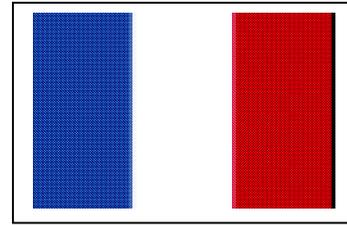


France

Capital: Paris
Population: 65.8 million
GDP: US \$2.5 trillion
Currency: EURO
Language: French



Summary

The French plastics industry is composed of 3,754 companies and a workforce of approximately 136,000 individuals.

Raw Materials

France ranked 3rd in Europe (after Germany and the Benelux) and produced around 4.6 million tons of plastic materials in 2011 (thermosets, thermoplastics and technical thermoplastics), which represents 3% of European production and a turnover of approximately 3 billion. The “big six” plastics that stand out in terms of market share include:

- Polyethylene – including low density (PE-LD), linear low density (PE-LLD) and high density (PE-HD)
- Polypropylene (PP)
- Polyvinyl chloride (PVC)
- Solid Polystyrene (PS), Expandable (PS-E)
- Polyethylene terephthalate (PET)
- Polyurethane (PUR)

Together these account for nearly 80% of overall plastics demand in Europe. Engineering plastics showed the highest growth rate, e.g. polyamide rose by 8%, whereas demand for the “big six” increased between 1.0% and 5.6%. Polystyrene and polyurethane, mainly used for construction and insulation purposes, showed significant growth in 2011.

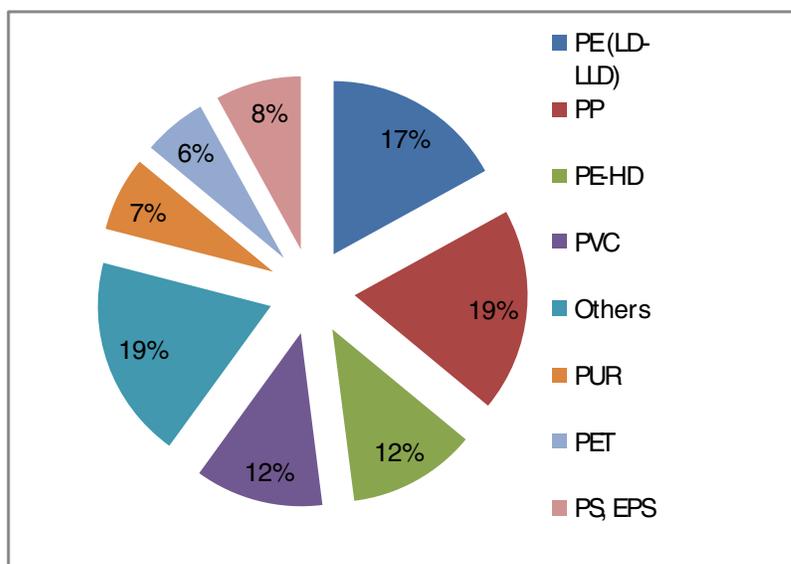
France’s biggest export markets for plastic raw materials outside of Europe are: China (incl. Hong Kong), Turkey, Russia and Switzerland. The United States ranks eighth as a trading partner with France after Germany, Belgium, Italy, China, Spain, and U.K., with sales of USD 297 million of raw materials (see table n.1).

(Source: Plastiques 2011 - Faits et chiffres)

Table n. 1 - USA exports of Plastic Raw Materials to France in 2012		USD Million
3911	Petro Resins, Polysulfide	58
3902	Polymers of Propylene	57
3907	Polyether, Epoxides, Polyesters	38
3904	Polymers of Vinyl Chloride	37
3910	Silicones	17
3906	Acrylic Polymers	16
3908	Polyamides	9
3901	Polymers of Ethylene	8
3909	Amino Resins & Polyurethanes	7
3905	Polymers of Vinyl Acetate	6

(Source: Common Data Platform/U.S. Department of Commerce)

Demand for Plastic Raw Materials in Europe (2011)



(Source: Plastiques 2011 - Faits et chiffres)

Plastics Processing

Turnover in the local plastics processing industry reached €30 billion in 2011 (a rebound from +3% to 6% compared with 2010). Sales of processed plastics products are broken down as follows: - Technical parts: 30% - Packaging: 25%, - Building products: 20%, - Semi-finished products: 18% - Others: 7%.

As with its European counterparts, France's industrial plastics processing companies faced volatility in the price of raw materials (between +15% and +30%) compared with 2010.

In 2011, exports were up 6% compared to 2010 and reached €7.2 billion. The European Union (mainly Germany, Belgium, Spain, U.K. and Italy) is France's main trading partner, accounting for 74% of exports. For imports, 77% come from the E.U. with Germany first, followed by Italy and Belgium. Imports reached €10.5 billion in 2011, an increase of +7.2% compared with 2010.

Outside of the EU, France's main clients are: Switzerland, the U.S., Tunisia, and Turkey. France's main suppliers outside of the EU are China (39%), USA (13%) and Switzerland (8%). The United States sold €307 million in plastic products to France in 2011, mostly technical parts. The same year, French exports to the U.S. reached €200 million (see table n.2).

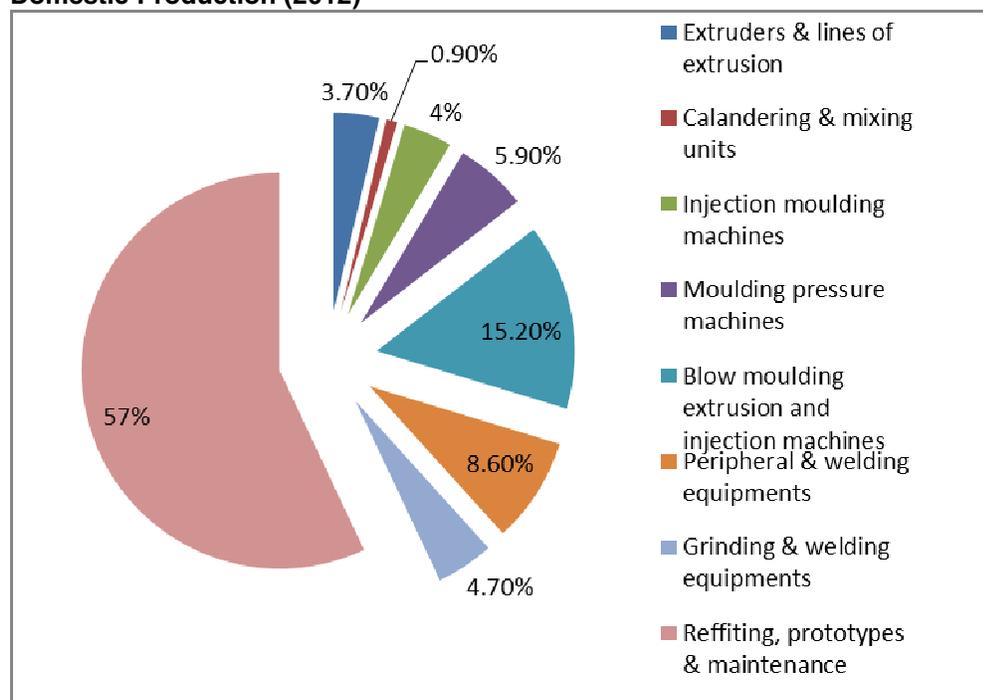
2011 Figures	Exports million €	Imports million €	U.S exports to France million €
Technical Parts	2,400	3,400	107
Semi-Products	2,400	4,000	153
Packaging	1,800	2,100	42
Construction	600	1,000	5
Total	7,200	10,500	307

(Table 2:Source:Panorama de la Plasturgie)

Plastics Machinery

France is one of the top 4 plastics machinery and equipment producing countries in Europe after Germany, Italy and Austria with a production share of 8.3% out of €9.8 billion. The French plastics machinery and equipment industry generated a turnover of around €910 million in 2012, distributed as follows:

Domestic Production (2012)



(Source: Symacap)

The French market for plastic and rubber equipment reached €545 million in 2012. France is third in Europe in terms of plastic and rubber equipment consumption, after Germany and Italy.

French manufacturers of plastics machinery and equipment sell the majority of their production within the European Union. Outside Europe, France's main clients are: China, the rest of Asia, the United States, India and Russia. Exports represented about 95% of the global 2012 production to reach €878 million. The majority of machinery and equipment exported are blow molding machines (66.3%), followed by injection molding machines (17.7%) and extrusion machines (16%).

Imports of plastic machinery mainly originate from Europe. The United States is the 6th largest supplier of machinery and equipment to France after Germany, Italy, Switzerland, Austria and China. The U.S. sold €29.8 billion worth of machinery and molds in 2012, mainly HTC 847790 (€8.2 billion), 847759 (€2 billion), 847720 (€1.9 billion) and 847780 (€1.5 billion).

Market Entry

B2B marketplaces, direct purchase and marketing via wholesalers, distributors or agents are the main distribution channels in France for plastic materials and equipment. For plastics machinery, a partner with repair capabilities and spare parts availability is necessary. Price is an important factor in most transactions, as are quality and supplier reliability.

Import Taxes:

A standard value-added tax of 19.6 percent is applicable to all goods.

Customs Duties:

For plastic machinery and equipment, customs duties range from 1.7% to 2.7% depending on the equipment. Customs Classification Codes:

1) 8465: relating to machine tools

2) 8477: relating to injection molding machinery, extrusion machinery, and thermoforming machinery.

Resins: 3901 through 3915 – For these resins (polymers, polyamides, resins) the duty is 6.5%

Products: 3916 through 3926 – Duties vary between 5.3% and 6.5%

Molds: 848071 and 848079 – The duty is 1.7%

Current Demand

The French plastic market is highly orientated towards performance plastics, reinforced plastics and self-reinforced plastics, wood plastics-composites, other natural fiber composites, innovative composites, bioplastics (conductive and biodegradable) and nano materials.

The demand for injection molding machines is still very important, followed by extrusion. Professionals require more sophisticated equipment with more safety features than in the past.

Main Competitors

The main plastic producers present in Europe are: AGC Chemicals Europe, Arkema, Basell Orlen Polyolefins, Basf, Bayer Materialscience, Borealis, Borsodchem, Cytec, Dow Europe, Dsm Engineering Plastics, Dupont de Nemours International, Dyneon, Elix Polymers, EMS-Chemie, Ercros, Eval Europe, Evonik Degussa, Exxonmobil Chemical Company, Gabriel Technologie, Huntsman Advanced Materials, Ineos, Jackon, Leuna-Harze, Lyondellbasell, Momentive, Monotez, Novamont, Oltchim, Polyone, Radici, Repsol, Rhodia, Sabic Europe, Shell Chemicals Europe, Shin-Etsu PVC, Sir Industriale, Solvay, Spolchemie, Styrolution, Styron Europe, Sunpor Kunststoff, Synbra Technology, Ticona, Total Petrochemicals, Unipol, Versalis, Vestolit, Vinnolit, Wacker-Chemie, Zaklady Azotowe.

Plastic machinery: The French plastics machinery and equipment industry is composed of small and medium-sized companies with a total workforce of 2,000 employees. The main manufacturers of plastic machinery and equipment with operations in France have developed distribution networks throughout the country and Europe, or work with partners in foreign countries with national coverage. They companies include: HpB Equipement, Pinette Emideceau Industries, SISE, Clextal, Acim Jouanin, Billon International, DK Technologies, Yvroud.

Market Issues and Obstacles

Machinery:

All plastics machinery and equipment coming from non-European countries must be tested and approved by the European Committee, which ensures that every product brought into Europe meets the European Union's health, safety and environmental requirements to ensure consumer safety throughout Europe (Directive 98/37/CE). The [CE Mark](#) certifies that the product is in compliance with EU standards. Usually, plastics machinery from the United States is marketed in France via distributors. French processors expect their machinery supplier to be local for after-sales services purposes. Manufacturers, representatives or importers of any machinery or equipment brought into Europe by non-European countries must fill out an "EC-Declaration of Conformity" or an "EC-Declaration of Incorporation" document stating that the product has complied with all necessary standards.

BioPlastics:

Association members have made a [voluntary commitment](#) to [certify](#) and [label](#) their products according to EU Standard [EN 13432 / EN 14995](#) when advertising using the descriptions: "compostable" or "biodegradable". The Association supports the establishment of national certifying bodies, together with unified labeling of compostable bioplastics products in Europe. It is lobbying for the establishment of a European regulation regarding the treatment of these products under waste legislation. A 2006 French

regulation requires all disposable retail carry bags to be biodegradable by 2010. (*loi d'orientation agricole n° 2006-11 du 5 janvier 2006*).

REACH

Producers of petro-based plastics materials, additives or other chemicals for plastics applications should be aware of the Registration, Evaluation and Authorization of Chemicals/REACH, in force since July 2007. REACH is a major reform of EU chemicals policy. It affects all supply chains in the EU that produce, import and use chemicals. It is volume-oriented, affecting substances in volume of/or exceeding one ton. The volume limitation refers to each importer or manufacturer in the EU. Detailed information is available at: http://echa.europa.eu/home_en.asp.

Post-Consumer Waster

Due to continuous improvement in plastics end-of-life management options, a growing public awareness and legal changes, collected quantities of plastics for recycling increased by 5.7%. Collected post-consumer waste reached 25.1 million tons in Europe in 2011 (+2.4% compared with 2010). Out of these, 10.3 million tons were disposed of and 14.9 million tons were recovered. The collected quantity of plastics for energy recovery increased by 4.2%, mainly due to increased use of post-consumer plastic waste as a complementary fuel in power plants and cement kilns.

Trade Events

Name of Event: K Show

Date: October 16-23, 2013

Location: Dusseldorf, Germany

Website: <http://www.k-online.de/>

Description: Overview of the entire plastic industry: raw materials, molds, machinery, tools.

Name of Event: Europack - Euromanut

Date: November 19-21, 2013

Location: Eurexpo Lyon, France

Website: <http://www.europackonline.com/>

Description: Plastic materials and machinery for packaging applications.

Name of Event: FIP Solution Plastique

Date: June 17-20, 2014

Location: Eurexpo Lyon, France

Website: <http://www.f-i-p.com/>

Description: Overview of the entire plastic industry: raw materials, molds, machinery, tools.

Available Market Research

France: Bioplastics Market Report 2011

France: Best Prospect Plastic 2013

France: Overview of the Plastic Products Industry 2012

Useful Contact Information

French Plastics Federation:

<http://www.federation-plasturgie.fr/>

Plastics Europe

<http://www.plasticseurope.org>

Plastics Converters

<http://www.plasticsconverters.eu>

Plastics Recycling

<http://www.plasticsrecycling.org>

Symacap

<http://www.symacap.org>

Euromap

<http://www.euromap-ess.org>

Stephanie Pencole/ U.S. Commercial Service / U.S. Embassy Paris

Email: Stephanie.Pencole@trade.gov

Phone: + 33 (0)1 43 12 71 38