

A low-angle, upward-looking photograph of the Eiffel Tower in Paris, France, illuminated at night. The tower's intricate iron lattice structure is highlighted by warm, golden lights, contrasting sharply with the deep blue twilight sky. The perspective makes the tower appear to converge towards the top of the frame.

# PARIS BUSINESS REVIEW

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**March 2019**

Second Edition

**Base Europe**

[www.baseeurope.org](http://www.baseeurope.org)

# PARIS

*city of revolution, love, food, lights and the arts*



## Foreword

This *Base Europe* briefing by [i-genius](http://i-genius.com) is designed to give entrepreneurs and business leaders an overview of the suitability of Paris as a place for doing business. The content is relevant for businesses of all sizes and sectors but some of the content is especially suitable for new ventures or existing small and medium firms (SMEs) which may be interested in locating in the city.

The brief contains a useful resource section where a lot of practical information can be found. It does not seek in any way to act as a replacement for professional legal or financial advice. As with any investment decision, such advice is recommended prior to any action being taken.

It will be periodically updated. To contribute additional information for consideration, please contact [team@i-genius.org](mailto:team@i-genius.org)

March 2019

## Stability, Excitement and Innovation

Paris, famed as a city of revolution, love, food, lights and the arts, is fast emerging as one of Europe's most exciting destinations for entrepreneurship. The French national team won the FIFA World Cup 2018 and Paris will host the 2024 Olympic Games and World Expo. President Emmanuel Macron's reformist agenda is very much geared towards revitalising the economy through innovation and entrepreneurship although the Gilets Jaunes demonstrations may stall further reforms at least for a period of time. To young entrepreneurs, he warmly says, "You are welcome in France."<sup>1</sup>

### *Paris...is fast emerging as one of Europe's most exciting destinations for entrepreneurship*

Paris is one of the Europe's most economically powerful and rich city economies. Despite occasional acts of terrorism and protests, France remains relatively stable in an increasingly chaotic world.

The region of Paris, "Ile de France", is the richest in France and ranked fifth richest region in the European Union, contributing 4.6% to EU GDP. It reported a solid annual growth of 2.8% (one percentage point above the national average) between 2006 and 2015.

Paris is France's most important region for research, development and innovation. It has 155,000 researchers and personnel, more than in any other region of Europe, with total R&D spending of €18.7 billion in 2013, making it the Eurozone's highest for such investment.<sup>2</sup>

Although famous for its contemporary arts, fashion, world class museums and historical buildings, Paris has a large and diverse range of industries covering electronics and ICT, aeronautics, biotechnologies, finance, mobility, automobile, pharmaceuticals, and aerospace. It is ranked 3<sup>rd</sup> in global attractiveness of foreign direct investments in a KPMG report (see Additional References), just after London and New York. Twenty-nine of the world's largest Fortune Global 500 companies are now headquartered in Paris. With Brexit, Paris is now running neck and neck with Frankfurt in attracting banks from London with HSBC, Goldman Sachs, Bank of America Merrill Lynch, Morgan Stanley, JPMorgan, and the regulator, the European Banking Authority, in varying stages of relocation. Where banks go, opportunities for tech and supply chain SMEs follow.

### *Where banks go, opportunities for tech and supply chain SMEs follow*

The entrepreneur scene is growing fast. According to [startup hubs.eu](http://startup hubs.eu) Paris has over 22,600 start-ups which employ over 138,000 people, more than in London or Berlin. By 2020, France plans to boost foreign start-ups by 30% by 2020.<sup>3</sup>

For digital start-ups/scale-ups, Paris ranked 6<sup>th</sup> in the [European Digital City Index 2016](http://European Digital City Index 2016). It has a well-developed venture capital industry and tech support from [France Digitale](http://France Digitale) and [La French Tech](http://La French Tech).

<sup>1</sup> <https://twitter.com/emmanuelmacron/status/836661517990920193?lang=fr>

<sup>2</sup> <https://ec.europa.eu/growth/tools-databases/regional-innovation-monitor/base-profile/ile-de-france>

<sup>3</sup> <https://www.competitivealternatives.com/cities/euro.aspx>

## Getting There and Around

Charles-de-Gaulle is Europe's second busiest airport and the 9<sup>th</sup> busiest in the world, serving 70 million passengers per year.<sup>4</sup> Paris Le Bourget is Europe's leading business airport. SNCF is one of the world's most impressive railways and the Eurostar provides links to London and to the south.

Getting around Paris is easy. The city is blessed with a good Metro, RER and Bus system plus large avenues for vehicles and cycling. As Europe's most densely large urban area, at approx. 100km<sup>2</sup>, it takes just 50min to cross Paris on public transport (from Maire de Montreuil to Pont de Sevres); walking time estimated to be 3 hours and 39 minutes (try it!). Counterparts, London, is 20-times bigger and Berlin, 9-times.

Disabled access has much improved on public transport with adapted taxis, specialised transport companies, special car parks and parking places and personal travel assistance for airport transfers.<sup>5</sup>

Furthermore, the Grand Paris project plans to add 125 miles of automated metro lines and 57 new stations connecting the airports and providing quick city centre access to the 70,000 newly planned sustainable homes.<sup>6</sup>

## Blessed with Talent

Paris' population has reached an all-time high of 12 million inhabitants of which, 646,000 are students (67,000 from foreign countries). France has more higher education institutions than any other country with 21 of the top-ranked global business schools, including world leaders located in Paris, HEC, Essec and ESCP. The KPMG Global Cities Investment Monitor 2016 ranks Paris as one of the top three global cities for the quality and availability of human resources.

## Start-ups and Expansion

Office space is in short supply making rents high with a group of 3 rooms ranging from 1700-3000 Euros per month.<sup>7</sup> Most premium offices are located in the skyscraper zone of La Défense, approx. 20 minutes from the city centre. La Défense has 3 million m<sup>2</sup> of office space hosting 3,600 businesses with 180,000 employees. This makes La Défense Europe's top business district.

For start-ups, Paris has 250 co-working spaces and accelerators such as [Microsoft Ventures](#) and the big hub [NUMA](#). The new [Station F](#) (formerly Halle Freyssinet railway in the 13<sup>th</sup> arrondissement) is the world's largest incubator for start-ups providing 30,000 m<sup>2</sup> of office space to accommodate up to 1000 new firms. Renting a space is €300 per month. Investors along with brands such as Facebook, Google and Microsoft are on site along with legal advisers to help entrepreneurs get started. It has a restaurant and will shortly be providing low cost accommodation for start-up entrepreneurs at €200 per month.

*Station F is the world's largest*

<sup>4</sup> <https://airmundo.com/en/blog/top-10-busiest-airports-in-europe/>

<http://www.telegraph.co.uk/travel/news/busiest-airport-international-passengers/>

<sup>5</sup> <https://en.parisinfo.com/practical-paris/visiting-paris-with-a-disability/info/guides/transport-and-disability-getting-around-paris>

<sup>6</sup> <http://www.travelsignposts.com/Germany/destinations/berlin-interesting-fun-facts>

<http://www.itineraire-metro.paris/mairie-de-montreuil-vers-pont-de-sevres>

<sup>7</sup> <https://www.numbeo.com/cost-of-living/in/Paris>

*incubator for start-ups*

High speed broadband coverage and many telecommunications compete with each other for the best tariffs. Phone tariffs are relatively low and there is free roaming throughout the European Union.

**Setting Up<sup>8</sup>**

Starting a business was made easier in 2015 by new rules designed to reduce the time it takes to register a company. Centre de Formalités des Entreprises provides a one-stop-shop. According to the KPMG Ranking of Business Costs in Europe, Paris is placed 7<sup>th</sup> ahead of Berlin, Frankfurt and London for ease of doing business.

Five Stages to Incorporation	Time needed:	Charge:
1. Check name for uniqueness with the Institut National de la Propriété Industrielle (INPI)	Less than one day	No charge
2. Deposit the initial capital	1 day	No charge
3. Publish a notice of incorporation of the company	Less than one day	EUR 5.50 per line
4. File a request for a company's registration with the Centre de Formalités des Entreprises (CFE): Decide whether the company will be SAS ( <i>société par actions simplifiée</i> ) with a maximum of 20 employees, SARL ( <i>société à responsabilité limitée</i> ) with a maximum of 50 employees or SA ( <i>société anonyme</i> )	Less than one day	EUR 41.50
5. Buy company books and have them initialled by the clerk of the Commercial Court	1 day	EUR 30 for two books

Paris has many banks applying normal accounting opening procedures. Water connection typically takes around 92 days and internet connection should be completed within 7 days. Construction permits can take up to 183.5 days.

**Taxation**

Taxes vary on the type of company and level of turnover. Since 2016, paying taxes became less costly for companies through the introducing of a credit against corporate income tax and reducing labour tax rates paid by employers. More recently, rates were lowered for social security and training contributions.

**Employment Regulations**

Minimum average wage rose to 9,88 €/hour in 2018 (approx. 1 498,47 €/month per full time employee. The legal working time limit is 35 hours per week.<sup>9</sup> Annual leave is typically 30 days and employers have to cover redundancy to varying degrees depending on the length of service of the employee. French Labour law, Code du travail, requires workers in firms of over 49 employees to be consulted on many areas. Government initiatives are underway to make it and other areas such as social security and pensions to be more business friendly, especially for SMEs.

<sup>8</sup><http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Profiles/Country/FRA.pdf>

<sup>9</sup><https://www.service-public.fr/particuliers/actualites/A12256>

## Visa Restrictions

There is free movement to travel and work for any European Union/EEA/Swiss citizen. France, as a member of the Schengen Agreement does not require passports for travellers from most European countries including the EFTA countries (but not the UK, Romania, Bulgaria, Croatia, Cyprus and Ireland). Travellers from most Asian, African, Middle Eastern and South American countries have to apply for a Schengen visa in order to travel or work in France. <sup>10</sup>

The new entrepreneur's visa scheme (since 2016) and a 'French Tech Ticket' program, helps attract foreign entrepreneurs.

## Paris Life

Paris is family friendly with many activities for young and old to enjoy such as open parks, gardens, museums, theatres, sport facilities, bars, restaurants, clubs and cinemas. People-watching, from the advantage point of a street café, is a national pastime.

Geographically, the city is split into 20 districts or "arrondissements". Some areas are more suitable for the older population such as the 16<sup>th</sup> arrondissement, others such as 10<sup>th</sup> younger.

English is widely spoken but French is necessary for those planning an extended stay and for official documentation. Paris is cosmopolitan with high levels of tolerance and hosts a thriving LGBT scene.

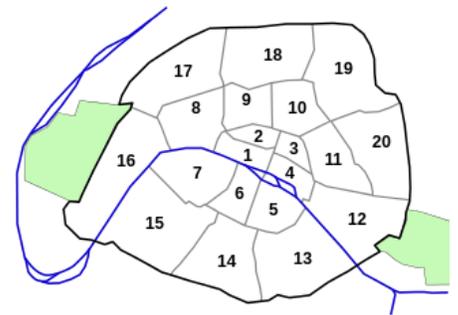


Figure 1 - Paris Arrondissements  
Thomas Steiner, WikiMedia Commons

## *The cost of living is a barrier for many early stage entrepreneurs*

The cost of living is a barrier for many early stage entrepreneurs. There is scarcity of living space within the city centre as most buildings are historical and no skyscrapers permitted. Rent is high varying between 800-1400 EUR for a one-bedroom apartment. Purchasing per meter costs 8500-11500 EUR. <sup>11</sup>

## Schools and Medical

Although France has some of the best higher education facilities, colleges and senior schools rank low in the PISA study (26<sup>th</sup> in 2016), falling behind the USA. President Macron has announced reforms targeting the education of the younger population. <sup>12</sup>

France is generally regarded as having one of the world's most advanced health care. Medical insurance is compulsory whether private or via the French national insurance scheme. Business owners residing in France has full access to the French healthcare system. Paris has 39 public hospitals and there are virtually no waiting lists for operations or treatment. Pharmacies open seven days a week.

<sup>10</sup> <https://www.schengenvisainfo.com/who-needs-schengen-visa/>

<sup>11</sup> <https://www.numbeo.com/cost-of-living/in/Paris>

<sup>12</sup> <http://www.lefigaro.fr/actualite-france/2016/12/06/01016-20161206ARTFIG00098-classement-pisa-les-eleves-francais-toujours-mediocres.php>

## Safety & Security

Following recent terror attacks, a series of steps have been taken to help make Paris more secure. Petty crime such as pickpocket does occur but getting around the city is generally safe for all, including women. There have been a rising number of incidents against racial minorities, but these remain isolated incidents in what is generally a tolerant, multi-cultured city.

## Resources

These resources for additional research contain important, practical information and analysis of use to investors, traders or entrepreneurs wishing to locate in Paris.

### Doing Business (World Bank Group)

Practical information in a step-by-step format on incorporating a business, obtaining credit, taxation, utility connections and permits

<http://www.doingbusiness.org/content/dam/doingBusiness/country/f/france/FRA.pdf>

### Living and Working in France (11<sup>th</sup> edition) by David Hampshire

Travel style guide for micro businesses covering employment, permits & visas, education, medical, transport, finance, moving home, sports and shopping

<https://www.amazon.co.uk/Living-Working-France-David-Hampshire/dp/190928288X>

### DHL France

Guide for trading with France with useful links including opening a business and transporting goods

[http://www.dhl.com/en/express/small\\_business\\_solutions/country\\_facts/country\\_facts\\_france.html#export\\_import](http://www.dhl.com/en/express/small_business_solutions/country_facts/country_facts_france.html#export_import)

### Exporting to France (UK)

A UK government guide for exporters covering getting started, terms of trade, customs, legal documentation, getting paid, etc.

<https://www.gov.uk/guidance/exporting-to-france>

### Employment and Labour Law 2018 France

Essential guide on employee rights and representation

<https://iclg.com/practice-areas/employment-and-labour-laws-and-regulations/france>

### Business France

Annual review of particular interest to investors

<https://www.businessfrance.fr/discover-france-news-business-france-publishes-2017-annual-report>

### KPMG Reports

Investment monitor ranking Paris attractiveness against global competitors

<http://www.sattlutech.com/wp-content/uploads/2017/05/GlobalMonitor2017-GPIA-KPMG-WEBpages.pdf>

### Business Anti-Corruption

Assesses the levels of corruption in various areas of French society

<https://www.business-anti-corruption.com/country-profiles/france/>

## Partners

Our foreign exchange FX recommended partners are:



For a direct introduction to Monex Europe please  
email: [thomas.hutchinson@monexeurope.com](mailto:thomas.hutchinson@monexeurope.com)

## WORLDFIRST

Corporate Importers: <https://www.worldfirst.com/uk/signup/?team=c&ID=5124>  
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