



FRANCE – 2023

Key findings

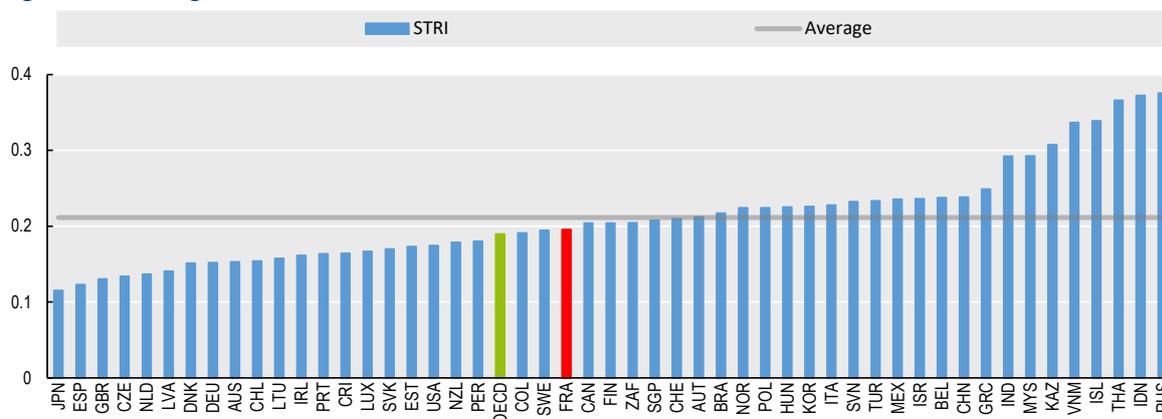
- The 2023 STRI of France is above the OECD average but relatively low compared to other countries in the STRI sample. The index has increased slightly compared to 2022.
- France's regulatory environment for services has been relatively stable over the last years. Progressively introduced reforms have moderately eased the conditions for trade and investment in several sectors.
- Relevant changes in 2023 include the abrogation of the freedom of choice of the law applicable to retailing contracts between suppliers and retailers, which affects France's distribution services.
- Courier services is the most open sector in France while legal services is the most restricted, relative to the sectoral average.

Recommendation

- Trade in services strengthens resilience across supply chains, facilitating environmental sustainability and promoting greater inclusiveness. To ensure the benefits of open markets and a rules-based international trading system, national and multilateral action is needed to lower barriers and reduce trade costs, promote greater regulatory interoperability, and facilitate the digital transformation of economies.

The 2023 STRI of France is above the OECD average and relatively low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023ⁱ

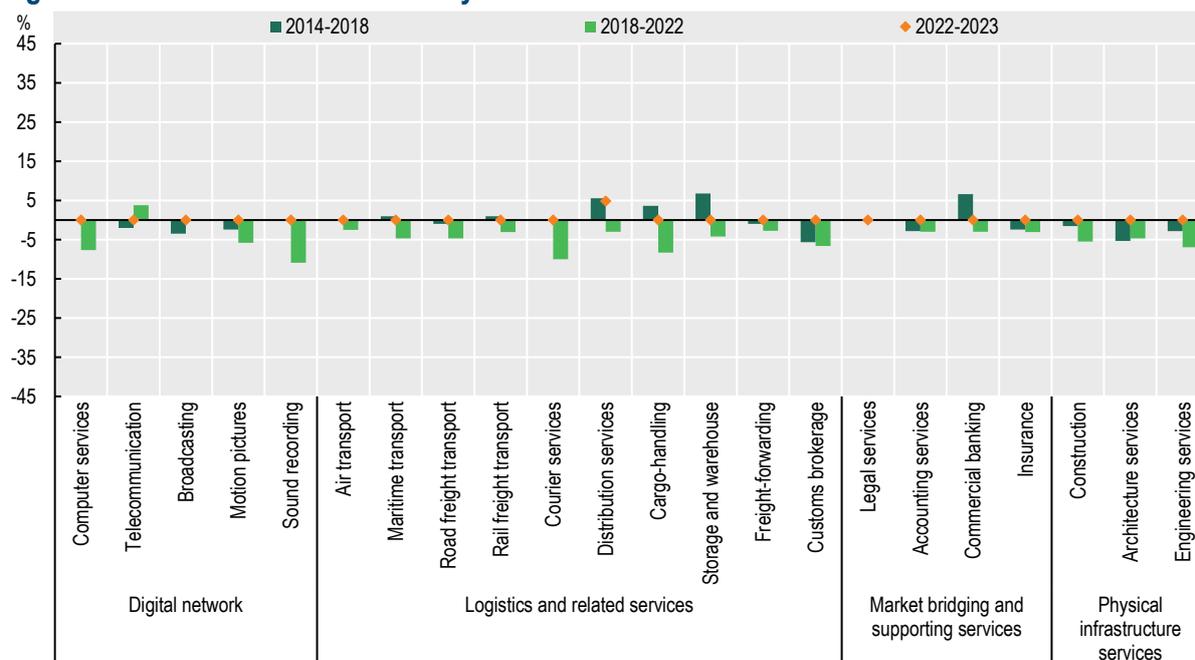


OECD (2023). STRI and TiVA databases.

The 2023 index reflects essentially horizontal measures applying to all sectors. France applies labour-market tests 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 on first entry permit. 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 a moderate liberalisation of the conditions for trade and investment in several sectors (Figure 2). Highest levels of liberalisation between 2018-22 were observed in sound recording, courier, and logistics cargo-handling services, followed by computer services. In 2023, the abrogation of the freedom of choice of the law applicable to retailing contracts between suppliers and retailers resulted in a slight increase in France's STRI for distribution services compared to 2022.

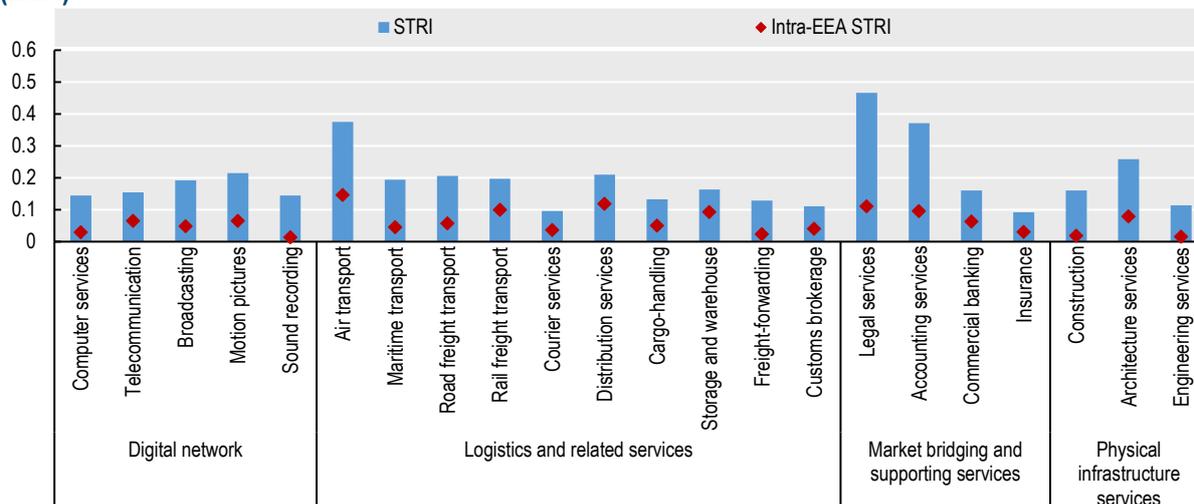
Figure 2. Evolution of STRI indices by sector in France



Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023
OECD (2023). 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.

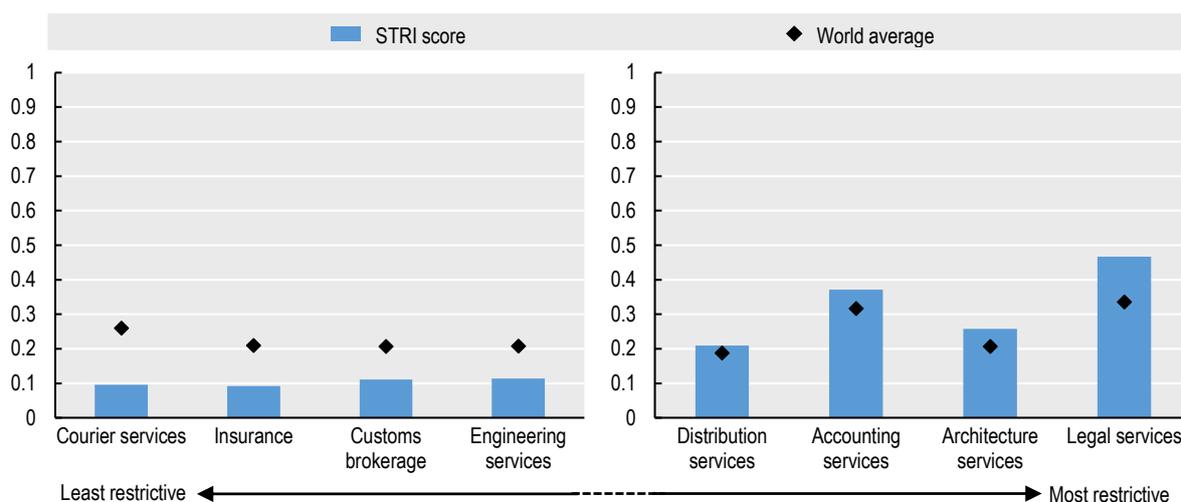
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



Note: The traditional STRI indicates the level of restrictiveness on a most favoured nation (MFN) 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 (2023). STRI database.

Figure 3 ranks France’s sectors relative to the respective sector’s world average. Courier services, insurance, logistics customs brokerage and engineering are the sectors with the relatively lowest scores. Conversely, distribution services, accounting services, architecture services and legal services are the sectors with the relatively highest scores.

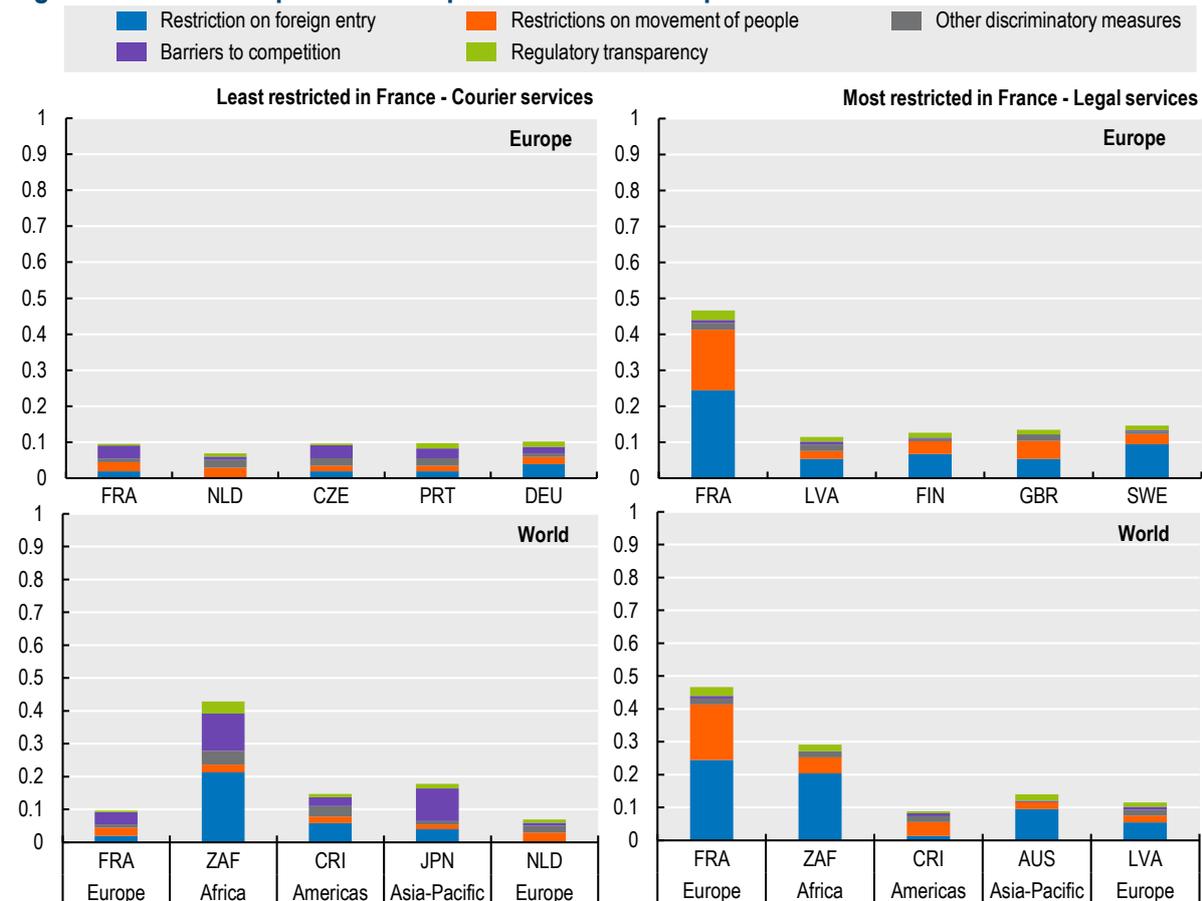
Figure 3. Sectoral breakdown - the least and most restricted sectors in France compared to world average



Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$
Source: OECD (2023). STRI database.

Courier services are the least restricted in France compared to the average STRI across all countries. Sectoral regulations largely follow best practice, although the composition of the indices indicates that some restrictions on foreign entry and barriers to competition remain. On the other hand, legal services is the most restricted services sector in France compared to the average STRI across all countries. The restrictions on foreign entry and to the movement of people are significant compared to best performers in Europe and world best practice. Some of the measures that contribute the most to the index are equity restrictions applying to not licensed individuals or firms, limitations on the duration of stay of foreign services suppliers, and a prohibition of commercial association between locally and not locally licensed lawyers, as well as between lawyers and other professionals (Figure 4).

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



Source: OECD (2023). STRI database.

Recent policy changes

A recent policy change concerns the freedom of choice of law that is applicable to a contract in distribution services. Since 2023, a new regulation imposes the application of French law on retailing contracts that involve products destined for French retailers' shelves.

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

In air transport, a series of temporary rules allowing airlines to retain historic slots, despite not using

their slots according to the 80/20 grandfathering rule, were in place from 1 March 2020 to 25 March 2023 on grounds of reduced air traffic levels due to the COVID-19 pandemic. As of 26 March 2023, such slot relief rules are no longer in force. In maritime transport, Commission Regulation (EU) 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024.

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

From 1 July 2021, the EU abolished the VAT de minimis regime for goods valued under EUR 22. 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).

More information

- » Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>
- » Read more about [Services Trade Policies and the Global Economy](#)
- » More information about measuring the regulatory environment for services trade in the Intra-EEA region: oe.cd/intraeeaSTRI
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

¹Note: 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 2023. 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.