: postal services (La Poste), national rail transportation (SNCF), Parisian bus and metro services (RATP), the supply and production of gas and electricity (GDF/EDF), and tobacco manufacturing and distribution (Seita).

The French government also remains a major shareholder in enterprises that compete with private firms. French and foreign private sector firms sometimes complain that government-owned enterprises receive favorable treatment in getting licenses, credit, and procurement contracts from the government. In addition, the French government has come to the financial rescue of state-owned firms experiencing difficulties. Private sector firms argue that these arrangements unfairly reduce state-owned firms' financing costs.

A7. Protection of Property Rights

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

A8. Transparency of the Regulatory System

The French government has made considerable progress in recent years improving the transparency and accessibility of its regulatory system. Government Ministers, companies,

consumer organizations and trade associations may petition the Unfair Competition Council to investigate anti-competitive practices.

Of most concern to foreign companies has been standards setting. With standards different from those in the U.S., rigorous testing and approval procedures must sometimes be undertaken before goods can be sold in France, particularly those that entail risk. When EU-wide standards do not exist, specific French standards apply. Mutual recognition agreements covering the testing and certification of certain specified regulated products have been negotiated by the United States and the EU. Information about these agreements and efforts to extend them can be found at the Web site of the Trans-Atlantic Business Dialogue, www.TABD.com. The National Institute of Standards and Technology, www.NIST.gov, is represented at the International Bureau of Weights and Measures, www.BIPM.fr, located in Sevres, France, and may be of assistance to firms.

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

A9. Efficient Capital Markets and Portfolio Investment

Access to Capital and Capital Markets

France has an open financial market that gives firms easy access to a variety of financial products in both French and international markets. As markets expand, foreign and domestic portfolio investments have become increasingly important forms of investment. France continues to make progress in modernizing its marketplace, although progress in introducing tax-advantaged retirement funds, authorized by a 1996 law, has been blocked since July 1997. Facing the prospect of increasingly tough competition with other European marketplaces following the introduction of the Euro, French financial markets are continually modernizing and adapting their products, procedures and services. The French stock market has also joined with eight European counterparts in an effort to create a pan-European stock market. France is actively involved in the international effort to create a system of internationally accepted accounting standards (to read more, go to www.IASC.org.uk or search the SEC's Web site at www.SEC.gov). French market and banking regulators continue to enhance and develop cooperation with their foreign counterparts. French legal, regulatory and accounting systems may not be as transparent as U.S. systems, but are consistent with international norms.

Commercial banks offer all classical 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, and mergers, acquisitions and takeovers. Banks offer hedging services against interest rate and currency fluctuations. France also had 136 foreign banks with total assets of over FF1 trillion at the end of

1997, some with sizable branch networks. Foreign companies have access to all banking services. Although some subsidies are available for home mortgages and small business financing, most loans are provided at market rates.

Increasingly, firms in France are bypassing banks and going directly to financial markets for their financing needs. The center of the French market is the Paris stock exchange (the Bourse) (local exchanges were closed in 1990), which listed 962 companies with a total capitalization of FF4.1 trillion (50% of GDP) in 1998. In 1996, a new electronic trading floor called the "Nouveau Marché" was created in which new companies, especially smaller ones with an emphasis on growth and technology, can raise start-up capital. A financial futures market, the "Marché à Terme des Instruments Financiers," commonly known as the MATIF, trades standard contracts on interest rates, short- and long-term bonds, stock market, indices and commodities. It has established linkages with its German and Swiss counterparts and well as with the Chicago Mercantile Exchange. An options exchange, the "Marché des Options Négociables de Paris (MONEP)," was established in September 1987. These markets operate under the auspices of the ParisBourse SBF, whose Web site address is (www.bourse-de-paris.fr). Finally, though not nearly as developed as in the United States or the United Kingdom, venture capital has become an increasingly important way for start-up firms to raise funds.

According to unofficial estimates, foreigners held approximately 36% of the capital of publicly traded French companies at the end of 1998. For a foreign company incorporated in an OECD country to be listed on the French stock exchange, it must be sponsored by a French bank or broker and prepare a French language prospectus. An application to the "Commission des Opérations de Bourse (COB)" (the French equivalent to the SEC) must include French translations of three years of financial statements and an auditor's report on these statements. The sponsoring bank or broker is responsible for placing the securities with investors when the securities are listed and for acting as a market-maker. Special procedures apply to listing on the "Nouveau Marché." Companies must offer at least 100,000 shares with a value of at least FF10 million, or be able to demonstrate comparable liquidity in their home market if already listed on another exchange. Information is available at the Nouveau Marché's web site, www.nouveau-marche.fr/gb/default.htm.

Cross-Shareholding

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

Mergers and Acquisitions

In the 1990s, takeovers have become increasingly frequent, particularly those aimed at integrating complementary operations or product lines or at expanding market share. While French laws regarding takeovers do not discriminate against foreign investors, a hostile takeover in France by a foreign investor could face public and even official scrutiny. Provisions of the

company takeover law are designed to limit hostile takeovers of publicly traded companies. For example, stockholders are required to reveal themselves to company management and the authorities when their holdings total 5, 10, 20, 33 or 50 percent of the capital of the company. On crossing the 10 percent threshold, purchasers must declare their "intentions" for the period covering the coming twelve months. When a potential investor makes a "public offer to purchase" (OPA) shares in a publicly traded company, that offer must remain open for at least 20 working days for "friendly" bids and 35 working days for "unfriendly" bids. Both of these last two provisions were tightened in early 1997. In 2000, a draft law under consideration by parliament would require notification to labor unions of takeover attempts. Newcomers to the French stock market should also be aware of the possibility that by-laws of individual companies may impose requirements that purchasers of significant amounts of stock in a company report that purchase to the management of the company.

A10. Political Violence

Occasionally, anti-American sentiments, particularly among groups likely to be economically harmed by U.S. policies, produce demonstrations against U.S. investments. For example, in 1999, French farmers, protesting U.S. trade actions that affected exports of certain French agricultural products, dismantled much of a McDonalds restaurant under construction in the south of France. However, incidents of this type are mostly isolated, and there is little risk of nascent insurrection, belligerent neighbors, or widespread civil disturbances.

A11. Corruption

France has laws, regulations and penalties that effectively combat acts of corruption committed in France. A 1993 law established a Central Service for the Prevention of Corruption under the aegis of the Ministry of Justice. The French judiciary is responsible for prosecution, and is active in doing so. There have been numerous investigations and convictions of public officials and businessmen under the anti-corruption statutes. Penalties for acts of corruption vary according to the circumstances; they often include fines and prison terms.

France has ratified and implemented the OECD Anti-Bribery Convention. More information about the agreement can be found at the OECD's Internet address, www.OECD.org.

There have been no specific complaints from U.S. firms of unfair competition or investment obstacles due to corrupt practices in France in recent years. More information on the international fight against corruption can be found at the Internet site of Transparency International, www.Transparency.de, a private organization.

B. Bilateral Investment Agreements

1959 U.S.-France Convention on Establishment

U.S. investment in France is subject to the provisions of the Convention on Establishment between the United States of America and France, which was signed in 1959 and is still in force. Some of the rights it provides to U.S. nationals and companies include:

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

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

Bilateral Investment Treaties

Investments in France by other EU member states are governed by the provisions of the Treaty of Rome and by Union Law. France has also signed Bilateral Investment Treaties (BITs) with the following 61 countries: Albania, Argentina, Armenia, Bangladesh, Bolivia, Bulgaria, Chile, China, Congo (DROC), Croatia, Czech Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Estonia, Haiti, Hong Kong, Hungary, Indonesia, Israel, Jamaica, Jordan, Korea (South), Kuwait, Kirghizistan, Laos, Latvia, Liberia, Lithuania, Malaysia, Malta, Mauritius, Mongolia, Morocco, Nepal, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Romania, Russia, Singapore, Slovakia, South Africa, Sri Lanka, Sudan, Syria, Trinidad and Tobago, Turkmenistan, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Vietnam, Yemen, and Yugoslavia (Federal Republic).

Bilateral Investment Treaties signed with the following countries have not yet been ratified: Algeria, Azerbaijan, Brazil, Byelorussia, Costa Rica, Cuba, the Dominican Republic, Georgia, Guatemala, Honduras, India, Kazakhstan, Lebanon, Macedonia, Mexico, Moldova, Morocco, Namibia, Nicaragua, Qatar, Slovenia, and Tunisia.

French BITs generally cover the following:

- just and equitable treatment that is no less favorable than that accorded to domestic investors or the most favored investor from a third country;

- restrictions on expropriation of investments, and requirements that, in the case of expropriation, compensation be prompt and adequate;
- free transfers; and
- the ability to resolve investor-state disputes through binding international arbitration.

C. 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). You can connect with OPIC at www.OPIC.gov.

D. Labor

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

The labor code sets minimum standards for working conditions including the work week, layoffs, overtime, vacation and personal leave. Other labor standards are contained in collective agreements, which are usually negotiated sectorally on a national or regional basis by the various unions and employers' associations. French absenteeism is modest by European standards and, in the private sector, peaceful labor relations prevail.

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

- In companies with more than 10 employees, employee delegates are elected for a one-year term. They are authorized to present individual or collective claims and grievances relating to working conditions, to inform government labor inspectors of any complaints under the labor law, and to concur with management in any reorganization of the work week. Management is required to meet with employee delegates at least monthly.
- A company with more than 50 employees must have a joint management/employee enterprise committee, to which employee representatives are elected. The committee must be consulted for all major corporate decisions, but has no veto. The enterprise committee must be provided with the same information that is made available to shareholders. It is funded by the company at a rate equal to at least 0.2 percent of the firm's payroll, and uses this money to finance social and cultural activities for the benefit of employees.
- Workers also hold most slots on occupational health and safety committees, which are mandatory in medium and large size companies. Labor tribunals (playing a role largely equivalent to the NLRB in resolving labor disputes) are comprised of equal numbers of union and employer

representatives. Appeals are possible to the level of the Cour de Cassation, one of France's high courts.

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

E. Foreign Free Trade Zones/Ports

France is subject to all European Union free trade zone regulations and arrangements. These allow member countries to designate portions of their customs territory as free trade zones and free warehouses. France has taken advantage of these regulations in several specific instances. The French Customs Service administers these zones and can provide more details: Customs can be contacted at the finance ministry web address: www.finances.gouv.fr.

In addition, the French government has established urban "enterprise zones" (Zones Franches Urbaines) in 38 depressed or impoverished municipalities in France or its overseas territories. There are also two special investment zones (Zones d'Investissement Privilégié) located in the Nord-Pas-de-Calais region in which firms can benefit from certain tax credits.

More information on enterprise and investment zones is available from DATAR and Invest In France: InvestinFranceNA.org and www.DATAR.gouv.fr.

F. Foreign Investment Statistics (see Chapter X, Appendix D)

CHAPTER VIII.

TRADE AND PROJECT FINANCING

A. Banking System

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 French commercial banks, such as Societe Generale, Credit Lyonnais, BNP Paribas, Credit Agricole, le groupe CIC, and Credit Commercial de France, rank among the largest banks in the world. These commercial banks offer all classic financing instruments, including short, medium, and long-term loans, short-and medium-term credit facilities, and secured and non-secured overdrafts. Commercial banks also assist in public offerings of shares and corporate debt, as well as mergers, acquisitions and takeovers. Banks also offer hedging services against interest rate and currency fluctuations. France also has more than 170 foreign banks; some have sizeable branch networks.

The Bank of France ("Banque de France") is a member of the European System of Central Banks (ECSB) and the Banque de France's governor sits on the executive board of the European Central Bank. The Banque de France will continue to issue franc-denominated banknotes until the introduction of euro-denominated notes in 2002.

The Banque de France participates in the regulation and supervision of the French banking and financial system. Its governor is the chair of the Committee on Credit Institutions, which grants or withdraws banking licenses. The governor is also president of the Banking Commission, which ensures that banks adhere to banking regulations.

The French government has sold its majority equity stakes in major banks and insurance companies. However, it retains ownership of the Caisse des Depots et Consignations and minority stakes in several major financial institutions, including Credit Lyonnais. The French postal service, La Poste, an independent public entity, holds 10% of the French financial services market

B. Foreign Exchange Controls

All inward and outward payments must be made through approved banking intermediaries by bank transfers.

Repatriation of Capital and Earnings:

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

Businesses:

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

Individuals:

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

C. General Financing Availability

Foreign companies have access to all banking services described in Section A. The other main financing is through French financial markets. The center of the French stock market is the Paris stock exchange (the "Bourse"). More details can be found in the Investment Climate Section of this report.

D. Export Financing

France has a sophisticated export financing market. In general, large commercial banks provide the bulk of export financing. These loans can be made to the French supplier or the foreign buyer. Most major U.S. banks and the U.S. export-import Bank provide both financing and technical assistance for the exports of American companies to France.

Eximbank's web site "www.exim.gov" provides information on its export credit insurance, pre-export financing through working capital guaranteed loans, and medium and long-term loans and guarantees to overseas buyers.

COFACE: The Compagnie Francaise d'Assurance pour le Commerce Exterieur (COFACE), insures exporters on commercial terms against short-term non-payment risks, principally involving trade with other OECD countries. These include the insolvency of private buyers,

unfavorable currency fluctuations on ordinary business, and political risks in OECD countries. In these cases, COFACE acts like any other insurer: it set a competitive premium based on perceived risks.

COFACE's second function is to support French exporters in markets that conventional insurance companies are not willing to cover due to the perceived risks. These involve large projects, such as aircraft financing, as well as high risk markets. In these cases, COFACE acts on behalf of and with the backing of the French Government. This category includes market survey insurance, medium-term credit insurance on large-scale projects and capital goods, investment risks in foreign countries, and exchange rate guarantees on major contracts or large amounts. In this case, COFACE acts as the manager for the French government.

COFACE also provides "expert credit insurance" for French agricultural exports into "high risk" markets. These coverages are usually in direct competition with U.S. agricultural exports.

E. Correspondent U.S. Banking Arrangement

All large French banks have correspondent U.S. banking arrangements. Many French banks also have subsidiaries or branch offices in the United States:

Natexis Banques Populaires (Houston, Los Angeles, New York)

BNP Paribas (Chicago, Dallas, Houston, Los Angeles, Miami, New York, San Francisco) and subsidiaries: French American Banking Corporation and the Bank of the West (California, Hawaii, Oregon, Washington, Idaho, Nevada, Guam and Saipan)

Banque Sudameris (New York, Miami)

Union Européenne de CIC (New York)

CIC-Banque Transatlantique (Washington)

Credit Agricole (Menlo Park, San Francisco)

Credit Agricole Indosuez (Chicago, Houston, New York)

Credit Commercial de France (New York)

Credit Lyonnais (New York)

Societe Generale (Atlanta, Chicago, Dallas, Houston, Jupiter, Kansas City, Los Angeles, Nashville, New York, Orlando, Philadelphia, San Francisco, Winterpark)

Below is a list of major American Banks present in Paris:

American Express International Banking Corporation
11 Rue Scribe
75009 Paris
Tel: (33) 1 47 14 50 00
Fax: (33) 1 47 14 51 99
Mr. Piero GRANDI, Président Directeur Général

Bank of America
43-47 avenue de la Grande Armée
75782 Paris Cedex 16
Tel: (33) 1 45 02 68 00
Fax: (33) 1 45 01 77 89
Mr. ODON DE VIENNE, Président Directeur Général

Bank of New York
13-15, boulevard de la Madeleine
75001 Paris
Tel: (33) 1 42 97 90 20
Fax: (33) 1 42 97 43 73
Madame Deidre PEYROUX, Representative

Chase Manhattan Bank SA
42 rue Washington
75408 Paris Cedex 08
Tel: (33) 1 53 77 10 00
Fax: (33) 1 53 77 10 50
Mr. Jean-Olivier BARTHOLIN, Président Directeur Général

Citibank
Citicenter, 19 Le Parvis
92073 Paris La-Défense Cedex 36
-Citibank International PLC (retail banking)
Tel: (33) 1 49 06 10 10
Fax: (33) 1 49 06 15 16
Mr. Bernard NOEL, Président Directeur Général
-Citibank NA (investment bank)
Tel: (33) 01.49.06.10.10
Fax: (33) 01.47.67.07.04
Mr. Jean-Claude GRUFFAT, Président Directeur Général

Morgan Guaranty Trust CO of New York
(JP Morgan)
14, Place vendôme
75001 Paris
Tel: (33) 1 40 15 45 00

Fax: (33) 1 40 15 44 77
Mr. Philippe LAGAYETTE, Président Directeur Général

Republic National Bank of New York
20, Place Vendôme
75001 Paris
Tel: (33) 1 44 86 18 61
Fax: (33) 1 40 20 94 85
Mr. Robert Sevin, Président Directeur Général

CHAPTER IX.

BUSINESS TRAVEL

Although French executives are becoming increasingly international in their outlook, Americans will occasionally encounter differences in business practices and cultural standards. Attention to the following points may improve the chances of a successful business trip to France.

A. Business Etiquette

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 hand-shake 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.

The working days abutting the French holidays and vacation periods are not "prime time" for business meetings; this could include the month of August and the several vacation periods between Christmas and Easter. Business hours in France are generally 9:00 AM to 6:00 PM (banking hours 9:00-4:30) Monday through Friday while stores are generally open 10:00 AM to 7:00 PM, Monday through Saturday. To ensure availability, advance appointments are recommended.

B. Entry of persons and things

Every U.S. citizen entering France must present a valid American passport; for stays of less than 3 months there is no requirement for visas, entry permits or health certificates.

Bona fide personal effects in a visitor's luggage (or hand-carried) are not

normally subject to customs duties nor the 19.6 percent value-added tax. Items to be declared, however, include those intended to be left in France, goods for professional/commercial use as well as any prohibited items. Goods imported for exhibition may enter under bond, deposit or an ATA carnet.

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

C. Electrical Characteristics/Communications

Electric current in France is 220 volts AC, 50 cycles. A transformer is needed for most U.S. electrical equipment and appliances.

Telecommunications to and from Paris compare favorably with those in any large U.S. city. A direct-dial telephone system links France to the U.S. and most of the world. Calls to the States may be charged to international telephone cards such as AT&T, MCI and Sprint; international directory inquiries may be reached by dialing 0-800-99-00-11 (AT&T Direct U.S. operator). Most public phones in France are equipped for the convenient "Telecartes" (pre-paid cards) available in tobacco shops, post offices and subway/railway stations at 100 francs for 100 units and 50 francs for 50 units.

D. Transportation

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

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

E. Climate and Clothing

France's climate is temperate which varies somewhat from north to south. Rain is frequent and most experienced travelers carry collapsible umbrellas. Average temperatures in Paris range from 25 degrees Celsius (77 degrees F) in mid-summer to 6 Celsius (43 degrees F) in winter. Collar, tie and a dark business suit for men are very useful, especially in Paris. For women, similar attire is appropriate, but it should be noted that women in France do not dress as conservatively as in the U.S.

F. Bed and Board in Paris

May 2000 estimates of the Department of State for reasonable lodging and meal/incidental expenses for a business traveler are respectively \$156 and \$262 per day. One could pay less or a great deal more than this \$262 amount.

In France the ground floor in buildings is identified as "RC" (Rez-de-Chaussee) and the next floor up is considered the first floor.

Tipping in France is largely optional since a 15 percent service charge is normally included in restaurant bills. Small, additional tips are often left for particularly good service. Parisian taxi drivers may be tipped by rounding up the payment to include up to 10 percent of the fare. At no time in France are tips obligatory.

G. Commercial 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.

H. Useful Addresses

Foreign Agricultural Service (FAS)

U.S. Embassy
2, avenue Gabriel
75382 Paris Cedex 08
TEL: (33) 1.43.12.22.45
FAX: (33) 1.43.12.26.62
Web Site: <http://www.amb-usa.fr>
E-mail: agparis@fas.usda.gov

The Commercial Service (CS)

U.S. Embassy
2, avenue Gabriel
75382 Paris Cedex 08
TEL: (33) 1.43.12.22.22
FAX: (33) 1.43.12.21.72
Web Site: <http://www.amb-usa.fr>
E-mail: Paris.Office.Box@mail.doc

American Hospital in Paris

63, boulevard Victor Hugo
92202 Neuilly sur Seine
Telephone: (33) 1.46.41.25.25
(24-hour English-speaking medical and dental emergency service; credit cards accepted.)

Emergency Medical Team and Ambulance (SAMU)
Telephone: 15 or (33) 1.45.67.50.50

Police Department
Telephone: 17

Fire Department
Telephone: 18

I. French Holidays

January 1, 2001	New Year's Day
April 16, 2001	Easter Monday
May 1, 2001	Labor Day
May 8, 2001	Veterans' Day (WWII)/Ascension Day
May 24, 2001	Ascension Day
June 4, 2001	Whit Monday
July 14, 2001	French National Day
August 15, 2001	Assumption Day
November 1, 2001	All Saints' Day
November 11, 2001	Veterans' Day (WWI)
December 25, 2001	Christmas

CHAPTER X.

ECONOMIC AND TRADE STATISTICS

APPENDIX A - COUNTRY DATA

1. PROFILE

POPULATION: 58 million

RELIGION: 90% Roman Catholics, 5% Muslim, 2% Protestants,
1% Jewish, 2% unaffiliated

GOVERNMENT: Republic
Head of State: Jacques Chirac
Head of Gov't: Lionel Jospin

LANGUAGE: French

WORKWEEK: 35 hours

CONTACTS:

The U.S. Commercial Service - France
Minister Counselor for Commercial Affairs: Kenneth Moorefield
TEL: (33) 1.43.12.23.70; FAX: (33) 1.43.12.21.72
E-mail: Paris office box@mail.doc.gov
Web Site: <http://www.amb-usa.fr/fcs/fcs>
<http://www.sce.doc.gov>

U.S. Department of Commerce – Washington, D.C.:
Country Desk Officer: Kerry Ann O'Connor
TEL: (202) 482-6008; FAX: (202) 482-2897
E-mail: Kerry_Oconnor@ita.doc.gov

US&FCS Regional Director/Europe: Carlos Poza
 TEL: (202) 482-1599; FAX: (202) 482-1599 & 3159
 Carlos.Poza@mail.doc.gov

U.S. Department of Agriculture - Foreign Agricultural Service - France
 Minister Counselor for Agricultural Affairs: Frank Piason
 TEL: (33) 1.43.12.22.77, FAX: (33) 1.43.12.26.62,
 E-mail: fasparris@compuserve.com

APPENDIX B - DOMESTIC ECONOMY
 (USD millions, except as noted)

	1999 (for)	2000 (for)	2001
GDP (current USD, billions)	1,431.0	1,340.0	1,399.0
GDP real growth rate (percent)	2.9	3.7	2.9
GDP per capita (USD)	23,855.0	22,247.0	22,042.0
Government spending as a percentage of GDP	53.9	53.0	52.2
Inflation - CPI (percent)	0.5	1.3	1.5
Unemployment rate (percent)	11.1	9.8	8.8
Foreign Exchange Reserves (Current USD billions)	71.0	n/a	n/a
Average Exchange Rate (Francs per USD 1.00)	FF 6.2	FF 7.0	FF 6.9

(1) Private consumption deflator in 2000 and 2001

Note: forecasts and assumptions for 2000 and 2001 are based on OECD Economic Outlook of May 2000, except for Government spending for which the source is the French Government.

APPENDIX C - MERCHANDISE TRADE
(USD billions, except as noted)

	1998	1999	2000
Total Exports (F.O.B.) excl. military equipment	306.0	301.0	336.0
Total Imports (C.I.F.) excl. military equipment	290.0	291.0	322.0
Exports to US (F.O.B.) excl. military equipment	22.0	23.0	25.0
Imports from US (C.I.F.) excl. military equipment	25.0	25.0	27.0
U.S. share of imports (percent) excl. military equipment	8.7	8.7	8.4
Trade balance with the US	-2.8	-2.3	-2.0
Average real growth rate of imports from world (percent)	12.3	4.2	10.8
Average real growth rate of imports of manufactured products from the US (percent)	11.5	8.2	n/a
Trade balances with three leading partners (CIF/FOB)			
-Germany	-1.4	-2.6	n/a
-Italy	-1.3	-0.7	n/a
-United Kingdom	6.3	6.5	n/a

Source: Official French Government data

Average Exchange Rate (Francs per USD 1.00)	FF 5.9	FF 6.2	FF 7.0
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Note: forecasts for 2000 are based on OECD Economic Outlook of May 2000

MAJOR AMERICAN EXPORTS TO FRANCE – 1999

Rank / HS	Description	Exports (in USD millions)
1/	84 Machinery	7,308
2/	88 Aircrafts & associated equip.; spacecraft vehicles & Parts	5,871
3/	85 Electrical machinery	2,860
4/	90 Optic, medical & scientific instrumentation	2,095
5/	29 Organic chemicals	1,260
6/	30 Pharmaceutical products	771
7/	38 Miscellaneous chemical products	462
8/	39 Plastic	457
9/	87 Vehicles, not railway	297
10/	27 Mineral fuel, oil etc	275
11/	37 Photographic / motion picture equip.	260
12/	73 Iron / steel products	177
13/	40 Rubber	165
14/	33 Perfumery, cosmetic, etc	164
15/	47 Wood pulp, etc.	161
16/	89 Ships and boats	121
17/	48 Paper, paperboard	114
18/	28 Inorganic chemicals	108
18/	76 Aluminum	108
20/	94 Furniture and bedding	107

MAJOR AMERICAN IMPORTS FROM FRANCE - 1999

Rank / HS	Description	Imports(in USD millions)
1/	84 Machinery	5,687
2/	88 Aircraft, spacecraft	5,402
3/	85 Electrical machinery	2,313
4/	22 Beverages	1,625
5/	29 Organic chemicals	1,192
6/	87 Vehicles, not railway	1,080
7/	90 Optic, nt 8544, medical & scientific instruments	1,037
8/	33 Perfumery, cosmetics	553
9/	30 Pharmaceutical products	520
10/	72 Iron and steel	477
11/	28 Inorganic chemicals	389
12/	70 Glass and glassware	341
13/	39 Plastics	338
14/	73 Iron / steel products	321
15/	38 Misc. chemical products	320
16/	97 Art and antiques	311
17/	94 Furniture and bedding	261
18/	40 Rubber	237
19/	62 Woven apparel	203
20/	48 Paper, paperboard	171

* HS refers to the Harmonized System by which goods are classified for the purpose of international trade

Source: World Trade Atlas

APPENDIX D
FOREIGN INVESTMENT STATISTICS

TABLE1 - Inward FDI
Stock by country of Origin (1) (US\$ billions)

	1996	1997	1998
OECD	142	141	156
EU, of which	94	95	104
Netherlands	26	27	28
United Kingdom	20	23	23
Germany	16	15	20
Belgium	12	12	13
Italy	10	7	7
Other	9	11	13
North America, of which	31	28	31
USA	30	28	31
Canada		1	1
Other OECD countries, of which	18	17	20
Switzerland	14	14	16
Japan	3	3	3
Other	1	1	1
Non-OECD countries, misc.	5	5	5
Total	147	145	161
as a percent of GDP	1.9	1.8	1.9
Average Exchange Rate:USD1.00	FF 5.1	FF 5.8	FF 5.9

(1) Book value

The Bank of France will publish 1999 data in August 2000

Table 2 - Inward FDI
Stock by Main Industrial Sector Destination (1) (FF billions)

	1996	1997	1998
Banking	26	23	29
Companies (diversified)	30	26	22
Chemicals	18	15	18
Wholesale/Retail Trade	14	13	14
Food, drinks, tobacco	11	8	10
Insurance	3	4	8
Energy	6	8	7
Mechanical engineering industries	6	6	--
Metallurgical industries	5	5	--
Paper, press, editing	4	4	5
Office machines	5	--	--
Transportation	4	--	--
Other retail services	7	--	--
Other	6	34	36
Total	134	145	161
Average Exchange Rate: USD1.00 =	FF 5.1	FF 5.8	FF 5.9

(1) Book value of investment

The Bank of France will publish 1999 data in August 2000

Table 3 - Inward FDI
Flows by Country of Origin (1) (USD billions)

	1996	1997	1998
OECD	23	22	26
EU, of which:	17	16	22
United Kingdom	4	2	3
Netherlands	4	7	6
Germany	1	3	9
Belgium	4	1	2
Italy	1	1	0
Spain	0	0	0
Other	5	7	6
North America, of which:	4	3	5
USA	3	3	4
Canada	0	0	0
Other OECD countries, of which	2	3	-1
Switzerland	2	2	-1
Japan	0	0	0
Other	0	0	0
Non-OECD Countries, misc.	0	1	1
Reinvested profits	-1	1	1
Total	22	23	28
as a percent of GDP	1.4	1.6	1.9
Average Exchange Rate:USD1.00 =	FF 5.1	FF 5.8	FF 5.9

(1) Market value of investment

The Bank of France will publish 1999 data at the end of August 2000

Table 4 - Outward FDI
Stock by Country of Destination (1) (USD billions)

	1996	1997	1998
OECD	160	155	174
EU, of which:	91	99	113
Netherlands	26	23	25
United Kingdom	19	23	25
Belgium	18	14	21
Germany	11	11	12
Spain	10	11	11
Italy	9	7	9
Other	0	9	11
North America, of which:	42	45	51
USA	40	43	48
Canada		2	2
Other OECD countries, of which	27	11	10
Switzerland	8	9	8
Other	19	3	2
Non-OECD Countries, misc.	37	37	43
Total	198	192	217
as a percent of GDP	12.7	13.7	15.0
Average Exchange Rate: USD1.00 =	FF 5.1	FF 5.8	FF 5.9

(1) Book value of investment

The Bank of France will publish 1999 data at the end of August 2000

Table 5 - Outward FDI
Stock by Industrial Sector Destination (1) (USD billions)

	1996	1997	1998
Banking	34	34	38
Companies (diversified)	23	19	22
Energy	21	25	29
Insurance	17	20	18
Chemicals	15	9	17
Processed food	15	12	13
Metallurgical industries	9	8	8
Mechanical engineering industries	8	9	12
Transportation	7	6	7
Repairs, trade	7	9	9
Hotels, restaurants	5	5	5
Other	36	37	37
Total	198	192	217
Average Exchange Rate:USD1.00 =	FF 5.1	FF 5.8	FF 5.9

(1) Book value of investment

The Bank of France will publish 1999 data at the end of August 2000

Table 6 - Outward FDI
Flows by Country of Destination (1) (USD billions)

	1996	1997	1998
OECD	23	28	30
EU, of which:	5	18	18
United Kingdom	2	7	4
Germany	3	4	2
Italy	2	2	1
Spain	1	1	1
Belgium	3	2	4
Netherlands	2	1	4
Other	2	7	4
North America, of which:	6	8	7
USA	6	8	7
Canada		0	0
Other OECD countries, of which	2	2	5
Switzerland	1	2	5
Other	2	0	1
Non-OECD Countries, misc.	6	6	8
Reinvested profits	1	2	2
Total	30	36	41
as a percent of GDP	2.0	2.5	2.8
Average Exchange Rate: USD1.00 =	FF 5.1	FF 5.8	FF 5.9

(1) Market value of investment

The Bank of France will publish 1999 data at the end of August 2000

CHAPTER XI.

APPENDIX E: U.S. AND COUNTRY CONTACTS

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FEDERATION OF ELECTRIC AND ELECTRONIC INDUSTRIES

Federation des Industries Electriques, Electroniques et des Communications (FIEE)

Mr. François Mauduit, President

11-17, rue Hamelin

75783 Paris Cedex 16

France

Tel: (33) 1.45.05.70.70

Fax: (33) 1.45.53.03.93

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

**FRENCH FEDERATION OF JEWELRY, GOLDSMITHING, GIFTS, DIAMONDS, GEMS,
PEARLS AND RELATED ACTIVITIES**

Federation Francaise de la Bijouterie, Joaillerie, Orfevriere, du Cadeau, des Diamants, Pierres et
Perles et Activites qui s'y rattachent

Mr. Didier Roux, President

58, rue du Louvre

75002 Paris

France

Tel: (33) 1.40.26.98.00

Fax: (33) 1.40.26.29.51

Web Site: <http://www.bjo-france.com>

FRENCH FEDERATION OF TOY INDUSTRIES

Federation Francaise des Industries du Jouet/Puericulture

Mr. Daniel Aboaf, Managing Director

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75481 Paris Cedex 10

France

Tel: (33) 1.40.16.25.70

Fax: (33) 1.40.16.25.71

E-mail: FJP@wanadoo.fr

FRENCH FISHING EQUIPMENT INDUSTRY ASSOCIATION

Groupement d'Industrie Francaise d'Articles de Pêche

Mr. Hughes Nello, President

17, rue Arnoux

92340 Bourg-la-Reine

Tel: (33) 1.47.02.96.01

Fax: (33) 1.40.91.03.24

FRENCH INTERNATIONAL TRADE ASSOCIATION

Confederation Francais du Commerce de Gros Interentreprises et du Commerce International (CGI)

Mr. Guy Laporte, President

31, avenue Pierre-1er-de-Serbie

75784 Paris Cedex 16

France

Mailing address:

18, rue des Pyramides

75001 Paris

France

Siege administratif (Administrative office) :

Tel: (33) 1.44.55.35.00

Fax: (33) 1.42.86.01.83

E-mail: cgi@cgi-cf.com

Web Site: <http://www.cgi-cf.com>

FRENCH AERONAUTIC AND SPACE INDUSTRY ASSOCIATION

Groupement des Industries Francaises Aeronautiques et Spatiales (GIFAS)

Mr. Jean-Paul Bechat, President

4, rue Galilee

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Tel: (33) 1.44.43.17.00

Fax: (33) 1.40.70.91.41

E-mail: infogifas@gifas.assos.fr

Web Site: <http://www.gifas.asso.fr>

FRENCH AUTOMOBILE MANUFACTURERS COMMITTEE

Comite des Constructeurs Francais d'Automobiles

Mr. De Belabre, President

2, rue de Presbourg

75008 Paris

France

Tel: (33) 1.49.52.51.00

Fax: (33) 1.47.23.74.73

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

GAS AND PETROLEUM INDUSTRY ASSOCIATION

Groupement des Entreprises Parapetrolières et Paragazières (GEP)

Mr. Pierre Dupal, President

45, rue Louis Blanc

92038 Paris La Defense Cedex

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Tel: (33) 1.41.17.67.37

Fax: (33) 1.41.17.62.04

LABORATORY EQUIPMENT INDUSTRY ASSOCIATION

Chambre Syndicale des Fabricants et Négociants d'Appareils de Laboratoire (FABRILABO)

Mr. Francis Pithon, President

39-41, rue Louis Blanc

92038 Paris La Defense Cedex

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MEASURING AND CONTROL EQUIPMENT INDUSTRY ASSOCIATION

Syndicat de la Mesure

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92400 Courbevoie

France

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Fax: (33) 1.43.34.76.82/83

E-mail: mesure@club-internet.fr

MECHANICAL ENGINEERING INDUSTRIES ASSOCIATION

Federation des Industries de la Mecanique (FIM)

Mr. Marc Bay, Director

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92400 Courbevoie

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92038 Paris La Defense Cedex

France

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Fax: (33) 1.47.17.64.99/37

E-mail: cbilalian@fimeca.com

MEDICAL INDUSTRY ASSOCIATION

Syndicat National de l'Industrie des Technologies Medicales (SNITEM)

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92038 Paris La Defense Cedex

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Fax: (33) 1.47.17.63.89

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

MINERALS AND NON-FERROUS METALS INDUSTRY ASSOCIATION

Federation des Chambres Syndicales des Minerais, Mineraux industriels et des Metaux non Ferreux

Mr. Jean Chauvel, President

30, avenue de Messine

75008 Paris

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Tel: (33) 1.45.63.02.66

Fax: (33) 1.45.63.61.54

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MOTION PICTURE INDUSTRY ASSOCIATION

Federation du Spectacle

Mr. Jean Voirin, Secretary-General

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75019 Paris

France

Tel: (33) 1.48.03.87.60

Fax: (33) 1.42.40.90.20

E-mail: fnsac@cgt.fr

NATIONAL UNION OF PRODUCT ADVERTISING

Syndicat National de la Publicite par l'Objet

Mr. Thierry Bertrand, President

15, rue de Chateaudun

75009 Paris

France

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Fax: (33) 1.45.26.25.39

NATIONAL BUILDING FEDERATION

Federation Nationale du Batiment

Mr. Sionneau, President

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75784 Paris Cedex 16

France

or

6-14, rue La Perouse

75016 Paris

France

Tel: (33) 1.40.69.51.00

Fax: (33) 1.45.53.58.77

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

NATIONAL FEDERATION OF PUBLIC WORKS

Federation Nationale des Travaux Publics (FNTP)

Mr. Daniel Tardy, President

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75008 Paris

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Fax: (33) 1.44.13.31.44

E-mail: Tardyd@sntp.fr

NATIONAL CONFEDERATION WOOD INDUSTRY FOR CONSTRUCTION

Union des Industries du Bois

Mr. Jean-Daniel Debange, President

33, rue de Naples

75008 Paris

France

Tel: (33) 1.53.42.15.50

Fax: (33) 1.53.42.15.51

NATIONAL ASSOCIATION OF HOME REPAIR AND RELATED HOBBIES

Union Nationale des Industries de Bricolage et jardinage

Mr. Caille, President

61, rue de l'Arcade

75008 Paris

France

Tel: (33) 1.53.42.36.42

Fax: (33) 1.42.93.26.62

Web Site: <http://www.unibal.com>

NATIONAL UNION OF FRENCH FURNITURE INDUSTRIES (UNIFA)

Union Nationale des Industries Francaises de l'Ameublement

Mr. Henri Griffon, President

28 bis, avenue Daumesnil

75012 Paris, France

Tel: (33) 1.44.68.18.00

Fax: (33) 1.44.74.37.55

Web Site: <http://www.meuble-france.com/fr>

NATIONAL WOOD FEDERATION

Federation Nationale d'Exploitants Forestiers, Scieurs du Bois

Mr. Dominique Juillot, President

6, rue François Ier

75008 Paris

France

Tel: (33) 1.56.69.52.00

Fax: (33) 1.56.69.52.09

Web Site: <http://www.fnbois.com>

NAUTICAL INDUSTRY FEDERATION

Federation des Industries Nautiques

Mrs. Annette Roux, Chief Representative

Port de Javel-haut

75015 Paris

France

Tel: (33) 1.44.37.04.00

Fax: (33) 1.45.77.21.88

Web Site: <http://www.france-nautic.com>

OPTICAL INDUSTRY ASSOCIATION

Groupement des Industries Francaises de l'Optique (GIFO)

Mr. Bertrand de Lime, President

39-41, rue Louis Blanc

92400 Courbevoie

Mailing address:

92038 La Defense Cedex

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Tel: (33) 1.47.17.64.00

Fax: (33) 1.47.17.63.98

E-mail: gifo@gifo.org

PAINTS & INKS INDUSTRY ASSOCIATION

Federation des Industries des Peintures, Encres, Couleurs, Colles et Adhesives (FIPEC)

Mr. Michel Magnan, President

42, avenue Marceau

75008 Paris
France
Tel: (33) 1.53.23.00.00
Fax: (33) 1.47.20.90.30
Web Site: <http://www.fipec.org>

PAPER, CARDBOARD, CELLULOSE INDUSTRY ASSOCIATION
Confederation Francaise de l'Industrie des Papiers, Cartons et Celluloses (COPACEL)
Mr. Jean-Pierre Quéré, President
154, boulevard Haussmann
75008 Paris
France
Tel: 33 (1) 53.89.24.00
Fax: 33 (1) 53.89.24.01
Web Site: <http://www.copacel.fr>

PERFUME INDUSTRY ASSOCIATION
Federation des Industries de la Parfumerie (FIP)
Mr. Alain Grangé-Cabane, President
33, avenue des Champs-Élysées
75008 Paris
France
Tel: (33) 1.56.69.67.89
Fax: (33) 1.56.69.67.90

PHARMACEUTICAL INDUSTRY ASSOCIATION
Federation Francaise des Industries du Medicament (FEFIM)
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88, rue de la Faisanderie
75782 Paris Cedex 16
France
Tel: (33) 1.45.03.88.61
Fax: (33) 1.45.04.07.98
Web Site: <http://www.snip.fr>

PHOTOGRAPHIC AND VIDEO EQUIPMENT INDUSTRY ASSOCIATION
Syndicat des Equipements Photographiques et de l'Image (SEPIM)
Mr. Serge Crasniansky, President
5 bis, rue Jacquemont
75017 Paris, France
Tel: (33) 1.40.25.96.65
Fax: (33) 1.42.29.02.22
E-mail: ffii@wanadoo.fr

PLASTIC TRANSFORMERS FEDERATION

Federation de la Plasturgie
Mr. Emmanuel Paturle, President
65, rue de Prony
75854 Paris Cedex 17
France
Tel: (33) 1.44.01.16.16
Fax: (33) 1.44.01.16.55
Web Site: <http://www.proplast.org>

PRINTING AND GRAPHIC ARTS FEDERATION

Federation de l'Imprimerie et de la Communication Graphique (FICG)
Mr. Jacques Schor, President
68, boulevard St. Marcel
75005 Paris
France
Tel: (33) 1.44.08.64.46
Fax: (33) 1.43.36.09.51
E-mail: ficg@ficg.fr

PROFESSIONAL UNION OF PLASTICS MANUFACTURERS

Syndicat des Producteurs de Matiere Plastique
Mr. Dominique Huillard, President
14, rue de la République
92800 Puteaux
France
Tel: (33) 1.46.53.10.53
Fax: (33) 1.46.53.10.73/10.75
Web Site: <http://www.proplast.org>

RAILROAD INDUSTRY FEDERATION

Federation des Industries Ferroviaires
Mr. Jacques Douffiagues, President
12, rue Bixio
75007 Paris
France
Tel: (33) 1.45.56.13.53
Fax: (33) 1.47.05.29.17
Web Site: <http://www.fif.asso.fr>

SHIP BUILDERS UNION

Chambre Syndicale des Constructeurs de Navires
Mr. Alain Grill, President
47, rue de Monceau

75008 Paris
France
Tel: (33) 1.53.89.52.00
Fax: (33) 1.53.89.52.15
E-mail: CSCN@club-internet.fr / CCAF@ccaf.asso.fr

SPORTING GOODS INDUSTRY ASSOCIATION
Federation Francaise des Industries du Sport et des Loisirs (FIFAS)
Mr. Roger Pascale, President
Ms. Nicole Berthier-Stoops, Managing Director
18, rue Kurnonsky
Paris 75017
France
Tel: (33) 1.47.31.56.23
Fax: (33) 1.47.31.56.32
E-mail: fifas@club-internet.fr

STATIONARY PRODUCERS' UNIONS
Federation des Articles de Papeterie
Mr. Francois Nusse, President
71, avenue Marceau
75116 Paris
France
Tel: (33) 1.47.20.90.12
Fax: (33) 1.49.52.05.88

STATIONARY AND OFFICE PRODUCTS ASSOCIATION
Association Francaise d'Articles de Papeterie et des Fournitures de Bureau
Mr. Franck Toffa, President
12, rue des Pyramides
75001 Paris
France
Tel: (33) 1.42.60.11.59
Fax: (33) 1.42.60.12.03
E-mail: A-I-P-B@wanadoo.fr

TELECOMMUNICATION INDUSTRY UNION
Groupement des Industries de Telecommunications et d'Electronique Professionnelle (GITEP)
Mr. Noël Claveloux, President
Mr. Antoine Weil, Chief Representative
17, rue Hamelin
75783 Paris Cedex 16
France
Tel: (33) 1.45.05.71.97

Fax: (33) 1.47.55.66.22
Or (33) 1.45.53.09.23
Web Site: <http://www.gitep.fr>

TEXTILE INDUSTRY UNION

Union des Industries Textiles
Mr. Georges Jolles, President
37-39, rue de Neuilly
92110 Clichy
Tel: (33) 1.47.56.31.21
Fax: (33) 1.47.30.25.28
Web Site: <http://www.textile.fr>

UNION OF PLASTIC AND RUBBER INDUSTRY DISTRIBUTORS

Union pour Industries et de la Distribution des Plastiques et du Caoutchouc (UCAPLAST)
Mr. Jean Peyronnet, President
1, square La Bruyere
75009 Paris
France
Tel: (33) 1.55.78.28.98
Fax: (33) 1.55.78.28.99
E-mail: Ucaplast@wanadoo.fr

VETERINARIAN DRUG INDUSTRY ASSOCIATION

Syndicat de l'Industrie du Medicament Veterinaire (SIMV)
Mr. Jacques Cuvellier, President
109, boulevard Haussman
75008 Paris
France
Tel: (33) 1.53.30.04.00
Fax: (33) 1.53.30.06.05
Web Site: <http://www.simv.org>

Note: This list is not exhaustive. The Commercial Service at the American Embassy in Paris maintains an up-to-date and comprehensive listing of industry associations.

COUNTRY MARKET RESEARCH FIRMS

A.C. NIELSEN
Mr. Louis Courtot
9, avenue des 3 Fontaines
95007 Cergy-Pontoise, France
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Fax: (33) 1.30.38.60.77

ADEGE

Mr. G. Saurais, President
10, rue des Marronniers
69002 Lyon
France
Tel: (33) 4.72.77.81.40
Fax: (33) 4.72.77.81.41
Web Site: <http://www.adege.fr>

ALGOE

Mr. Debrinay, President
Mr. Grolleau, Vice-president
9 bis, route de Champagne
69134 Ecuilly Cedex
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ARTHUR D. LITTLE FRANCE

Mr. Eric Belot, President and Managing Director
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Fax: (33) 1.55.74.28.00
Web Site: <http://www.arthurdlittle.com>

AVISO CONSEIL

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69002 Lyon
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Fax: (33) 4.78.42.16.10

B.V.A (Brule Ville Associates)

Mr. Chapot, Director
191, avenue du General Leclerc
78200 Viroflay
France
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Fax: (33) 1.30.84.88.01
Web Site: <http://www.bva.fr>

CATHERINE DELANNOY & ASSOCIATES

Mrs. G. Delannoy
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75008 Paris
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204, rond point de Pont de Sevres
92516 Boulogne Billancourt Cedex
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E.S.T.E.L.

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GROUPE MV2

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92120 Montrouge
France
Tel: (33) 1.46.73.31.31
Fax: (33) 1.46.73.31.60

Note: The Commercial Service and the Office of Agricultural Affairs at the American Embassy in Paris maintain current and comprehensive listing of market research firms. As functions, contacts, and assigned responsibilities change often, interested exporters are requested to direct specific inquiries to the Commercial Service or to the Office of Agricultural Affairs at the American Embassy in Paris for up-to-date references.

COUNTRY COMMERCIAL BANKS

- French Subsidiaries of U.S. Banks:

AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION

Mr. Piero Grandi, President, Managing Director

11, rue Scribe

75009 Paris

France

Tel: (33) 1.47.14.50.00

Fax: (33) 1.47.14.07.04

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

BANK OF AMERICA

Mr. Odon de Vienne, President, Managing Director

43-47, avenue de la Grande Armee

75782 Paris Cedex 16

France

Tel: (33) 1.45.02.68.00

Fax: (33) 1.45.01.77.89

Web Site: www.bankamerica.com

BANK OF NEW-YORK

Mrs. Deidre Perroux, President, Managing Director

13, 15, boulevard de la Madeleine

75009 Paris

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Tel: (33) 1.42.97.90.20

Fax: (33) 1.42.97.43.73

CHASE MANHATTAN BANK SA

Mr. Jean-Olivier Bartholin, General Manager

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Fax: (33) 1.53 77 10 50

Or (33) 1.53 77 14.49

E-mail: Solange.Janet@chase.com

CITIBANK

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Citicenter, 19 Le Parvis
92073 Paris La-Defense Cedex 36
France
Tel: (33) 1.49.06.14.15
Fax: (33) 1.47.67.14.17
Web Site: <http://www.citibank.com>

MORGAN GUARANTY TRUST CO OF NEW-YORK

Mr. Philippe Lagayette, President, Managing Director
14 Place Vendome
75001 Paris
France
Tel: (33) 1.40.15.45.00
Fax: (33) 1.40.15.41.36

REPUBLIC NATIONAL BANK OF NEW-YORK

Mr. Robert Sevrin, Managing Director
20, place Vendome
75001 Paris
France
Tel: (33) 1.44.86.18.61
Fax: (33) 1.42.60.05.62

- French and other Foreign Banks:

ASSOCIATION FRANCAISE DES BANQUES - AFB

Mr. Michel Freyche, President
18, rue Lafayette
75440 Paris Cedex 09
France
Tel: (33) 1.48.00.52.52
Fax: (33) 1.42.46.76.40
Web Site: <http://www.afb.fr>

The Commercial Service at the American Embassy in Paris maintains an up-to-date and comprehensive listing of commercial banks.

COUNTRY TRANSPORTATION AND LOGISTICS

- Professional associations

FEDERATION DES ENTREPRISES DE TRANSPORT ET DE LOGISTIQUE DE FRANCE

13,rue de Calais

75320 Paris Cedex09

Tel: (33) 1 53 32 13 13

Fax: (33) 1 53 22 77 44

Email: n/a

Web Site: n/a

ASSOCIATION FRANCAISE DU TRANSPORT ROUTIER INTERNATIONAL

Mme. Françoise ANTIGNAC, External relations

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Web Site:n/a

- Logistic firms

AIR FRANCE CARGO

Mr MARCHESSAUX, Logistic manager

1, place de Londres

95700 ROISSY EN FRANCE

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Fax : (33) 1 48 64 34 74

Email: humarchesseaux@airfrance.frWeb site: <http://www.airfrance.com>

AIR LIBERTE CARGO

Mr.Didier BONELLO, Cargo Manager

3, rue du Ponts-des-Halles

94656 Rungis

France

Tel: (33) 1 49 79 23 46

Fax: (33) 1 49 79 23 72

Email: didier.bonello@air-liberte.frWeb Site: <http://www.air-liberte.fr>

BRITISH AIRWAYS WORLD CARGO

Mr. Roberto CASABIANCA, Sales director France

10, rue du Pavé B.P 10312
95705 Roissy-Aéroport
France
Tel: (33) 1 48 62 14 45
Fax: (33) 1 48 62 20 45
Email: n/a
Web Site: <http://www.britishairways.com>

CALBERSON
Mr. Denis ZIMMER, Sales director
183, avenue de Clichy
75008 Paris
Tel (33) 1 44 85 15 00
Fax (33) 1 42 28 50 00
Email: n/a
Web Site: <http://www.calberson.com>

DHL INTERNATIONAL
MR. Axel HOPPENOT, Marketing
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95957 Roissy-CDG
Tel (33) 1 49 38 70 00
Fax (33) 1 49 38 74 54
Email: ahoppeno@cdg.co.dhl.com

Web Site: <http://www.dhl.com>

EXEL LOGISTICS
Mr. Ghislain DESJARDIN, Development manager
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92100 Boulogne
Tel: (33) 1 41 86 33 33
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Web site: <http://www.exel.com>

EXPEDITORS INTERNATIONAL FRANCE SA
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BP 10679
95 725 Roissy CDG Cedex
Tel: (33) 1 49 19 50 58
Fax: (33) 1 49 19 51 66
Web Site: <http://www.expeditors.com>

FEDEX

Mr. Gilles TROADEC, Sales director
125, avenue Louis Roche
92230 GENNEVILLIERS
Tel : (33) 1 40 85 38 00
Email: gtroadec@fedex.com
Web Site: <http://www.fedex.com>

GARONOR, (logistical infrastructures)

Mr. Henri CEZARD, Sales director
B.P 780
93614 Aulnay sous Bois Cedex
Tel (33) 1 48 14 54 00
Fax (33) 1 48 65 30 40
Email : info@garonor.fr
Web Site: <http://www.garonor.fr>

GEODIS

Mr. Jean ELISSECHE, Sales director
183, avenue de Clichy
75017 Paris
Tel (33) 1 53 06 12 00
Fax (33) 1 53 06 12 01
Email : geodis@geodis.com
Web Site: <http://www.geodis.com>

REGUS (Office services)

Mr. Thierry MOSCHETTI, Sales director
72, rue du Faubourg St Honoré
75008 Paris
Tel : (33) 1 40 07 80 07
Fax : (33) 1 40 07 80 20
Email: thierry.moschetti@regus-sa.fr
Web Site: <http://www.regus.com>
<http://www.regus-sa.fr>

SERNAM

Mr. Patrick GODIN, Sales director
116, rue de Saussure
75840 Paris Cedex 17
Tel (33) 1 44 15 44 15
Fax (33) 1 44 15 44 11
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SNCF FRET

Tony DUCHE, International Relations
10, place de Budapest
75009 Paris
Tel (33) 1 53 25 60 84
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Web site: <http://www.sncf.fr>

TNT

Mr. Franck AFCHAIN, Sales director
3 Bis, avenue Evariste Galois
93150 Le Blanc Mesnil
Tel : (33) 1 48 14 43 55
Fax : (33) 1 48 14 49 99
Email: n/a
Web Site: <http://www.tntew.com>

UPS

Mr. Mark KHAYAT, Sales director
12, rue Clement-Ader
93210 La Courneuve
Tel (33) 1 48 38 84 22
Fax (33) 1 48 38 92 21
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Web Site: <http://www.ups.com>

CHAPTER XII:

MARKET RESEARCH AND TRADE EVENTS

APPENDIX F

MARKET RESEARCH

Upcoming Industry Sector Analyses for FY 2001 (ISA)

- Automotive Parts and Services Market
- Baby toys
- Beer Market
- Civil Aircraft Products & services
- E-Commerce/Direct Marketing through the Internet
- Wireless Commerce
- Internet Security
- Fertilizers
- Forestry Equipment
- Franchise Market
- Medical Biotechnology
- Pet Products
- Travel and Tourism Services
- Water Purification Equipment and Services

Available Industry Sector Analyses for FY 2000 (ISA)

- Home Health Care and Rehabilitation Products and Equipment
- Children's Wear
- Franchise Market
- Intranet Services
- Travel and Tourism Services
- Telecommunications Value-Added Services
- Phyto-Sanitary Chemicals
- Agricultural Machinery
- Automobile Accessories
- Hazardous Waste Management and Disposal Equipment Technologies and Services
- Packaging Materials and Equipment
- Regional/Business Aircraft & Parts

Industry Market Insights for FY 2000 & 1999 (IMI)
available on NTDB (<http://www.stat.usa.doc.gov>)

APPENDIX G

TRADE EVENT SCHEDULE

DATE CITY	TRADE SHOW / INDUSTRY ORGANIZER FACSIMILE, TELEPHONE WEB SITE
9/30-10/15/2000 Paris	MONDIAL DE L' AUTOMOBILE (2) / Automobile Consumer Show - AMC Promotion T: (33)1.56.88.22.40/ F: (33)1.47.23.06.30 Web Site: www.mondialauto.tm.fr
10/5-8/2000 Paris	CABLE AND SATELLITE TRADE SHOW / Telecommunications Reed Exhibitors T: (33)1.41.90.46.71/ F: (33)1.41.90.46.60
10/5-8/2000 Paris	PREMIERE VISION / Cotton & Textile Premiere Vision Le Salon T: (33)4.72.60.65.00/ F: (33)4.72.60.65.09 Web Site: www.premierevision.fr
10/7-10/2000 Paris	EXPO PROTECTION / Intl. Safety and Security Exhibition Miller Freeman T: (33) 1.47.56.51.49/ F: (33) 1.47.56.52.27 Web Site: www.expos-protection E-Mail: info@expos-protection.com
10/17-20/2000 Lyon	POLLUTEC (1)/ Environment & Pollution Control Miller Freeman T: (33)1.47.56.21.15/ F: (33)1.47.56.21.20 Web Site: www.pollutec.com
10/18-21/2000 Toulouse	SITEF (1)/ Advanced Technologies Intl. Exhibition CCI Toulouse T: (33)5 61 33 66 70/ F: (33)5.61 33 66 70 Web Site: www.sitef.com
10/22-26/2000 Paris	SIAL 2000 (1)(2) /International Food Products Show. CEP Expositum T: (33)1.49.68.54.98/ F: (33)1.47.31.37.75

Web Site: www.sial.fr

- 10/23-27/2000
Paris
EURONAVAL (1)(2) / Naval Equipment
GICAN
T: (33)1.47 36 80 80/ F: (33)1.40 93 57 72
- 10/24-27/2000
Paris
SATIS / Image & Sound Equipment
Reed-OIP
T: (33)1.41.90.48.45/ F: (33)1.41.90.48.39
Web Site: www.satis.reed-oip.fr
- 11/7-9/2000
Paris
NETWORLD + INTEROP / Network Computing
Softbank expo
T: (33)1.46.39.56.56/ F: (33)1.46.39.56.99
- 11/20-24/2000
Paris
IPA (2)/ Food Manufacturing Show
CEP Expositorium
T: (33)1.49.68.54.33/ F: (33)1.47.37.74.38
Web Site: www.ipa-web.com
- 11/4-6/2000
Paris
PARTIR EN HIVER / Winter Vacation
Le Figaro Quorum Expo
T: (33)1.56.69.50.80/ F: (33)1.56.69.50.94
- 11/7-10/2000
Paris
MIDEST / Industrial Subcontracting
Miller Freeman
T: (33)1.47.56.50.00/ F: (33)1.47.56.21.40
Web Site: www.midest.com
- 11/20-24/2000
Paris
EMBALLAGE (1)(2) / Packaging Equipment
Exposuim
T: (33)1.49.68.54.41/ F: (33)1.49.68.54.45
Web Site: www.emballage2000.com
- 11/28-1/12/2000
Paris
SIRCOM / Mobile Communications
SIRCOM SA/Exposuim
T: (33)1.49.68.51.85/ F: (33)1.49.68.51.78
- 11/15-17/2000
Paris
EXPO CONGRES / Event Management & Incentives
Infopromotions
T: (33)1.44.39.85.00/ F: (33)1.45.44.30.40
Web Site: www.groupesolutions.com

11/28-30/2000
Paris
SITM / Medical Equipment
BIRP
T: (33)1.53.17.11.40/ F: (33)1.53.17.11.45
Web Site: www.birp.com/sitm

12/1-12/2000
Paris
NAUTIQUE INTERNATIONALE / Boat
Reed-OIP
T: (33)1.41.90.47.10/ F: (33)1.41.90.48.39
Web Site: www.salonnautiqueparis.com

12/11-15/
2000 - Paris
ELEC (1)(2)/ Electricity & Automation
Elec Promotion SARL
T: (33)1.53.23.99.99/ F: (33)1.53.23.99.70
Web Site: www.elec.fr

12/2-12/2000
Paris
PARIS HORSE SHOW / International Horse, Poney & Donkey
Show - Comite des Expositions de Paris
T: (33)1.49.09.64.82/ F: (33)1.49.09.60.03
Web Site: www.comite-expo-paris.asso.fr

01/13-17/2001
Paris
EDITEUR DE LA DECORATION / House Decoration
EXPOSIUM
T: (33)1.49.68.54.84/ F: (33)1.47.37.74.47
Web Site: www.biennaledecoration.fr
E-Mail: biennale@exposium.fr

01/20-24/2001
Lyon
SIRHA / International Food Trade Exhibition
SEPELCOM
T: (33)4.72.22.32.55 / F: (33)4.72.22.32.18
Web Site: www.sirha.com
E-Mail: mofondeu@sepelcom.com

1/26-29/2001
Paris
PRET-A-PORTER (3) / Women's Fashion Wear
SODES
T: (33)1.44.94.70.00/ F: (33)1.44.94.70.05
Web Site: www.pretparis.com

1/11-15/2001
Paris
MEUBLE DE PARIS / Furniture
COSP
T: (33)1.40.76.45.00/ F: (33)1.45.63.78.24
Web Site: www.salondumeuble.com

- 1/24-26/2001
Paris
SIMD MARKETING DIRECT / Direct Marketing
CEP Exposium
T:(33) 1.49.68.51.00/ F: (33)1.47.37.75.09
- 1/31-2/4/2001
Paris
EXPOLANGUES / Living Languages, Cultures & Travel
Reed-OIP
T: (33)1.41.90.47.60/ F: (33)1.41.90.47.69
Web Site: www.expolangues.reed-oip.fr
- 2/10-14/2001
Cannes
MILIA (1) / Publishing & Media
REED/MIDEM
T: (33) 1.41.90.44.80/ F: (33)1.41.90.44.70
- 2/18-22/2001
Paris
SIMA (1) / The Paris International Agri-Business Show
EXPOSIUM
T: (33) 1.49.68.52.58/ F: (33) 1.47.37.72.33
Web Site: www.simoonline.fr
E-Mail: sima@exposium.fr
- 2/21-23/2001
Angers
SALON INTERNATIONAL DU VEGETAL / Horticultural
Products/International Professional Show.
BHR Centre Regional Horticole
T:(33)2.41.79.14.17/ F:(33)2.41.79.29.29
E-Mail: bhr@wanadoo.fr
- 2/18-25/2001
Paris
SALON INTERNATIONAL DE L'AGRICULTURE / Professional and
Consumer Agricultural Show
Comite des Expositions de Paris
T: (33)1.49.09.60.00/ F: (33)1.49.09.61.58
Web Site: www.comite-expo-paris.asso.fr
- 2/28-3/3/2001
Paris
BATINOV / Building Trade
Paris expo Porte de Versailles
T: (33) 1.47.56.50.00/ F: (33) 1.47.56.08.18
Web Site: www.batimat.com
E-Mail: info@batimat.com
- 2/28-3/3/2001
Lyon
EUROBOIS-EUROTIPS / Wood
SEPELCOM
T: (33) 4.72.22.32.56/ F: (33) 4.72.22.32.58
- 3/4-7/2001
Grenoble
SIG / Winter Sporting Goods & Apparel
ALPEXPO
T: (33)4.76.39.66.00/ F: (33)4.76.09.36.48

Web Site: www.sig-grenoble.com

3/6-9/2001
Paris

INTERTRONIC (2) / Microelectronics
Miller Freeman
T: (33)1.47.56.50.00/ F: (33)1.47.56.21.40
Web Site: www.intertronic.com

3/9-11/2001
Lyon

MAHANA (1) / Travel & Tourism For General Public
EXPO MAGAZINE
T: (33)4.78.62.33.62/ F: (33)4.78.62.33.6
Web Site: www.exposium.com

3/13-16/2001
Paris

EUROPROPRE / Building Trade Cleanliness
Miller Freeman
T: (33) 1.47.56.21.24/ F: (33) 1.47.56.21.20
Web Site: www.europre.com
E-Mail: info@europre.com

3/16-16/2001
Paris

MANUTENTION 2001 (1) / Intl. Exhibition of Handling Equipment and
Logistics - EXPOSIUM
T: (33) 1.49.68.51.59/ F: (33) 1.49.68.54.84
Web Site: www.pecklog.com
E-Mail: vroger@exposium.fr

3/16-21/2001
Paris

SALON DU LIVRE / Book Publishing
Reed-OIP
T: (33)1.41.90.47.60/ F: (33)1.41.90.47.69
Web Site: www.salondulivre.reed-oip.com

3/15-18/2001
Paris

SALON MONDIAL DU TOURISME (1) / Professional &
Consumer Travel & Tourism - CEP Exposition
T: (33)1.49.68.54.50/ F: (33)1.49.68.54.51
Web Site: www.exposium.com

3/6-8/2001
Paris

SETI (EUROPEAN IT WEEK)
INFOPROMOTIONS
T: (33) 1.44.39.85.00/ F: (33) 1.45.44.30.40
E-Mail: info@infopromotions.fr

- PAO (Publishing from paper to Web)
- Solutions EDI (Online, Internet solutions...)
- Solutions Vision (Image, Processing analyses...)
- CODEXPO / SCANTEC (Automatised management identification and data collect)
- Computer Telephony (where voice and data converge)
- ONLINE Solutions Internet

- IT COMDEX (E-Customer relationship)
- Solutions MVI (E-Customer relationship)
- Solutions Supply Chain Management (Supply Chain Solutions)

3/6-8/2001
Paris
MICAD / Computer Graphics & Computer-Aided Technologies
BIRP
T: (33)1.53.17.11.40/ F: (33)1.53.17.11.45
Web Site: www.birp.com/micad

3/6-8/2001
Paris
NETWORK & SYSTEMS MANAGEMENT / Network &
Telecommunication Systems - Infopromotions
T: (33)1.44.39.85.00/ F: (33)1.45.44.30.40

3/18-21/2001
Paris
FIT (1) / Information Technology
Dasar Expo
T: (33)1.41.27.21.50/ F: (33)1.47.37.32.83

3/24-26/2001
Paris
EXPOZOO Animalerie / Pet Industry
BEPP
T: (33) 1.49.52.14.26/ F: (33) 1.49.52.14.41
Web Site: www.expozoo.com
E-Mail: expozoo@expozoo.com

3/27-29/2001
Paris
JEC (1)/ Composite Materials
Centre Promo Composites
T: (33)1.58.36.15.01/ F: (33)1.44.01.16.65

3/30-4/2/2001
Paris
SALON DE LA FRANCHISE / Franchising
Miller Freeman
T: (33)1.47.56.24.22/ F:(33) 1.47.56.21.40

4/2-6/2001
Cannes
MIP TV / TV Programming, TV, Film And Video
REED MIDEM
T: (33)1.41.90.45.80/ F: (33)1.41.90.45.70

4/4-6/2001
Paris
SITL / Transportation & Logistics
Miller Freeman
T: (33)1.47.56.52.79/ F: (33)1.47.56.08.68
Web Site: www.itle.com

4/2001
Paris
INTERTRONIC / Electronic
Miller Freeman
T: (33) 1.47.56.52.04/ F: (33) 1.47.56.21.40
Web Site: www.intertronic.com
E-Mail: info@intertronic.com

5/21-23/2001
Paris
CABLE AND SATELLITE TRADE SHOW / Telecommunications
Reed Exhibitors
T: (33)1.41.90.46.71/ F: (33)1.41.90.46.60

5/29-31/2001
Paris
SALON DE L'INTERNET / Internet Products & Services
Groupe SPAT
T: (33)1.44.26.26.26/ F: (33)1.45.54.23.86

6//2001
Paris
CABLING SYSTEMS EUROPE / High tech material
EXPOSIUM
T: (33) 1.49.68.51.00/ F(33) 1.49.68.54.66
Web Site: www.cablingexpo.com
E-Mail: cabling-systems@exposium.fr

6/17-21/2001
Bordeaux
VINEXPO / Professional wine Show
VINEXPO SA
T: (33)5.56.56.00.22 / F: (33)5.56.56.00.00
Web Site: www.vinexpo.fr

6/17-24/2001
Paris
AERONAUTIQUE ET ESPACE / Aeronautics & Space
SIAE
T: (33) 1.53.23.33.33/ F: (33) 1.47.23.20.00.86
Web Site: www.slou-du-bourget.com
E-Mail: siae@salon-du-bourget.fr

6/2001
Paris
ETHNIC FOOD SHOW / International Ethnic & Specialty Foods.
Algodal
T: (33) 1.47.58.23.69.25/ F: (33) 1.47.32.95.65.98
E-Mail: Abonnel@aol.com

6/27-28/2001
Agen
ASSISES NATIONALES DES DECHETS / Urban Waste
Collection - RESEAU IDEAL
T: (33) 1.45.15.09.09/ F:(33) 1.45.15.09.00

9/7-10/2001
Paris
PRET-A-PORTER / Women's Fashion Wear
SODES
T: (33)1.44.94.70.00/ F: (33)1.44.94.70.05
Web Site: www.pretparis.com

9/12-17/2001
Cannes
PLAISANCE / Boating
SEPA
T: (33)1.42.89.41.04/ F: (33)1.45.61.12.00
Web Site: www.salonnautiquecannes.com

- 9/18-20/2001
Paris
AUTOMATION EUROPE / Automotive
EXPOSIUM
T: (33) 1.49.68.54.53/ F: (33) 1.49.68.55.55
Web Site: www.automationeurope.com
- 9/8-10/2001
Paris
GLISSEXPO / Winter Sports
Paris Gliss' Promotion
T:(33)5.59.42.51.51/ F: (33)1.59.42.51.59
E- Mail: glissexpo@fairteam.com
- 9/20-23/2000
Deauville
TOP RESA (1)/ Travel & Tourism
Miller Freeman
T: (33)1.47.56.50.00/ F: (33)1.47.56.50.67
Web Site: www.topresa.com
- 9/25-27/2001
Paris
CREABITAT / Construction Works
EXPOSIUM
T: (33) 1.49.68.51.00/ F: (33) 1.49.68.2.32
Web Site: www.creabitat.com
E-Mail: reabitat@xposium.com
- 9/25-27/2001
Paris
LES SALONS D'AUTOMNE
- HORTIMAT: horticultural equipment, material and production
- JARDITEC: garden, pet, leisure and outdoor products
- URBAVERT: outdoor equipment)
EXPOSIUM
T: (33) 1.49.68.51.00/ F: (33) 1.49.68.52.32
Web Site: www.salons-automne.com
- 9/2001
Paris
BUREAUCONCEPT EXPO / Supplies, stationery
COSP
T: (33) 1.40.76.45.00/ F: (33) 1.45.63.78.24
Web Site: www.cosp.fr
E-Mail: bureauconceptexpo@cosp.fr
- 10/05-15/2001
Paris
MONDIAL DEUX ROUES / Paris International Two Wheel Show
AMC PROMOTION
T: (33) 1.56.88.22.40/ F: (33) 1.42.56.50.80
Web Site: www.moto-cycle.com
E-Mail: info@amcpromotion.com
- 10/2000
Toulouse
SITEF (1)/ Advanced Technologies Intl. Exhibition
CCI Toulouse
T: (33)5 61 33 66 70/ F: (33)5.61 33 66 70
Web Site: www.sitef.com

- 10/20-22/2001 DIETEXPO / International Health, Dietetic Organic Show
Paris OIP Reed
T: (33)1.41.90.47.60/ F: (33)1.41.90.47.69
Web Site: www.dietexpo.reed-oip.fr
- 10/23-25/2001 LA SEMAINE DE L'ELECTRONIQUE /Electronic equipment
Paris Components and Services - EXPOSIUM
T: (33) 1 49 68 51 89/ F: (33) 1 49 68 54 66
Web Site: www.semaine-electronique.com
- 10/2001 RENCONTRES EUROPEENNES DU VEHICULE ELECTRIQUE
La Rochelle Electric Vehicles - SEM Technoforum
T: (33)5.46.45.90.90/ F: (33)5.46.44.04.07
- 10/22-26/2001 TAX FREE WORLD EXHIBITION / Tax free product
Cannes EXPOSIUM
T: (33) 2.49.68.54.71/ F: (33) 1.49.68.54.73
Web site: www.tfwa.com
- 10/23-26/2001 EUROPACK-EUROMANUT / The forum for product packaging,
Lyon storage and distribution
EXPOSIUM
T: (33) 1.49.68.51.00/ F: (33) 1.49.68.54.45
Web Site: www.exposium.com
E-Mail: europack-euromanut@expo.fr
- 11/05-10/2001 BATIMAT / International building exhibition
Paris Miller Freeman
T: (33) 1.47.56.50.00/ F: (33) 1.47.56.08.18
Web Site: www.batimat.com
- 11/07-11/2001 GASTRONOMIE / Food, Hotel and Catering and Restaurant
Bourg-en-Bresse Equipment - SOGEPEA
T: (33) 4.74.22.12.13/ F: (33) 4.74.22.02.33
- 11/20-22/2001 SITEVI / equipment and fruit-growing
Montpellier and wine-making Esectors - EXPOSIUM
T: (33) 1.49.68.51.00/ F: (33) 1.49.68.52.99
Web Site: www.sitevi.com

(1). The U.S. Government is participating and supporting this event.

(2). Every two years

Source: Foires et Salons de France; Fax: (33)1 48 25 04 55

Web site: www.foiresalon.com; E-mail: foiresalon@foiresalon.com