



France welcomes expatriates

France is known for its quality of life, its rich and diverse culture, and its efficient healthcare system which help to make it the 3rd leading destination worldwide for foreign direct investment. In addition, France also offers numerous other advantages for those who choose to work there, making it more welcoming than ever before:

- France offers competitive housing, energy and transport costs;
- France offers a particularly favorable tax system for expatriates;
- France has a high quality education system and highly developed cultural and leisure activities.

RELOCATING TO WORK IN FRANCE IS NOW EVEN EASIER

France has introduced a range of specific residence permits to encourage and ease the entry of foreign talent:

- The “Skills and Expertise” residence permit for foreign citizens that wish to set up an economic, cultural or scientific project in France (contact office: embassies abroad or prefectures in France).
- The “Expatriated salaried employee” temporary residence permit: multi-year residence permit (3 years) designed for international mobility (within companies of the same group or establishments of the same company).

These 2 residence permits offer advantages for any accompanying family members (partner, child), who are fully entitled to the “private and family life” residence permit, and who are authorized to seek employment.

- Resident permit: a new residence permit that encourages foreign executive/management staff that offer “an exceptional economic contribution to France” to relocate. This permit enables them and their families to reside in France for 10 years.

COMPETITIVE COSTS OF LIVING

Apartment rental costs	France	Germany	United Kingdom	Netherlands
Average rent for an apartment:				
- 3 rooms, unfurnished	1,490 € (Paris)	1,130 € (Frankfurt)	3,460 € (London)	1,300 € (Amsterdam)
- 4 rooms, furnished	2,030 € (Paris)	1,580 € (Frankfurt)	5,170 € (London)	2,050 € (Amsterdam)
<i>UBS, Prices and salaries</i>				



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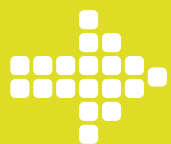
Costs of utilities

	France	Germany	United Kingdom	Netherlands
Cost of Electricity (€/kWh excl. tax – for an annual consumption 3,500 kWh) <i>Eurostat</i>	0.0921	0.1433	0.1254	0.14000
Cost of Gas - households in 2007 (€/GJ excl. tax - for consumption 83.70 GJ) <i>Eurostat</i>	11.42	13.97	11.19	12.30
Cost of living¹ Index of the most expensive cities worldwide (New York = 100) <i>Mercer, Cost of living 2008</i>	12th 109.4 (Paris)	40th 92.5 (Frankfurt)	3rd 125 (London)	25th 97 (Amsterdam)

Telecom costs

	France	Germany	United Kingdom	Netherlands
Mobile phone Average price per minute for outgoing calls in Europe <i>IDATE, June 2008</i>	0.182 €	0.266 €	0.201 €	N/A
Fixed land line Price per 10 minute call Paris region = 100 - Local - National - Europe - USA <i>European Commission</i>	100 100 100 100	188 383 173 173	217 217 428 220	121 163 77 65
Broadband connection (ADSL) Business line, 8 Mbps	100 (Paris)	102 (Frankfurt)	N/A (London)	157 (Amsterdam)

NOTE ¹ Apart from London, Paris is also cheaper than Copenhagen (7th position, 117.2) and Milan (10th position, 111.3).



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Transportation costs

	France	Germany	United Kingdom	Netherlands
Price of public transportation ticket (for a 10 station journey) <i>UBS 2006</i>	1.6 € (Paris)	2.8 € (Frankfurt)	2.2 € (London)	1.6 € (Amsterdam)
Price of a taxi trip (5 km within the city center) <i>UBS 2006</i>	12.9 € (Paris)	10.8 € (Frankfurt)	16.9 € (London)	14.3 € (Amsterdam)
Average price of a return train (2 nd class) www.ratp.fr www.vgf-ffm.de www.tfl.gov.uk and www.ns.nl	73 € (Paris/Lyon)	107 € (Frankfurt/Berlin)	84 € (London/Liverpool)	35.80 € (Amsterdam/ Eindhoven)
High-speed train links (in km) <i>International Railway Union - High speed train department, August 2008</i>	1,840	1,285	113	120
High-speed train networks (km/million inhabitants) <i>International Railway Union March 2008</i>	28.9	15.6	1.8	N/A
Highway density (km/million inhabitants) <i>IMD 2008</i>	200	139	56	N/A

A FAVORABLE TAX SYSTEM

Contrary to popular misconceptions, the personal tax burden in France is moderate:

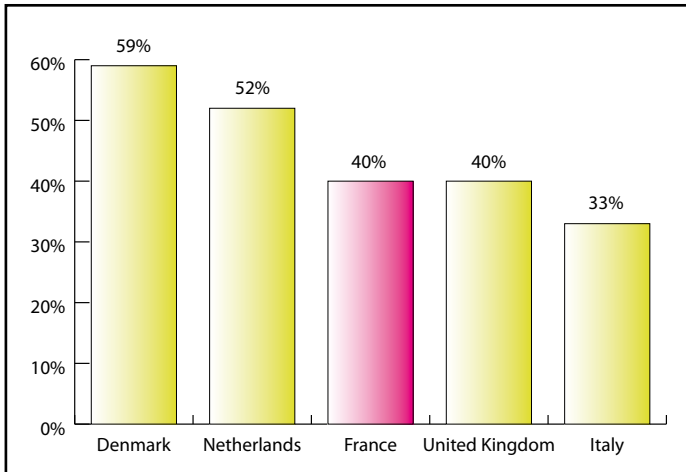
	France	Germany	United Kingdom	Netherlands
Income tax for a married couple, with an annual income of €80,000 paid in total to one member of the couple (in 2007)	10,984* €	18,446 €	19,846 €	N/A
Tax rate	15.26 %	23.34 %	24.8 %	N/A
Income tax for a single person, with an annual income of 80,000 € (in 2007)	16,737 €	25,686 €	21,086 €	N/A
Tax rate	23.25 %	32.5 %	26 %	N/A
<i>Invest in France, www.impots.gouv.fr, Invest in Germany, German Federal Ministry of Justice</i> * Not incl. CSG and CRDS (social security taxes)				



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The marginal tax rate for the highest band in France is one of the lowest in Europe:

Marginal tax rate in Europe



Source: *Septimanie Export 2008*

The French tax system is highly advantageous for expatriates. Its expatriate tax and social security charges are amongst the most favorable in Europe.

- Benefiting from this system are not just employees of large international groups but also new recruits hired abroad as well as non-salaried employees (upon approval).

- The law of modernization of the economy of August 4, 2008 has significantly strengthened expatriate tax and social charge advantages.

→ Up to 50% tax exemption for expatriates on income, expatriation bonus and supplementary income for work performed outside France:

Example: An expatriate earns a salary of €40,000, has a €10,000 expatriation bonus (EB), and €50,000 in supplementary income (SI) for work done outside France, which brings the total 2008 compensation to €100,000. Up to 50% of the total compensation (€100,000) is income tax exempt, in this case €50,000. Under previous rules which remain in effect, the tax exemption on salary plus SI (€40,000+€50,000=€90,000) can not exceed 20%. Thus the maximum exemption on salary plus SI is €18,000 (20% of €90,000) plus the EB (€10,000), bringing the final total tax exemption to €28,000.

→ Tax deductions for social security payments made in the country of origin in the event of a bilateral social security agreement with France. Where no bilateral agreement exists with France, the expatriate can be exempt from retirement contributions for a period of 6 years;

→ 50% income tax exemption for certain "passive" incomes (dividends, interests, fees etc.) and on capital gains from foreign transferable securities;

→ Wealth tax exemptions on assets located outside France. Furthermore, information services for the taxpayer are improving with the opening of a contact office dedicated to handling questions from foreign taxpayers.



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HIGH-QUALITY EDUCATION FOR NON-FRENCH CHILDREN

Aware of the importance that expatriates place on the quality of education, at the start of the 1980s France set up its first international course sections taught in foreign languages in public schools. Their number is consistently increasing. Last year there were 234 international sections, one quarter of which was in English. This year 12 new sections in Chinese are being opened. A minimum of 25% of the teaching is given in a foreign language with 13 languages available. At the end of the high school (Lycée, sixth form), the students pass the “baccalauréat à option internationale” (BOI).

	France	Germany	United Kingdom	Netherlands
Quality of teaching in business and management schools Global scoreboard <i>World Economic Forum, The Global Competitiveness Report 2006-2007</i>	1 st	10 th	3 rd	7 th
Number of international schools (per 100,000 inhabitants) <i>European Council of International Schools, 2007</i>	0.05 (Paris)	0.09 (Frankfurt)	0.12 (London)	0.19 (Amsterdam)
Annual school fees for an international private school (primary) Language: English <i>Mercer, Cost of living Report, March 2007</i>	€21,088 (Paris)	€17,788 (Frankfurt)	€28,674 (London)	€14,204 (Amsterdam)
Annual school fees for an international private school (secondary) Language: German <i>Mercer, Cost of living Report, March 2007</i>	€7,491 (Paris)	€4,742 (Frankfurt)	€7,097 (London)	€5,927 (Amsterdam)

AN EFFICIENT HEALTHCARE SYSTEM

	France	Germany	United Kingdom	Pays-Bas
Direct cost per household (as a % of private healthcare expenditure) <i>World Health Organization 2008</i>	35 %	60 %	78 %	23 %
Healthcare expenditure per capita (% of GDP) <i>OECD 2007</i>	11.1	10.7	8.3	9.2
Number of working doctors (per 1,000 inhabitants) <i>OECD 2007</i>	3.4	3.4	2.4	3.7

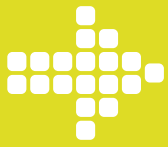


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RICH AND VARIED CULTURAL AND LEISURE ACTIVITIES

	France (Paris)	Germany (Frankfurt)	United Kingdom (London)	Netherlands (Amsterdam)
Leisure activities (restaurants, theaters, concerts, cinemas) Number of points earned	11	5	11	N/A
Places of recreation Number of points earned	10	2	7	N/A
Total score (includes number of hotel beds)	31 1 st	12 9 th	26 3 rd	N/A

Pricewaterhousecoopers 2007



Appendix

