

France urges G7 to find 'international solution' on digital taxes

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French Finance Minister Bruno Le Maire is hosting G7 finance ministers for a meeting in Chantilly outside Paris

French Finance Minister Bruno Le Maire on Tuesday urged the G7 club of top world economic powers to find an international solution to taxing digital giants at their meeting outside Paris this week.

"I am convinced that during this G7 we are capable of finding a satisfactory international solution," said Le Maire, whose country angered the United States earlier this month by becoming the first major economy to impose a tax on digital giants like Google, Apple, Facebook and Amazon.

He said such a consensus would then open the way to an international agreement under the aegis of the Organisation for Economic Cooperation and Development (OECD).

"This would be the best way to solve this problem," said Le Maire, who on Wednesday and Thursday will host G7 finance ministers for a meeting in Chantilly outside Paris.

Le Maire, who is due to meet his American counterpart Steven Mnuchin on Wednesday ahead of the official opening of the meeting, expressed dismay over a probe ordered by US President Donald Trump that could trigger reprisal tariffs.

The so-called Section 301 investigation is the primary tool the Trump administration has used in the trade war with China to justify tariffs against what the US says are unfair trade practices.

"This is the first time in our long relationship that the American government has decided to open such a procedure against France," he said.

"France is a sovereign country and will continue to act as one," he added.

France's new law aims to plug a taxation gap that has seen some internet heavyweights paying next to nothing in countries where they make huge profits as their legal base is in smaller EU states.

The law will levy a three percent tax on revenues generated from services to French consumers by the largest tech firms.

Britain has also unveiled plans for a similar tax. But smaller EU states such as Ireland and Luxemburg—which host the European headquarters of digital giants—have prevented a consensus in the EU.

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