

OECD Services Trade Restrictiveness Index (STRI)

FRANCE – 2020

Key findings

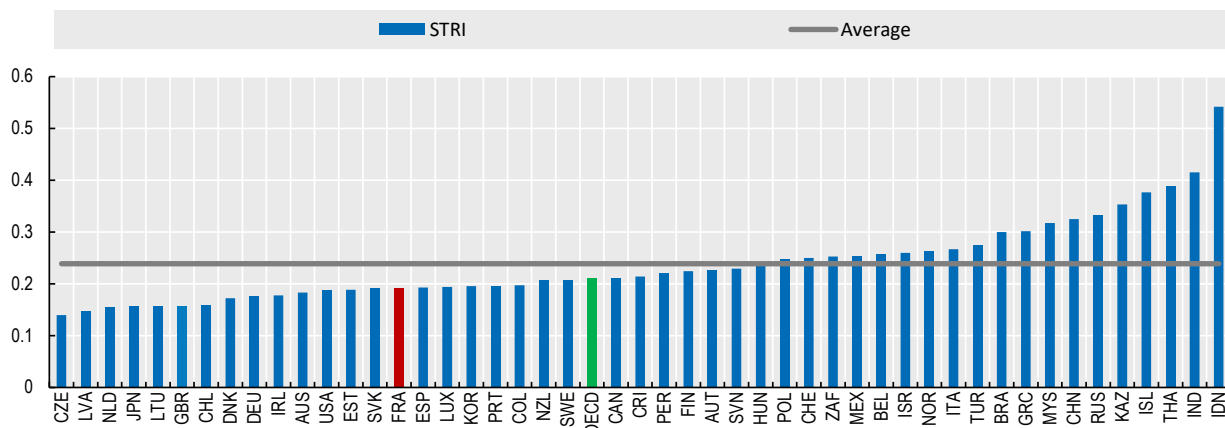
- The 2020 STRI in France is below the OECD average. The indicator remained unchanged compared to 2019.
- France has liberalised its services industries since 2016, particularly computer and courier services, construction and some professional services.
- Regulations appear to be less strict in France in most sectors and policy areas than in most OECD countries. However, regulations related to movements of people, which affect all sectors, are relatively stringent, notably labour-market tests requirement and limitations in the duration of stays.

Recommendation

- Innovation and adoption of technology relies on access to knowledge and to the networks, people, goods and services that carry the knowledge around the world. In this context, France could benefit from more open markets for services trade.

The 2020 STRI of France is relatively low compared to other countries in the STRI sample and below the OECD average, unchanged compared to 2019 (Figure 1).

Figure 1. Average STRI across countries, 2020



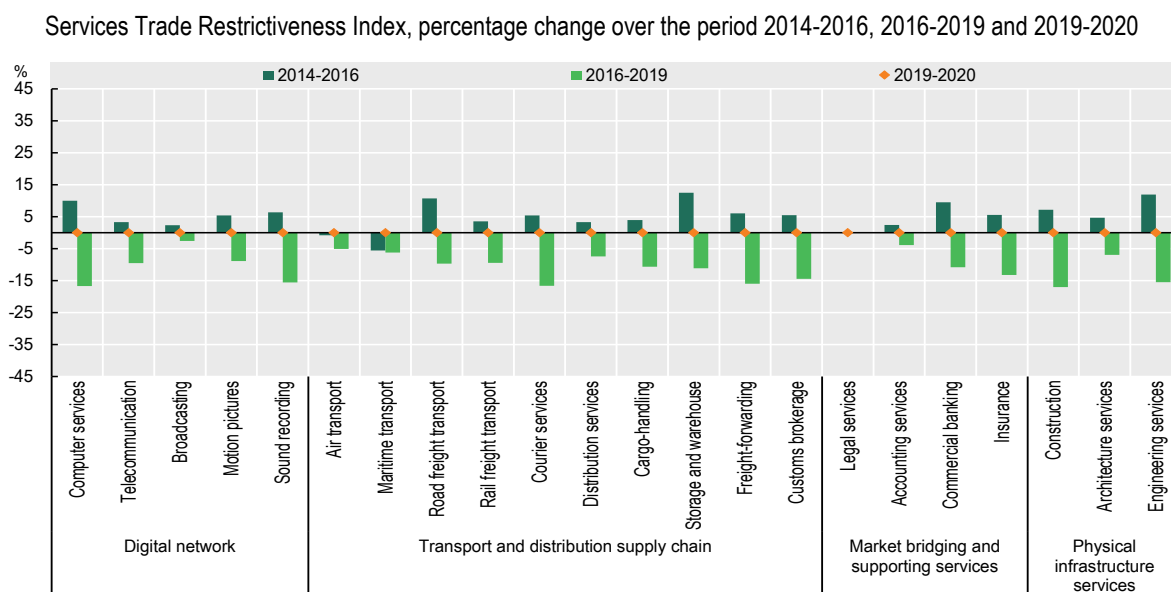
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2020. The STRI regulatory database covers the 37 OECD countries, Brazil, China, Costa Rica, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, South Africa, and Thailand.

Source: OECD STRI and TiVA databases (2020).

The 2020 index reflects essentially horizontal measures applying to all sectors. France applies labour-market test to intra-corporate transferees, contractual and independent services suppliers and their duration of stay in the country is limited. Minimum capital requirement is mandatory for joint stock companies and companies established in France 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 liberalisation were recorded in computer and courier services, construction, logistics as well as certain professional services (engineering services). In 2020, there was no major reform contributing to a significant change in the sectoral STRI.

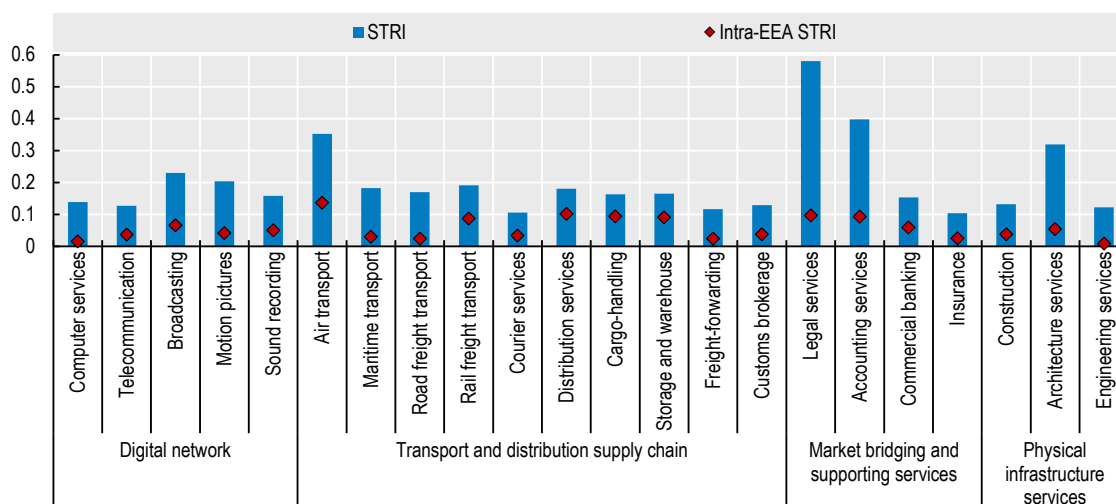
Figure 2. Evolution of STRI scores by sector in France



Source: OECD STRI database (2020).

Like in other EU countries, regulatory barriers affecting services trade within the European Economic Area are low in most sectors covered by the STRI (Figure 2b).

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

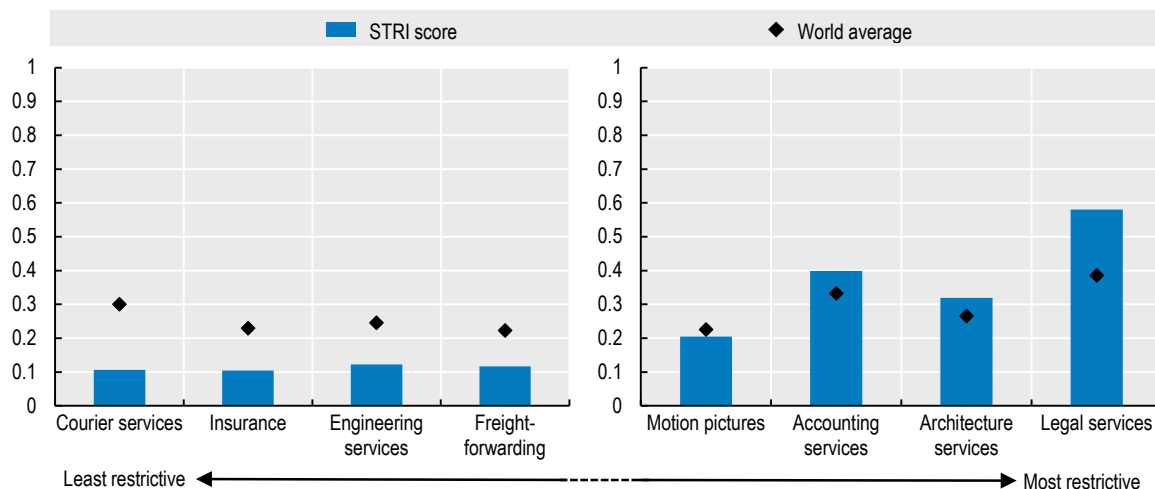


Note: The traditional STRI indicates the level of restrictiveness on Most-Favoured Nation basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland,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

Source: OECD STRI database (2020).

Courier services, insurance, engineering services and logistics freight-forwarding 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

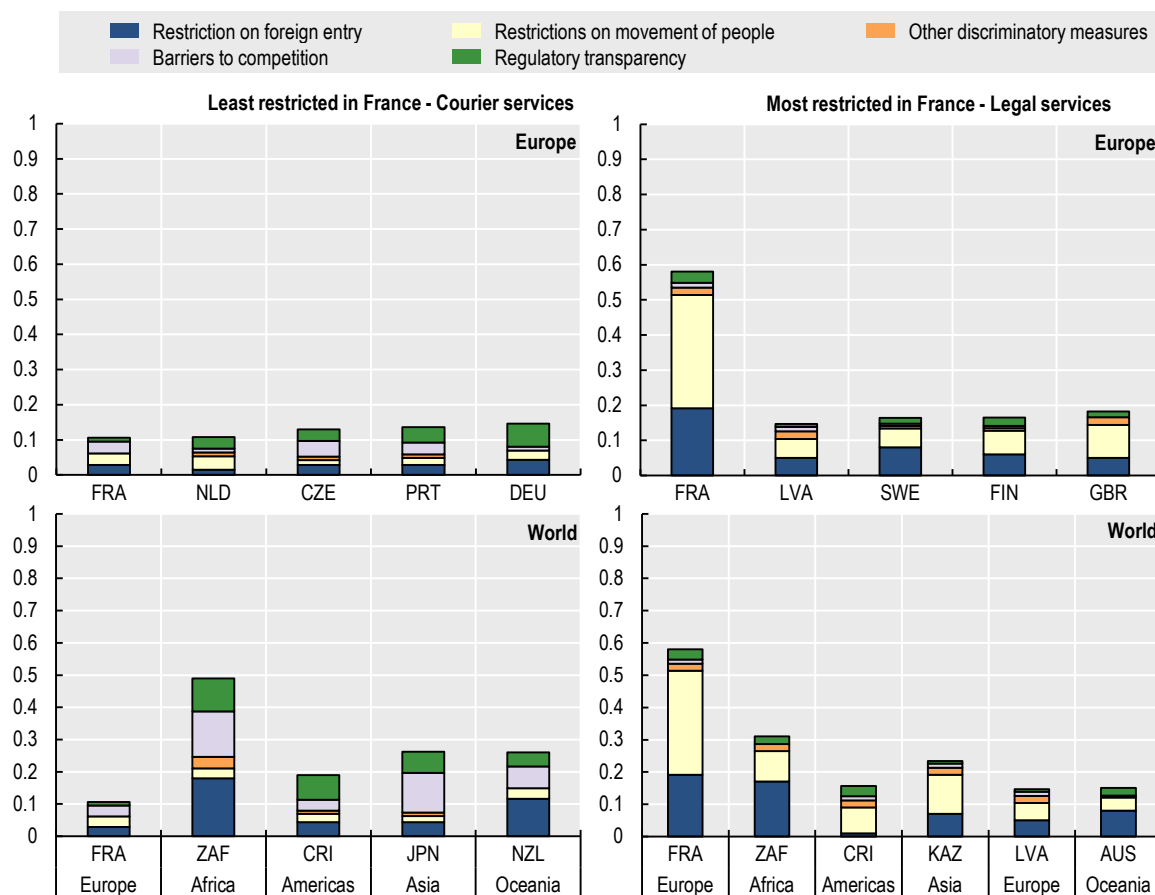


Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e. $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$

Source: OECD STRI database (2020).

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



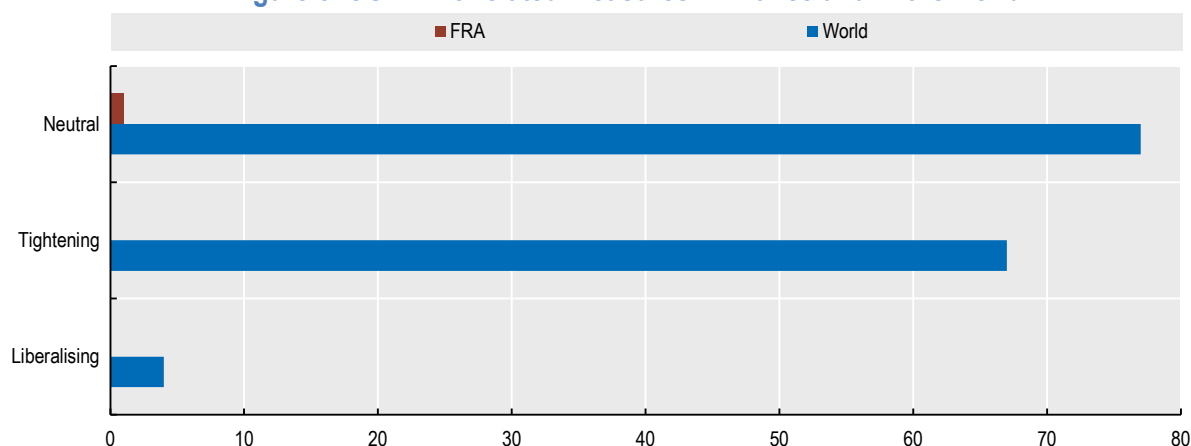
Source: OECD STRI database (2020).

Courier services are the least restricted services sector in France compared to Europe and the other best performers elsewhere while legal services are the most restricted (Figure 4). This reflects essentially stringent regulations related to movements of people, and to a lesser extent higher barriers on foreign entry.

Special focus: Impact of COVID-19-related measures on the stringency of services regulations

While France has adopted several measures in response to the COVID-19 crisis, these were either temporary in nature or not directly relevant for the measures considered in the STRI database. The exception is the extension of partial exemption of certain anti-competitive agreements from competition law in the maritime transport sector, following a 2020 EU regulation. This contrasts with a number of countries, which have tightened their investment screening process or their visa requirements (Figure 5).

Figure 5. COVID-19 related measures in France and in the world



Source: OECD STRI database (2020).

Key reforms

The new EU General Data Protection Regulation (Regulation No. 2016/679) entered into force on 25 May 2018, providing a comprehensive update on the EU data protection regime. In March 2019, EU-wide requirements on accounting separation entered into force for port authorities in receipt of public funds. That same year, the public procurement regulation was modified to extend the non-discriminatory treatment in the public procurement process to all foreign entities. Recent changes were due to changes in EU law. Regulation 2019/452 allows EU Member States to maintain, amend or adopt mechanisms to screen foreign direct investments in their territory on grounds of security or public order. It applies from 11 October 2020. In the context of the COVID-19 pandemic, Regulation 2020/459 waived the 80/20 grandfathering rule for airport slot allocations between 1 March 2020 and 27 March 2021. Accordingly, airport coordinators are required to consider slots allocated for this period as having been operated by the air carrier to which they were initially allocated. 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 and sector notes, and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Read more about services trade policies and their impact in [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org