CBI MARKET SURVEY

THE STATIONERY, SCHOOL AND OFFICE SUPPLIES MARKET IN FRANCE

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Report summary

This CBI market survey discusses, amongst others, the following highlights for the stationery, office and school supplies market in France:

- The French market accounted for 16% of the total stationery consumption of the reviewed countries[1] in 2005. Compared to the other researched markets France was in third place, which makes it one of the largest stationery markets in Europe in 2005. Its total consumption amounted to € 2,356 million in the same year.
- In absolute value of the estimated total production of the French stationery market for 2004 was € 3,478 million.
- Total imports into France in value and volume were respectively € 1,446 million and 388 thousand tonnes in 2005. In the same year, France accounted for 14% of total EU stationery imports and was one of the biggest importers in the EU.
- For the year 2005, the percentage of imports into France coming from the developing countries was more than 17%. For a comparison, this same percentage was 13.6% in 2003. Leading suppliers are: *China (10.3%), Taiwan (0.9%), Turkey (0.6%), Thailand (0.4%), India (0.3%).*

This survey provides exporters of stationery[2] with sector-specific market information related to gaining access to France. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey *'The stationery, office and school supplies market in the EU' (2006),* which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.nl/marketinfo.

1. Market description: consumption and production

Consumption

Total market size

- The total consumption of stationery in 2005 in France amounted to € 2,356 million at Manufacturing Selling Prices[3] (excl. Greeting Cards and Cases & Satchels[4]).
- The French market accounted for 16% of the total stationery consumption of the reviewed countries in 2005. Compared to the other researched markets, France was in third place, which makes it one of the largest stationery markets in Europe.
- In 2003 there was a downturn of 4.2% in French stationery consumption. Between 2004 and 2005, it increased by 1.5% and remained static throughout the whole of 2005.
- Until at least 2008, consumption is forecast to grow about 0.5 – 1% annually.

[1] The reviewed countries are: France, Germany, Italy, The Netherlands, Spain, UK, Austria, Belgium, Cyprus, Czech Rep., Denmark, Finland, Greece, Hungary, Ireland, Poland, Portugal, Sweden.
[2] Please, note that by 'stationery' in the whole survey, it is meant 'stationery, office and school supplies'.
[3] MSP (Manufacturing Selling Prices) – The price at which manufacturers sell products to resellers or direct to users.
[4] Consumption information is given for all mentioned product groups except for the segments Greeting Cards and Cases & Satchels. The research agencies used in this report are not gathering information for those two product groups. Separate information for them is given later in the text.

- Greeting Cards consumption of France is lower than in known Greeting Card sending countries, such as the Netherlands and the United Kingdom. However, according to Euromonitor, Greeting Cards use is expected to increase as a reaction on the increasing electronic communication trend. In 2003, The French Greeting Card market accounted for a value of € 271 million.

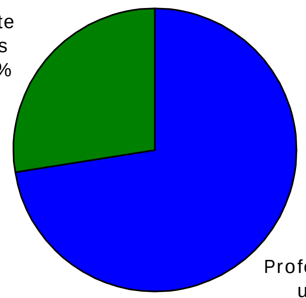
Product groups

- In 2005, Office furniture was the largest product group in the French stationery market, accounting for about 40% of the total and € 918 million at MSP. The next largest segment was Paper-based items, with 22% of the total French stationery market, worth € 526 million.
- In third place by market share was Writing & Drawing Instruments with 17% of the total French market and value of € 398 million.
- Storage & Filing products, Office & Desk Accessories and Presentation & Planning materials were the smallest segments with relative shares of 10%, 6% and 5% and values of consumption respectively of € 244, € 148 and € 123 million at MSP.
- In the French stationery market, almost all product groups are growing very slowly at around 0.5 – 1% annually at constant prices.
- Most product groups are forecast to remain static till the end of the decade, as the French stationery market is rather saturated and mature.
- There is, however, one better performing segment. That is Office Furniture, which is expected to increase by more than 5.5% by 2008.

Market segmentation

In general, the stationery market can be segmented into three major market segments, i.e.: Private users, Small office and Home office users (SoHo) and Professional users (which also includes Schools & Universities). However, the line between the different segments is becoming increasingly blurred as the distinction between the work and the personal life begins to fade. In this sense, all mentioned segments are of interest for the exporters from the developing countries.

Figure 1.1: The French stationery market, segmentation by user, % share, by value, 2005



Source: Iplusc

According to Iplusc, the professional users accounted for 72.6% of the French stationery sales in 2004, the remaining 27.4% were made up by private users. Unfortunately, the SoHo users are not researched as a separate entity, so consumption of the SoHo users is included in both groups. According to a research undertaken by Esselte, more than 60% of the people in the United Kingdom, Germany and France have home offices, and 40% of the people take work home with them on a regular basis. Between 2002 and 2004, the professional user segment in particular was affected by the economic slowdown. Professional user consumption dropped by 4.0%. The private user segment showed a slight decline, dropping by only 1.5% in the same period.

Trends in consumption

- General trends in EU stationery consumption are given in Chapter 4 of the CBI market survey '*The stationery, office and school supplies market in the EU' (2006).* In this document, attention has been paid only to country-specific consumption trends.

- According to Euromonitor, nearly half of the total sales of stationery are for the school start year. Families spent around € 180 per child. Low-income families are supported with a school start aid amounting to € 253 per family in 2003.
- Moreover, the declining school population, due to demographic changes in the French population, has been somewhat compensated by the launch of new products and their aggressive marketing.
- As regards Writing & Drawing Instruments, there have been a series of innovations focusing on ergonomics. The design of the pen's grip has changed (wider barrels and larger grips were introduced). In the French market, the cheap and one-day use image of pens is evolving and ergonomic and special-grip pens are state-of-the-art.
- In the Paper-based segment, innovative design in general has become important in the market. Bright colours and pictures are now fashionable and Clairefontaine (http://www.clairefontaine-paperpc.com) claims to be the market leader in this domain, especially with its '3D range' exercise books.

Production

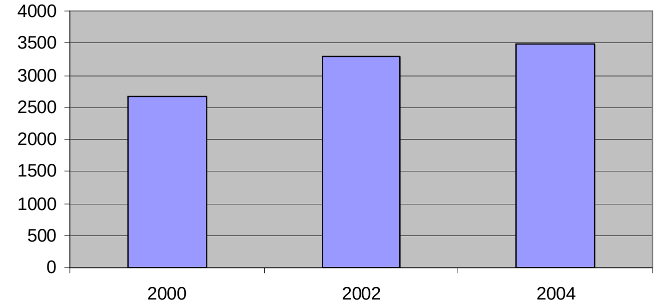
Total production

- In absolute value of the estimated total production of the French stationery market for 2004 was € 3,478 million.
- France accounts for 14% of the stationery production of the reviewed countries based on Eurostat statistics, which makes it one of the biggest producers in the EU.
- In comparison to the previous years, overall production is increasing (see Figure 1.2). Between 2002 and 2004, overall production increased by more than 5.7%.
- In response to demand, production is also expected to increase marginally until the end of this decade. Outsourcing to Eastern European countries and other low-cost destinations is also probable as unit labour costs rose in 2005.
- An overview of production by product group is given in Figure 1.3.

Major players

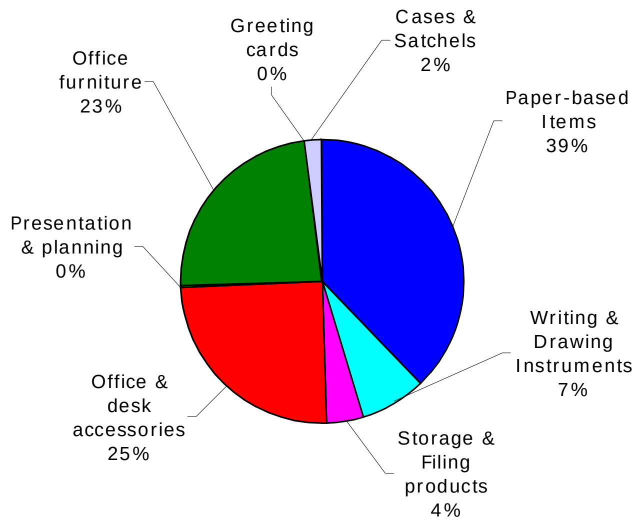
The French Paper-based items production is dominated by two large groups: Exacompta-Clairefontaine with brands like Clairefontaine and Force 8, and Groupe Hamelin (http://www.groupe-hamelin.com/), with Oxford and Super-Conquérant. Exacompta-Clairefontaine recently decided to focus its activities on the stationery market, with the result that

Figure 1.2: The French stationery market, total production, by value (€ millions)



Source: Eurostat statistics

Figure 1.3: Production in the French stationery market, segmentation by product group, % share, by value, 2004



Source: Eurostat statistics

several subsidiaries were sold and others acquired, such as the Raynard in 2003, and Jowa in 2004. Today, Exacompta-Clairefontaine is the market leader in the French school stationery market (http://www.exacomptaclairefontaine.fr/). Groupe Hamelin with sales of € 553 million in 2003 is the leading Paper-based items manufacturer.

Another important manufacturer is Canson & Montgolfier, a part of the Arjo-Wiggins Group (http://www.arjowiggins.com/). This manufacturer primarily focuses on the manufacture of drawing and tracing paper. There are however smaller manufacturers present in this product group, such as Papeteries Sadosky. This manufacturer also produces own-label products for hypermarkets. France is also home to a large envelope manufacturer, La Couronne, (http://www.lacouronne.com/), which recently also added Paper-based items to its product range, under the La Couronne Prestige name.

Bohin (http://www.bohin.fr/) is a French manufacturer operating mainly in the Office & Desk Accessories product sector, with a turnover of € 4 million. Stationery makes up 15% of their turnover. France is also home of one of the largest Writing & drawing instruments manufacturers in the world. BIC (http://www.bicworld.com/) is active in different market segments of the Writing & drawing instrument market. In the budget-priced segment, it has the BIC brand and for medium segment, the Sheaffer and Ballograf brands.

Trends in production

- Given the high number of companies, there is little room for manoeuvre in the French office services and supplies market. Stiff competition means that, on the production side, only the largest companies are able to survive, thereby pushing many companies toward consolidation (Datamonitor).
- An important trend amongst manufacturers is acquisitions. One of the leading players in the French market is Societe Bic, which manufactures and sells 22 million stationery products every day around the world. The company is continuing to expand through acquisition, having recently purchased a Japanese distributor, Kosaido Shoji, and the French writing instrument manufacturer, Stypen.
- Within the paper products sector, the biggest French player is Canson & Montgolfier, a member of the ArjoWiggins Group. Although Canson has been steadily building its market share over the past few years, it is unlikely that the company will be able to dominate the sector – the paper products sector is too diverse for any one company to be able to achieve this.
- Moreover, the leading companies are each more or less specialized in one sector and as such are not directly in competition. The stationery market seems to remain quite fragmented with a high number of players. (Euromonitor)

Opportunities and threats

- According to Datamonitor, during the next five years the French market is expected to experience steady and even stronger growth compared to the other European markets. This predicted growth will enable France to increase its share of the overall European market and will give more opportunities to all players in the market.
- Moreover, the government's amendment of the so-called Galland Law, regulating the relationship between French retailers and their suppliers, is likely to lead to lower prices for major branded products in the stationery market. This, in turn, might take some of the share of the non-branded products. This is a definite threat to exporters from the developing countries, especially for the ones marketing non-labelled products.
- Moreover, production is increasing and French producers are actively reducing their high costs via outsourcing, which will lead to a cheap supply of stationery products into the country. This is also a definite threat to exporters from the developing countries.
- Finally, there is a certain niche in the Office furniture market where production has declined over the years but consumption is increasing considerably. In this sense, the exporters and

also the producers from the developing countries might fill that gap between production and consumption with their own products.

Useful sources
- MPA International - A global consultancy specializing in marketing research and analysis in the office products industry: (http://www.mpainternational.com/)
- Office Products Magazine (http//:www.opi.net)
- School, Home, & Office Products Association (SHOPA) (http://www.shopa.org/)
- Association of the French Trade and Industry (http://lessites.service-public.fr/cgi-bin/annusite/annusite.fcgi/nat6?lang=uk&orga=485)
- European Writing Instruments Manufacturers Association (EWIMA) (http://www.ewima-isz.de/)
- European envelope manufacturers association (http://www.fepe.de/)

2. Trade: imports and exports

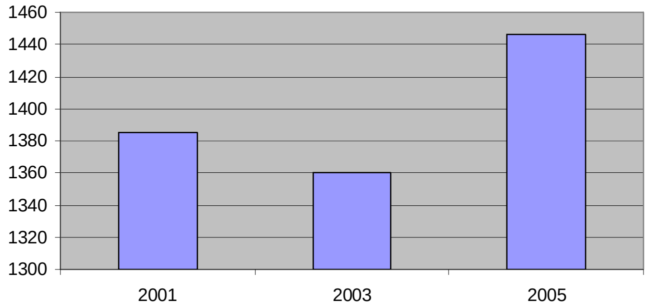
Imports

Total imports
- The size of total imports into France in value and volume were respectively € 1,446[5] (million) and 388 thousand tonnes in 2005.
- In 2005, France accounted for 14% of total EU stationery imports and is one of the biggest importers in the EU.
- In comparison to 2003, imports in 2005 increased by more than 6%.
- Import growth is forecast to accelerate slightly into 2007, in line with the projected marginal increase of stationery consumption.
- For 2005, the percentage of imports in France coming from developing countries was more than 17%. For a comparison, this same percentage was 13.6% in 2003, a considerable increase which is forecast to continue. The best performers in the group are shown in Table 2.1.

Imports by product group
For the relative size of the product groups in France import see Figure 2.2. An analysis of the changes in the shares of the different product groups over the years shows that all of the product groups remained stable, except for Office & Desk Accessories, which decreased by more than 2% and Storage & Filling products which increased marginally. The product

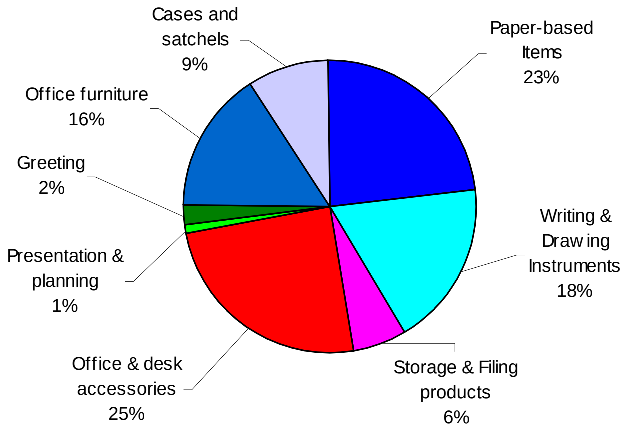
[5] Including Cases & Satchels and Greeting Cards

Figure 2.1: Import in the French stationery market, total imports, by value (€ millions)



Source: Eurostat database

Figure 2.2: Import in the French stationery market, segmentation by product group, % share, by value, 2005



Source: Eurostat database

groups which are seeing increasing demand for imports in absolute values are all of the mentioned groups. Major supplying countries of these imports from the EU members, non-EU members and especially form the developing countries are given in Table 2.1 in an exhaustive form.

Table 2.1 Imports by country and leading suppliers to France, 2003 - 2005, share in % of value

Product	2003 € mln	2005 € mln	Leading suppliers in 2005 (share in %)	Share (%)
Total market sector	1,361	1,446	Intra-EU: Germany 16.5%, Belgium 12.5%, Italy 7.5%	75%
			Extra-EU excl. DC: Switzerland 1.5%, USA 1.0%, Taiwan 0.6%	8%
			DC*: China 10.3%, Taiwan 0.9%, Turkey 0.6%, Thailand 0.4%, India 0.3%	17%
Paper-based Items	132	336	Intra-EU: Germany 24.8%, Belgium 15.4%, Italy 12%	82.6%
			Extra-EU excl. DC: USA 2.31%, Switzerland 1.2%, Romania 1.0%, Taiwan 0.36%	7.4%
			DC: China 8.3%, India 0.3%, Malaysia 0.27% Thailand 0.38%, Indonesia 0.17%, Turkey 0.31%	10%
Writing & Drawing Instruments	241	264	Intra-EU: Germany 24.8%, United Kingdom 8.1%, Italy 7.5%,	61%
			Extra-EU excl. DC : Japan 12.3%, Taiwan 1.8% Switzerland 2.2%, USA 1.07%,	20%
			DC: China 14.2%, India 1.2%, Morocco 0.8%, Thailand 0.67%, Malaysia 0.17%, Tunisia 0.76%	19%
Storage & Filling Products	71	83	Intra-EU: Germany 22.7%, the Netherlands 11.5%, Belgium 11.3%	83%
			Extra-EU excl. DC: Japan 0.2%, USA 0.42%, Switzerland 0.4%, Taiwan 0.46%,	2%
			DC: China 9.0%, Egypt 2.17%, India 0.7%, Thailand 0.79%, Turkey 0.69%	15%
Office & Desk Accessories	364	357	Intra-EU: Germany 30%, Belgium 10.5%, United Kingdom 10.1%,	82%
			Extra-EU excl. DC: USA 3.35%, Japan 0.6%, Taiwan 0.93%, Switzerland 1.8%	7%
			DC : China 9.1%, Tunisia 0.2%, Pakistan 0.3% Turkey 0.06%, Egypt 0.56%, India 0.1%	11%
Presentation & Planning	8	13	Intra-EU: Czech Republic 12.3%, Belgium 13.4%, Portugal 9.6%	63.7%
			Extra-EU excl. DC : USA 0.05%, South Korea 0.3%, Taiwan 0.19%, Romania 0.15%	0.7 %
			DC :China 33.6 %, Malaysia 0.112%, Philippines 0.28%, India 0.2%, Thailand 1.31%	35.6%
Greeting Cards	35	30	Intra-EU: Belgium 20.2%, Germany 15.9%, Italy 12.1%	78%
			Extra-EU excl. DC: USA 2.34%, Taiwan 0.2%, Hong Kong 0.38%, Switzerland 1.5%	5%
			DC: China 13.1%, India 0.1% Thailand 0.6%, Indonesia 0.76%, Turkey0.94% Mauritius 0.6%	17%
Office Furniture	214	232	Intra-EU: Italy 23.2%, Germany 17.5%, Spain 12.9 %	88%
			Extra-EU excl. DC: Taiwan 1.23%, USA 0.64%,	3%

			Switzerland 0.5%, Romania 0.3% DC: China 3.7%, Turkey 1.79%, Croatia 0.6%, Indonesia 0.24%, Tunisia 0.21%	9%
Cases & Satchels	109	132	Intra-EU : Belgium 17.5%, Italy 6.9%, the Netherlands 4.8% Extra-EU excl. DC: USA 0.3%, Hong Kong 0.64% Taiwan 0.2% DC : China 55.5%, Vietnam 2.4%, India 0.2%, Tunisia 0.15%, Thailand 0.75%, Morocco 0.48%	38% 2% 60%

Source: Eurostat (2005) *Developing Countries

Table 2.2 Detailed analysis of growing and declining suppliers per product group (2005 – 2003)

Country	Strongly increasing	Increasing	Stable	Decreasing
Paper-based Items	-	Germany, Romania, China	USA, Taiwan, India, Malaysia, Thailand, Turkey	Belgium, Italy, Switzerland, Indonesia
Writing & Drawing Instruments	China	Morocco	Germany, Taiwan, India, Thailand, Malaysia, Tunisia	UK, Italy, USA, Japan, Switzerland,
Storage & Filing products	The Netherlands	Turkey, Thailand, India, China	Japan, Taiwan	Belgium, Germany, USA, Switzerland, Egypt
Office & desk accessories	-	Germany, China, Belgium, UK, Japan	India, Turkey, Pakistan, Taiwan, Tunisia, Egypt	USA, Switzerland,
Presentation & planning	Portugal, China	Malaysia, Philippines, Czech Republic	USA, South Korea, Romania, India, Thailand	Belgium, Taiwan
Greeting cards	Belgium, China	Germany, Switzerland, Thailand	Taiwan, Hong Kong, India, Indonesia, Mauritius	Italy, USA, Turkey
Office furniture	-	Turkey, China, Germany,	Tunisia, Indonesia, USA, Switzerland, Taiwan, Romania, Croatia	Spain, Italy
Cases & Satchels	-	Italy, the Netherlands, Vietnam, Hong Kong	USA, India, Tunisia	Belgium, Taiwan, China, Morocco, Thailand

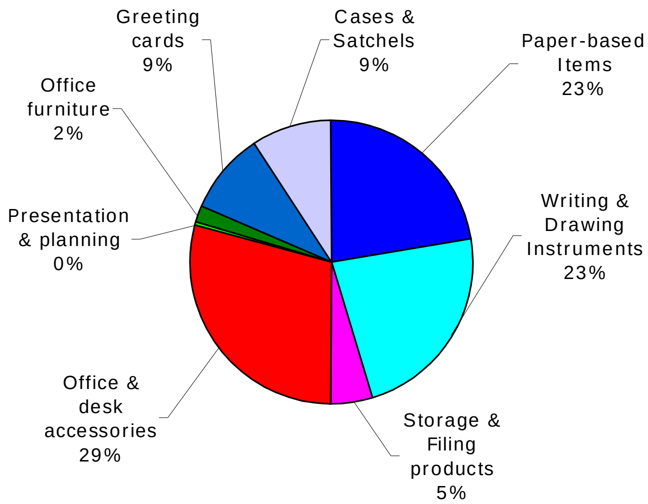
Source: Eurostat database

Exports

- Total exports from France in value and volume were respectively € 1,411 million and 300 thousand tonnes in 2005.
- In 2005, France supplied 13% of the total EU stationery exports and it is one of the big exporters in the EU.
- In comparison to year 2003, exports have increased by about 6% which makes the export

picture relatively promising. According to Euro Aria forecasts, after a loss in export market shares in 2005 for the third consecutive year, export volumes are projected to increase again more in line with the expansion of external demand. This is due to an improvement in price competitiveness linked to the depreciation of the Euro and a somewhat stronger impulse from France's main trading partners (notably Germany and Italy). For the relative share of the exported product groups, please, see Figure 2.3.

Figure 2.3: Export in the French stationery market, segmentation by product group, % share, by value, 2005



Source: Eurostat database

Opportunities and threats

- An increasing share, 17%, of stationery imports into France came from developing countries in 2005; this percentage was significantly higher in the following product groups: Cases & Satchels (60%) and Presentation & Planning materials (36%).
- The share was significantly lower for the other product groups: Office accessories (11%), Paper-based items (10%), Office Furniture (9%), etc.
- Import prices will be under pressure and the decrease in average import prices will put further pressure on French producers and force them to pare margins and/or to source abroad even more. Exporters should note that this is a case of: an opportunity if you can respond, a threat if you can't!

Useful sources

- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
  Go to: trade statistics.
- Eurostat – official statistical office of the EU - http://epp.eurostat.cec.eu.int
  Go to: 'themes' on the left side of the home page - 'external trade' - 'data – full view' - 'external trade - detailed data'.
- European Commission - official publication (http://ec.europa.eu/economy_finance/index_en.htm)

3. Trade structure

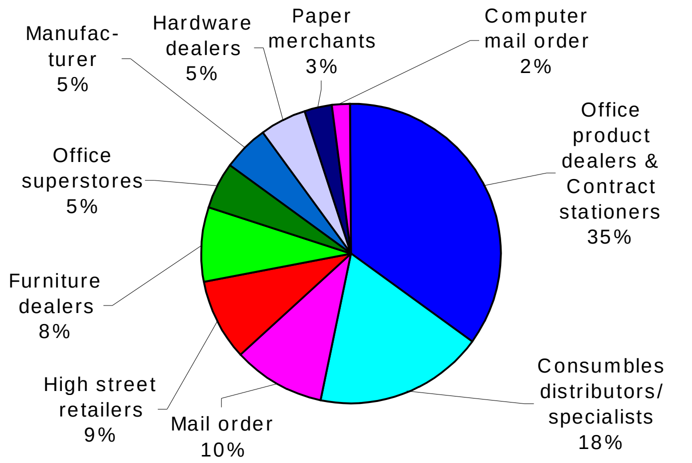
Traditionally, exports from the developing countries took place through a set of importers, who have then marketed the products to wholesalers, end-users, or retailers. The disadvantages of working through a large number of intermediaries include poor knowledge of market trends, inability to gain competitive advantage by adapting the product to specific customer needs and, of course, the margin lost at each stage of the value chain. On the other hand, *exporting on your own generally requires more of the resources of your company than exporting through an agent or importer/wholesaler.* In this chapter, the biggest and most prominent distribution and retailing channels are given, so that both types of exporters (ones which are using/not using intermediaries) can select the best channel for them.

Trade channels

The trade structure of stationery in France is complex. Stationery is distributed through many different types of intermediaries and retailers. Figure 3.1, gives a simplified picture of the trade structure, it shows the share by value of the various kinds of intermediaries in the stationery market, such as contract stationers, buying groups, agents, importer/wholesalers, retailers, each having its distinct features.
Like Germany and the United Kingdom, France has been impacted by the consolidation trend. In 2003, American Office Depot acquired Guilbert, one of France's large contract stationers. At the end of 2002 Rouge Papier acquired Nordipa, which eventually led to the creation of R.P. Diffusion. The French large Professional user market is dominated by Guilbert (http://www.guilbert.com/) and Lyreco (http://www.lyreco.com/), which jointly have the major share of the market. Other important contract stationers present are Fiducial Office solutions (http://www.saci.fr/) and Corporate Express (http://www.corporateexpress.com) (Buhrmann).

Wholesaling in France is not as significant as in the United Kingdom. However, partly due to the British Spicers, which entered France in 1992 and the local RP Diffusion, the wholesale trade achieved sales of approximately € 403 million in 2004, according to Iplusc. Today Spicers (http://www.spicers.net/) is the largest wholesaler in France, it operates from seven distribution centres and has successfully developed its business with French dealers. Today, it supplies Plein Ciel (65 stores) and Calipage (http://www.calipage.fr/), which are both buying groups for office product dealers.

Figure 3.1: Distribution of Stationery in France, segmentation by format, % share, by value, forecasts 2005



Source: MPA International

Retail trade

Unlike many other countries, the French stationery retailers long ago lost the battle to other formats in the private and SoHo user segments. Especially the high street, retailers are losing ground. In 2003, they had a market share of 9.0%; this is forecast to drop to 7.0% in 2008. On the one hand there are formats such as hypermarkets and superstores chipping away market share. On the other hand there are the stationery franchises organised into buying groups, such as the fascias of Calipage and Plein Ciel, which are taking the place of independents at key locations.

The self-service & department stores increased their share, largely at the expense of the Stationery retailers. This high share is due to the particular strength of the hypermarkets in France. Hypermarkets such as Carrefour (http://www.carrefour.fr/), Leclerc and Auchan increasingly add stationeries to their product range. Especially the "back-to-school" period is an important selling period for the hypermarkets. Mail-order companies & superstores increased their market share from 12.5% in 2002 to 15.0% in 2005. In France, the leading superstore operator, Office Depot, has 44 superstores under the Office Depot brand. According to MPA International, JPG (http://www.jpg.fr/), a subsidiary of Staples since 2002, is the leading the mail-order company in France, followed by JM Bruneau (http://www.jm-bruneau.fr/).

Trends

- The online/mail order channel is expected to grow its share of the market, thanks to the development of Internet sales.
- Due to the global nature of the major contract stationers, further consolidation is expected to occur, with many small regional players being taken over by large players.
- The superstore channel is expected to take some share as a growing number of outlets are set to open soon. It is also expected that other large superstore operations may also enter the French market within the forecast period.
- The share of office furniture dealers is likely to decline as manufacturers sell more through the contract stationer and mail order channels.

Useful sources

- Carrefour (http://www.carrefour.fr/)
- Guilbert (http://www.guilbert.fr/)
- Fnac (http://www.fnac.fr/)
- Printemps (http://www.printemps.fr/)
- Groupe Casino (http://www.casino.fr/)
- Office Products International Magazine (http://www.opi.net/index.asp?)
- See above mentioned web sites of major players in France.

4. Prices and margins

Price is an important selling factor, especially in the lower segments of the stationery market, whereas in the higher segments (higher added value) factors like quality and fashion are more important than price. In the lower segments of the stationery market, retailers have little room to manipulate prices because competition is very fierce and margins are low.

Table 4.1 Developments in import prices per product group in the period 2003-2005, % change

Paper-based Items	Writing & Drawing Instruments	Storage & Filling Products	Office & Desk Accessories	Presentation & Planning	Greeting Cards	Office Furniture	Cases Satchels
-6.50%	-10.20%	-0.70%	-12.40%	-20%	9.50%	-3.90%	N.A.

For more information on prices see *'The stationery, office and school supplies market in the EU' (2006) Chapter 9 'Prices'* and the web addresses provided under '*Useful sources'* of this chapter.

Useful sources

As far as up-to-date information about prices is concerned, below are mentioned some useful techniques for finding relevant information on prices:

- the CBI survey Guide for Market Research has a wide variety of good advice on how to use the internet for doing research;
- in general, one should always at least search for information in trade journals, at exhibitions, from competitors (do not hesitate to contact them, either directly or indirectly), potential and existing customers and exporters in your own country that sell products in the same market
- when using the internet search engines, you may find that using key words in the language of the country being researched will make it much easier; do not search only by using the words "Stationery, Office or School supplies", but also look for words of related markets or products; e.g. a manufacturer is advised to use the word "toys", as colour pencils are also sold via that related market, or 'hobby' as they also sell in creative areas!
- Other sources of price information are the local producers. Below are some examples of the important producers and suppliers in France:
    - Wholesaling: Spicers (http://www.spicers.net/),
    - Retail: Carrefour (http://www.carrefour.fr/)

- Manufacturing: please, see chapter *'Market Description: Consumption and Production'* of this country survey for more information on manufacturers prices.

5. Market access requirements

As a manufacturer in a developing country preparing to access France, you should be aware of the market access requirements of your trading partners and the French government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.

Legislative requirements

National legislation in EU countries is compulsory for all products traded within the country concerned. Therefore, as an exporter in a developing country you have to comply with the legislative requirements that are applicable to your products. For information on legislation for stationery go to 'Search CBI database' at http://www.cbi.nl/marketinfo, select your market sector, and the EU country of your interest in the category search, click on the search button and click on legislative requirements for an overview of all documents on legislation in your country of interest.

Non-legislative requirements

Social, environmental and quality related market requirements are of growing importance in international trade and are often requested by European buyers through labels, codes of conduct and management systems. For information on non-legislative requirements applicable to stationery, go to 'Search CBI database' at http://www.cbi.nl/marketinfo, select your market sector and the EU country of your interest in the category search, click on the search button and click on your subject of interest under non-legislative requirements for an overview of all documents on the subject concerned in your country of interest.

Packaging, marking and labelling

A detailed overview of other important packaging, marking and labelling aspects which are valid for all EU countries or for groups of EU countries, can be found in the CBI market survey *'The stationery, office and school supplies market in the EU' (2006)*. More information can be found as well in the web site of ITC Export packaging:
http://www.intracen.org/ep/packaging/packit.htm

Tariffs and quota

You can download information on requirements on tariffs and quota in specific EU markets from the CBI website. Go to 'Search CBI database' at http://www.cbi.nl/marketinfo, select your market sector and the EU country of your interest, click on the search button and click on 'market size, distribution, prices and margins' for an overview of documents on the country of your interest. For more information about the countries to which tariffs apply, please, see Chapter 10 'Market Access Requirements' of the *'The stationery, office and school supplies market in the EU' (2006)*.
For France the VAT is 19%. However, rates within the EU will gradually be harmonized. Between EU countries there is free movement of goods. With the single European market, no VAT is levied on trade between EU-countries. Up-to-date information on import tariffs can be obtained from the TARIC database of the European Union (http://europe.eu.int/).

Useful sources

- International Standardisation Institute (ISO) (http://www.iso.org/)
- Comité Européen de Normalisation (CEN) - European Normalisation Committee (http://www.cenorm.be/)
- SGS Société Générale de Surveillance (SA) (http://www.sgs.com/)
- Association Française de Normalisation (AFNOR) (http://www.afnor.fr/)
- International Labour Organization (http://www.ilo.org/)

6. Business practices

Selecting a suitable trading partner

A possible way of finding a business partner is the CBI Company Matching Tool, which can appropriately match your company to a French partner. This can be the case only if your company meets the criteria of CBI for an eligible candidate and if it produces products that correspond with the eligible product groups. For more information on that and further procedures consult the CBI site http://www.cbi.nl. Other suitable ways of finding a business partner(s) are given in Chapter 5 of the CBI's Export planner, namely "Selecting trade partners". Possible ways of searching are through Internet, short-listing possible partners. You should travel around, pick up information, compare and select. An idea here is to visit trade fairs and exhibitions in the selected country (for more information on that, please, see the last part of this chapter).

Another possible option is to use the website Maison & Objet – the official trade organization for stationery for France (http://www.maison-objet.com/).

Coming to terms with your trade partner

- The language is very important in this country. The younger generation is more inclined to speak English, but the older generation is rather reluctant to do that. In this sense, it is more than advisable to speak French. This is especially the case for companies which are truly French and are proud of their background. As the stationery sector is regarded as rather traditional within the country, using French is almost obligatory. On the other, if you are dealing with importers or very international dealers they will probably speak languages other than French.
- The French can be very direct, questioning, and probing, so a carefully planned, logically organized proposal is very important. Moreover, it is likely that the French side will focus on the aspects of your proposal that require further explanation. You may find that the French tend to treat the business discussion as an intellectual exercise.
- Logic will dominate arguments on the French side. Moreover, they will be quick to criticize anything illogical in a proposal.
- Arguments tend to be made from an analytical, critical perspective that is articulated with eloquence and wit. Also, one's personal feelings or believes in an ideology may enter into the presentation.
- Although the French can often be persuaded to change their opinions, they will not accept anything that deviates from the cultural norm. They are, however, receptive to any new information that enhances the spirit of debate.
- The French will judge you on your ability to demonstrate your intellect, and this often involves discussing confrontational ideas and engaging in rigorous debate with them. You will earn their respect if you can handle yourself well in these situations. Don't be too concerned if your opinions differ from those of your opposite members; what matters is your ability to effectively defend your position, demonstrate that you are well-informed, and maintain your composure.
- For more information on trade practices and culture in France as well as the business etiquette in the country, check: (http://www.executiveplanet.com/index.php?title=France:_Let%27s_Make_a_Deal%21_-_Part_1)
- The usual methods of payment in France do not deviate substantially from that in the EU. However, the exact method of payment depends exclusively on the relation between buyer and seller and the trust between them. Young business relations with little knowledge between the business partners are determined by the position and the strength of the partners. Usually the one with a stronger position and longer experience in the field is the one setting the conditions, not only of payment but also of delivery. For general information on payment and delivery options please refer to CBI's Export planner Appendices 1 & 2, namely 'Terms of payment 'and 'Terms of delivery'.

Sales promotion

For more information about trade fairs in France visit the web sites giving more details on that:

- Trade fairs and exhibitions in France - Maison & Objet (http://www.maison-objet.com/)
- Another address giving more information about trade shows in France (http://www.biztradeshows.com/france/)
- More on France Exhibitions, Conferences & Trade Shows (http://www.eventseye.com/fairs/event_l11.html)

For more information about trade press in France visit the web sites giving more details on that:

- Le Papetier de France (http://www.papetierdefrance.com/)
- PNP Profession Nouveau Papetier (mailto:eltapap@club-internet.fr)

This survey was compiled for CBI by DCT B.V. in collaboration with Ms. Y.Netto