

New York, 25 November 2010 – France’s national research and innovation strategy is built around three key sets of components: health, wellbeing, food and biotechnologies; environmental imperatives and clean technologies; information, communication and nanotechnologies.

Research is an important issue in France: gross domestic R&D spending exceeded \$42 billion in 2008 (OECD data), or 2.1% of GDP, placing France second only to Germany in Europe, and is rising again after a dip in recent years. France was also sixth in the world for the number of international patents filed in 2009 and third in Europe for the number of Nobel science laureates. French researchers have been awarded 11 of the 52 Field Medals awarded in mathematics since 1936, making France the second most honored country in the world after the United States (13 medals) in this field.

Over the last few years, the French government has been implementing a proactive policy to increase the industrial crossover of research projects. This policy has three main strands:

- Since 1995, France’s **71 innovation clusters** have been bringing together teachers, researchers and industry stakeholders to develop collaborative R&D projects – in all key technology sectors – which are eligible for state aid (€2 billion granted over three years) and regional support. The rise of these clusters has also been supported by the higher education reform launched in 2008, which helped substantially to strengthen regional ties between universities and industry. Nearly 7,000 companies, including 500 foreign companies, now belong to a cluster in France. World-class technology parks have sprung up around the Parisian suburb of Saclay (IT technologies and biotechnologies), Grenoble (nanotechnologies) and Toulouse (aerospace), to name but a few.

- Since 2008, France’s **research tax credit** has been the most attractive research tax incentive measure in Europe. Businesses receive an initial 50% tax break on R&D spending (40% then 30% in following years). In 2008 alone, over 2,000 foreign companies took advantage of this measure.

- Since 2010, the French government has been financing **investments in the industries of the future** to the tune of €35 billion, including €7.9 billion for research (€2.4 billion for health and biotechnologies and five new teaching hospital complexes, €1 billion for laboratories of excellence and €1 billion for research equipment). This state funding will in turn leverage private-sector investment, with a view to achieving a twofold increase.

Subsidiaries of foreign companies have greatly contributed to France’s research landscape. Their R&D activities currently account for 22.5% of all research spending in France.

The last few years has seen a considerable influx of new foreign R&D centers. The Invest in France Agency (IFA) has tracked 350 foreign R&D investment projects since 2000 that have created nearly 15,000 jobs for researchers and technicians. Sectors with the highest concentration of spending are electrical, electronic, IT and medical equipment. In 2009, 42 foreign companies – including **Novartis’** European oncology clinical research platform in Rueil-Malmaison, **Sorin SpA’s** medical and cardiology equipment facility in Clamart and **Huawei’s** fundamental research center in Cergy – have opted to set up or expand an R&D center in France, amounting to an almost three-fold increase since 2007 (17 investment projects).

According to Ernst and Young’s annual Attractiveness Survey (June 2010), France was the second most attractive country in Europe in 2009 for foreign R&D centers and the leading country for the number of jobs created.

“France has made R&D a national priority with the best research tax credit in Europe, increasingly influential innovation clusters and funding for tomorrow’s technology industries. This policy clearly makes France more attractive to investment. In the last two years, the number of investment projects involving foreign R&D centers has increased sharply, rising to 42 in 2009,” explains David Appia, Chairman and CEO of the IFA.

The Invest in France Agency (IFA) promotes and facilitates international investment in France. The IFA network operates worldwide. The IFA works in partnership with regional development agencies to offer international investors business opportunities and customized services all over France. For more information, please visit www.investinfrance.org