



FRANCE – 2022

Key findings

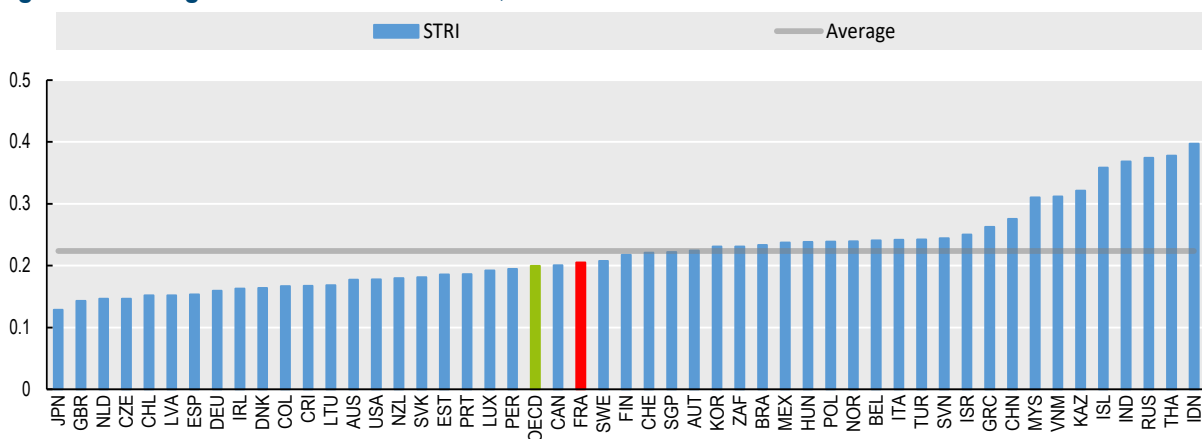
- The 2022 STRI of France is higher than the OECD average but lower than the STRI sample average. The indices have remained unchanged compared to 2021.
- France has been progressively introducing reforms over the past years, contributing to easing the conditions for trade and investment in several sectors.
- Courier services are the most open compared to the sectoral sample average while legal services are the most trade restrictive.

Recommendation

- Open and well-regulated services markets are essential to facilitate economic recovery, strengthen resilience to future shocks, and promote a more sustainable trading system. To ensure that the benefits of open markets and a rules-based international trading system are preserved, policy makers should focus on minimising barriers that increase trade costs for services providers, weaken the gains from digital transformation and undermine competitiveness.

The 2022 STRI of France is higher than the OECD average but relatively low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2022



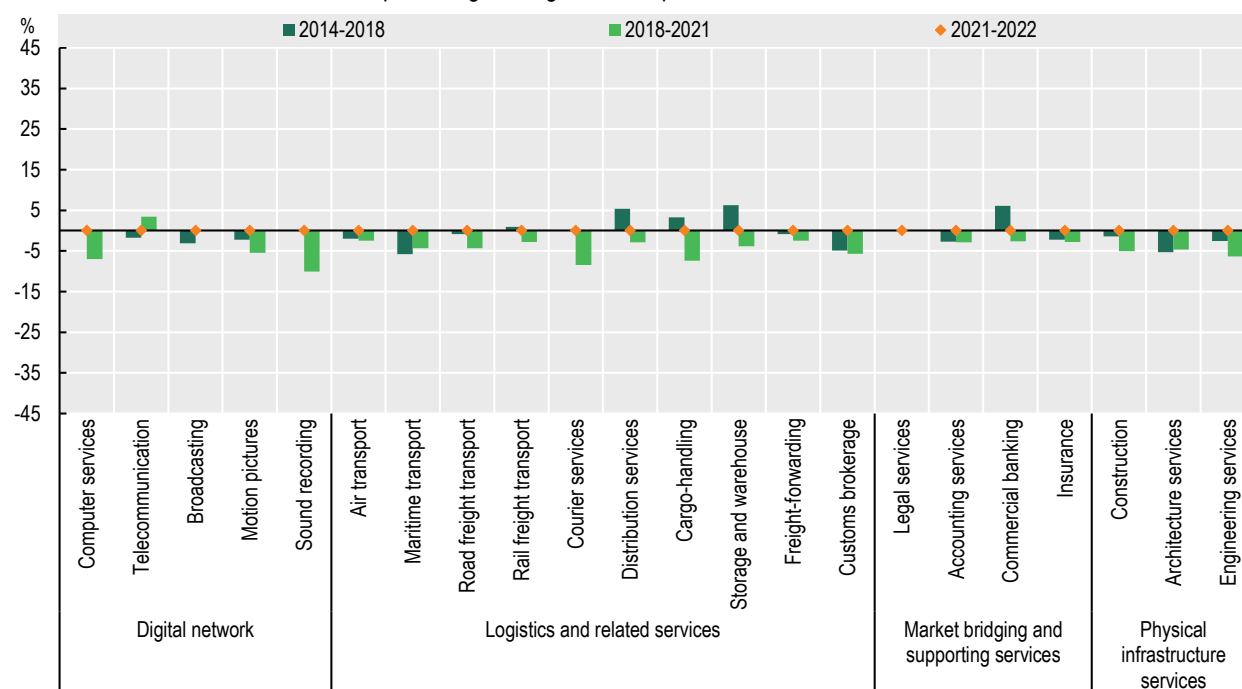
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2022. The STRI regulatory database covers the 38 OECD Members, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, Singapore, South Africa, Thailand and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law. Source: OECD (2022). STRI and TiVA databases.

The 2022 index reflects essentially horizontal measures applying to all sectors. France applies labour-market test to intra-corporate transferees, and contractual and independent services suppliers. Furthermore, the applicable duration of stay for contractual and independent services suppliers is limited to 12 months. Minimum capital requirements are mandatory for joint stock companies, and companies not established in the EU subject to VAT are required to have a taxable representative in France accredited to the tax office.

France has been progressively introducing reforms over the past years, contributing to easing the conditions for trade and investment in several sectors (Figure 2). Highest levels of liberalization between 2018-2021 were recorded in sound recording, courier and cargo-handling services, followed by computer services. No significant changes affecting the STRI scores were identified in 2022.

Figure 2. Evolution of STRI indices by sector in France

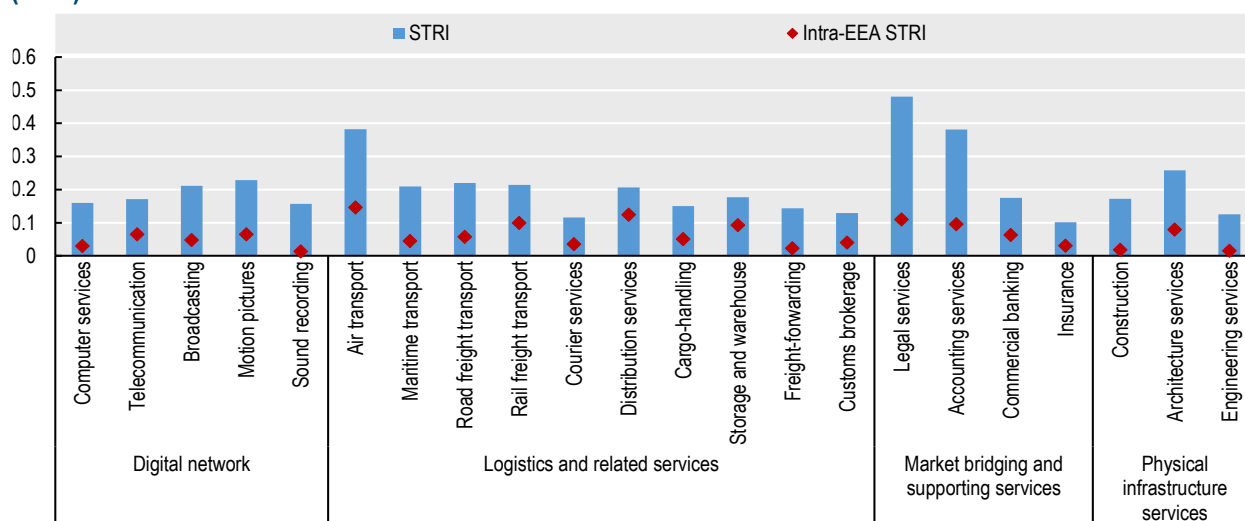
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



OECD (2022). STRI database.

Services trade barriers are significantly lower within the European Economic Area across all services sectors (Figure 2b). France maintains an open market for services suppliers from other EU Member States.

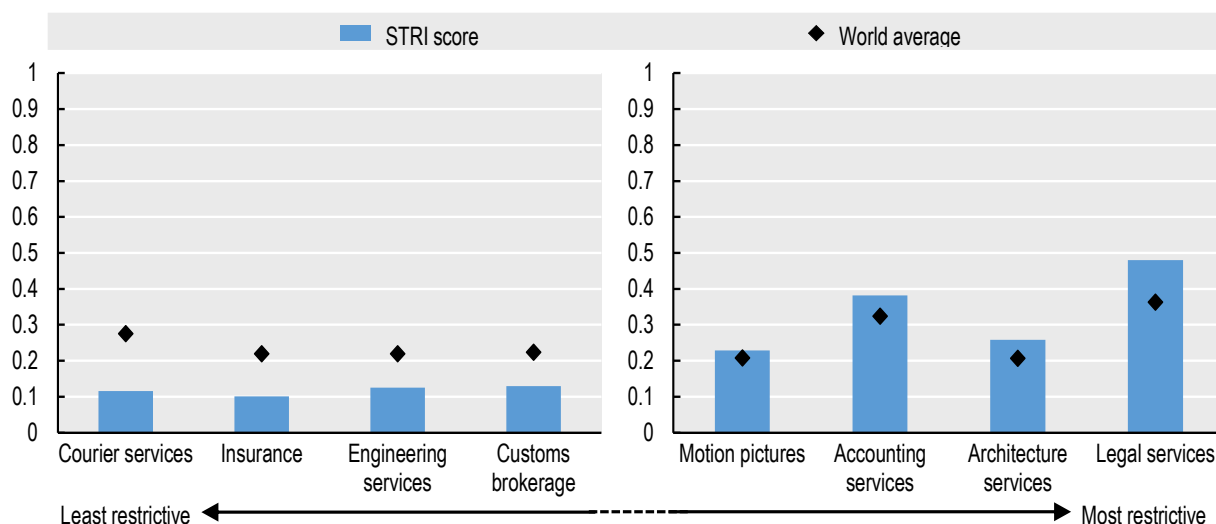
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



Note: The traditional STRI indicates the level of restrictiveness on a Most-Favoured Nation basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden).
Source: OECD (2022). STRI database.

Courier services, insurance, engineering services and logistics customs brokerage are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Motion pictures, accounting services, architecture services and legal services are the sectors with the highest score relative to the average STRI across all countries.

Figure 3. Sectoral breakdown - The least and most restricted sectors in France

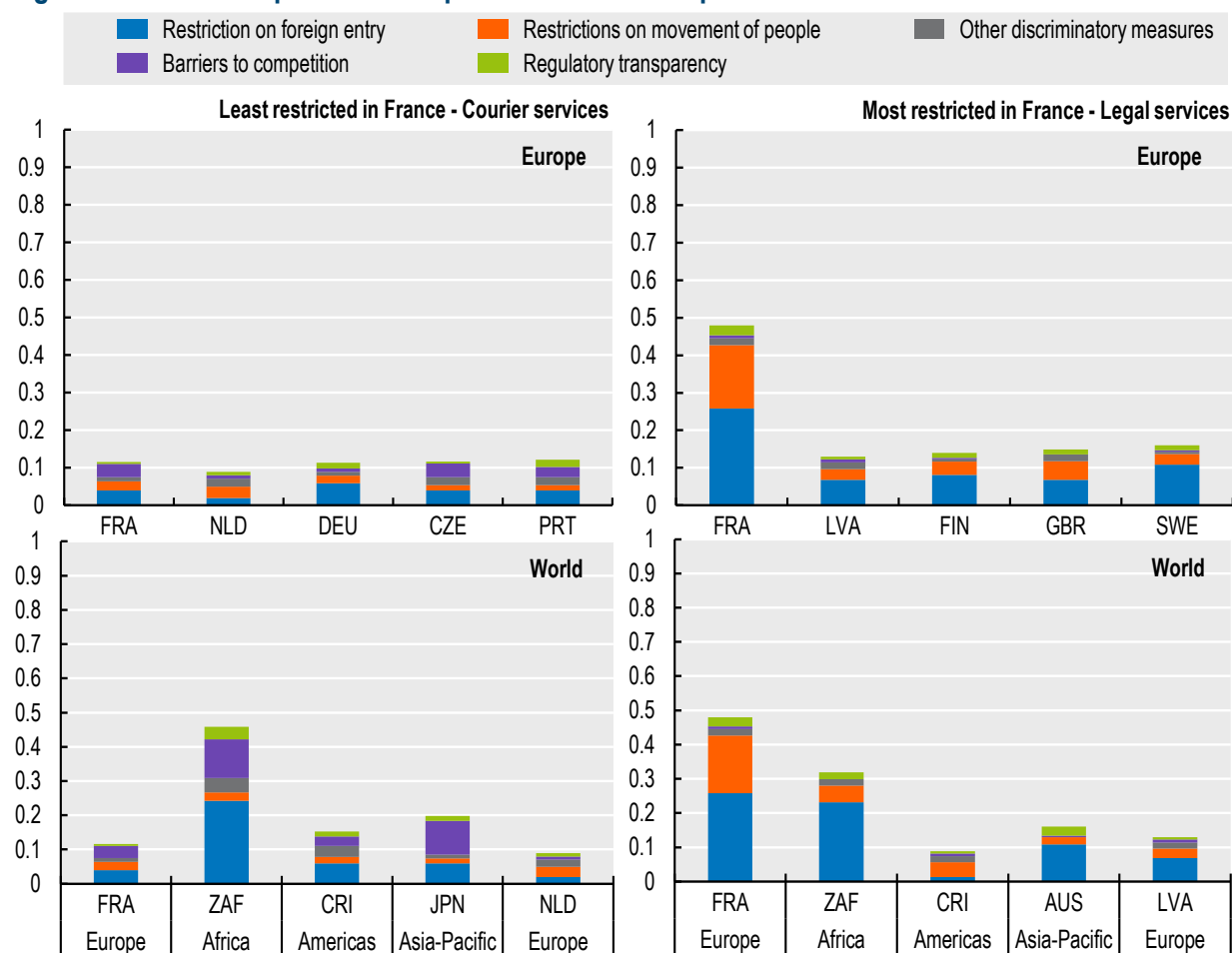


Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference
i.e. $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$
Source: OECD (2022). STRI database.

Courier services are the least restricted in France. Sectoral regulations largely follow best practice although the composition of the scores indicates that some restrictions on foreign entry and barriers to competition remain. Legal services are the most restricted services sector in France. The restrictions on foreign entry and movement of people are significant compared to best performers. Some of the measures that contribute the most to the score include equity restrictions applying to not licensed

individuals or firms, limitations on duration of stay, and prohibition of commercial associations between locally and not locally licensed lawyers, as well as lawyers and other professionals (Figure 4).

Figure 4. France compared to Europe and World's best performers



Source: OECD (2022). STRI database.

Recent policy changes

Several recent changes affecting France were due to changes in EU law. In August 2022, EU Regulation 2022/1031 entered into force aiming to regulate access of third-country (non-EU) goods and services to the EU's public procurement and concession markets. No relevant measure has been adopted by the European Union at this stage. It applies to public procurement and concessions where the EU has not undertaken market access commitments in an international agreement.

In telecommunications, maximum Union-wide voice termination rates defined by Commission Delegated Regulation (EU) 2021/654 became applicable on 1 July 2021. These maximum termination rates generally do not apply to calls originating from countries outside of the EU.

From 1 July 2021, the EU abolished the VAT exemption (de minimis regime) for goods valued under 22 EUR. The implementing decree, however, maintained this threshold when the import or introduction is carried out in Guadeloupe, Réunion or Martinique (exemption from VAT and of the "franchise d'octroi de mer"), as well as in Mayotte and Guyana (franchise d'octroi de mer only).

In air transport, EU Regulation 2020/459 waived the 80/20 grandfathering rule for airport slot allocations. In December 2021, the Commission adopted an extension to the slot relief rules to cover the 2022 summer scheduling season, running from 28 March 2022 until 29 October 2022. In maritime transport, Regulation 2020/436 extended the existing block exemption to liner shipping consortia from competition

law until April 2024.

More information

- » Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>
- » Read more about services trade policies and their impacts in [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org>