

Paris Region Economic News

N° 4 - OCTOBER 2008 (covering July-September 2008)

 **ParisRegion**
Economic Development Agency

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This publication is designed to give you a summary of the latest economic news from Paris Region, presented in seven themed sections. It is produced by the Paris Region Economic Development Agency's business information centre, based on analysis of the press and all the source documents, reports, etc. we search out. This newsletter effectively complements the Regional Development Agency's Newsletter which outlines the agency's key initiatives and projects on a monthly basis.

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Factfile

Editorial - Paris Region, a name you can depend on!

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While the global economy has been dramatically sinking in a troubled economic period, several studies focusing on the economic fundamentals of world metropolitan regions and countries have been published during the past few months. What do they tell us?

Firstly that **France was the third global destination in terms of foreign direct investment in 2007** (UNCTAD). This was due not only to its traditional advantages, such as infrastructure, the skills of its workforce and its innovative strength (World Economic Forum), but also to its reform programme aimed at improving the country's competitiveness. France is actually considered to be one of the two richest countries in the OECD, having undertaken a systematic programme of reforms to boost competitiveness (World Bank).

Within this favourable context, **the ranking of Paris Region is also moving in the right direction**. The region's international image is excellent, since two studies ("Global Cities Attractiveness Survey" and "2008 Global Cities Index") rank it third in the world. The world's number one destination for tourism and meetings, incentives, conferences and exhibitions (MICE) reinforces Paris Region's reputation all the more. But this does not explain everything. The region is Europe's number 2 location for businesses setting up in Europe (Ernst & Young).

Paris Region offers numerous opportunities to international investors:

- Second largest concentration of major Fortune 500 business head offices in the world, behind Tokyo;
- World-class training;
- HEC has been top of the European Masters of Management ranking (Financial Times) for the past 4 years;

- Many urban and housing developments under construction;
- The momentum generated by the competitiveness clusters;
- Plus a competitive cost of living in the large urban regions classification (ECA International; Mercer).

In short, Paris Region is a name you can depend on, now and in the future!

Vincent Gollain.

Economy

Economic situation

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Paris Region suffers from sluggish world economy – 2nd quarter of 2008

Even though Paris Region showed the first signs of a slowdown at the beginning of the year, it held out fairly well against a slowing of the French economy and the global economy more generally. However, regional economic trends closely follow national trends and the outlook for most business sectors is mixed for the end of 2008 and, over the longer term, for the whole of 2009. Even indicators that had not pointed to a faltering economy weakened at the very beginning of the year, particularly the unemployment rate and the number of business start-ups, levelled off in the 2nd quarter of 2008. The expected downturn in the real estate market in France and Paris Region gives rise to concerns of a difficult situation in the months ahead for the construction industry, which is experiencing many business failures.

- [Paris Region Key Economic indicators - September 2008, Crocis-ARD](#)

Economy

Boosting France's attractiveness with the Law of Modernisation of the Economy

The Law of Modernisation of the Economy (LME) was adopted by the National Assembly in June and by Parliament in July.

The main measures affect:

- small businesses (reduction of payment periods, raising of VAT threshold for micro-businesses, creation of sole trader status...)
- consumers and competition (easing conditions for the development of shopping centres, creating a Competition Authority, additional support for retail businesses...)
- the attractiveness of France (tax exemptions for foreign managers, pensions exemptions for foreign employees of French groups...)
- banks (adoption of the distribution of the Livret A savings account...)

Among measures aimed at strengthening France's attractiveness, the law includes a specific section of measures designed to attract talent, senior managers and entrepreneurs. It introduces a tax incentive for workers from abroad, and extends the current rules to directly recruited foreign employees.

It gives prefects the power to grant certain people a residence status, allowing them to live in France with their family for a period of ten years.

It strengthens the legal security of innovative businesses, which are eligible for an R&D tax credit.

According to the government, from 2009 this law should contribute 0.3% additional growth to GDP and add 50,000 jobs.

[Law of Modernisation of the Economy, Invest in France Agency](#)

Foreign trade in Paris Region

Paris Region is France's leading region for exports and imports in 2007, ahead of Rhône Alpes and Nord-Pas-de-Calais, with respectively 15.4% (€60,678 million) and 25.8% (€15,315 million) of France's total. The EU is the region's main trading partner, accounting for 49.3% of total exports and 60.5% of total imports in 2007. Asia and North America are Paris Region's no.2 and no.3 customers and suppliers, accounting for 11.6% and 11.3% of exports, and for 19.6% and 8.7% of imports.

Foreign country partners in 2007 In €million	Customers		Suppliers		
	Value	%	Value	%	
United States of America	6,299	10.4	Germany	17,707	15.4
Italy	5,670	9.3	Belgium	12,376	10.7
Germany	5,135	8.5	China	11,225	9.7
United Kingdom	4,378	7.2	Spain	11,145	9.7
Spain	4,340	7.2	United States of America	9,588	8.3
Belgium	3,537	5.8	Italy	6,989	6.1
Switzerland	2,640	4.4	United Kingdom	6,020	5.2
Japan	1,656	2.7	Japan	4,169	3.6
Netherlands	1,433	2.4	Netherlands	3,782	3.3
Algeria	1,333	2.2	Switzerland	2,640	2.3

Looking at foreign trade by industry, **Paris Region retains its traditional specialisation.**

The region's **top 3 export products** are automotive manufacturing products (10.8%), pharmaceutical products (8.4%) and aerospace products (7.5%).

The **top 3 import products** are automotive manufacturing products (15.5%), natural hydrocarbons (8.4%) and office and IT equipment (6.9%).

[Le commerce extérieur de l'Ile-de-France - Résultats 2007 \(French only\)](#), Direction interrégionale des Douanes, CRCI Paris – Ile-de-France, Crocis

Competitiveness

Competitiveness

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France, 3rd favourite destination in the world for foreign investments

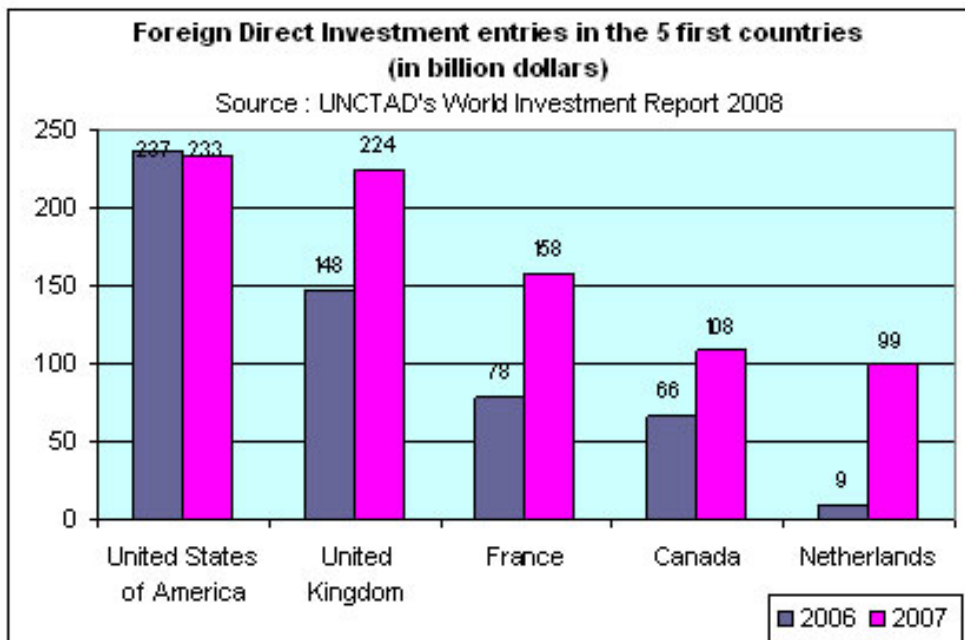
France confirms its attractiveness. It holds the **3rd place** in the world, **behind the USA and Great Britain for receiving foreign investments**.

Foreign direct investment (FDI) has almost doubled in France between 2006 and 2007, from 78,154 billion in 2006 to nearly 158 billion dollars in 2007, according to UNCTAD's World Investment Report 2008.

Global foreign direct investment (FDI) inflows rose in 2007 by 30% to reach an all-time high of US\$ 1,833 billion. The European Union (EU) was the largest host region, attracting almost two thirds of total FDI inflows into developed countries.

The United Kingdom, while remaining very competitive, has dropped by three places and out of the top 10, mainly attributable to a weakening of its financial markets.

The World Investment Report 2008 predicts that FDI to and from developed countries will decline in the near future because of the dampening effects of the financial market crisis combined with weaker economic growth in developed economies.



Note also the results of the Ernst & Young Rankings on the attractiveness of Europe and France (2008 edition) which confirmed the importance of France and the capital city region in terms of ability to attract foreign direct investment:

- **France was ranked second for the number of projects awarded in 2007** (541 projects against 713 for the leader, the United Kingdom) ;
- France was ranked **5th for the number of jobs created** by these projects: 14,500 jobs. It trailed the United Kingdom (24,200 jobs), Poland (18,400), Czech Republic (15,100) and Russia (14,930) ;
- France's transition towards becoming **an attractive tertiary sector location** is confirmed, in particular as decision-making centres and R&D are the principal attractiveness indicators.
- France has **an excellent capacity for encouraging loyalty** (63% of projects were extended compared with an average 28% in Europe);
- 19% of international investors who were interviewed said they had projects for France. They do not see any variation in the attractiveness of France.
- Since 2002, taxation levels, flexible employment law and wage costs and charges have remained the three persistent drawbacks of France as a business location, even though levels of satisfaction are slightly higher.
- [World Investment Report 2008, UNCTAD](#)
- [European Attractiveness Survey 2008 - An open world, Ernst and Young](#)
- [France Attractiveness Survey - Libert , Cr ativit , Attractivit ?, Ernst and Young](#)

France improves its competitiveness

France gains 2 places and ranks **16th in the "Global Competitiveness Index 2008"** of the World Economic Forum.

Its competitive strengths include:

- **infrastructures**, ranked 2nd best in the world, with outstanding transport links (especially an exceptional motorway and road network), energy infrastructure, and communications.
- **a healthy and educated workforce** (n° 1 worldwide for its management schools, 4th in math and science education, 8th for local availability of research and training services)
- **a good market size** (7th worldwide)
- **a great vitality in technological innovation** (5th for the availability of scientists and engineers, 8th for the capacity of innovation)
- **a favourable business culture** (9th in terms of modernization of activities)

Germany (7th) and the United Kingdom (12th) dropped by 2 and 3 places respectively in this index, which is based on a combination of statistics and opinion polls and an amalgamation of approximately one hundred different indicators.

France is also ranked 31st globally out of 181 countries **in the 5th edition of the World Bank's Doing Business report**, showing clear progress as it was 47th in 2006. Singapore gained first place, ahead of New Zealand, the USA, Hong Kong, Denmark and the United Kingdom.

The World Bank was very satisfied with the growing number of countries committed to regulatory reform intended to make life easier for businesses. In spite of its 31st position, **France is actually considered to be one of the two richest countries in the OECD, having undertaken a systematic programme of reforms to boost competitiveness.**

It is notably in France that the number of administrative procedures for importing or exporting is the lowest in all 181 countries ranked.

This report evaluates national administrative regulations for entrepreneurs based on about ten criteria: business formation, access to credit, planning permission, recruitment of employees, protection of intellectual property, etc.

- [The Global Competitiveness Report 2008–2009](#)

- [Doing Business 2009](#)

Paris on the global podium for the most attractive capital cities in the world

The Paris Region Economic Capital Association has published the **Global Cities Attractiveness Survey** study on the position of Paris and its principal European competitors in global competition, conducted with the assistance of Ernst & Young and CSA.

Paris is one of the most attractive capital cities in the world, according to the leaders of European, Asian and American corporations.

Paris is one of the top 5 metropolitan centres most recognised by international investors, alongside London and New York, and to a lesser extent Tokyo and Beijing. Capital of a country whose attractiveness is sometimes criticised, the great Parisian metropolis reflects these handicaps, but also offers the face of a diversified and innovative region, with a uniquely rich infrastructure.

The originality of this study on the world ranking of Global Cities lies in the method used.

508 economic players in international commerce were questioned in Europe, the USA and Asia on their perception of the attractiveness of some 20 global metropolitan regions. These results, for Europe, were compared with the reality of the business location market (source: Ernst & Young), that is to say one of the competitive markets in terms of attractiveness.

Paris Region enjoys an excellent global image since it ranks third in the world behind New York (1st place) and London (2nd place).

Foreign business leaders highlight the dynamism of French political life, sport, culture, fashion, the renovation of the Défense business district and the Airbus A380. 61% of them state that they are confident about the next three years.

The position of the capital region is also explained by a **high ranking in 5 other areas: aerospace, pharmaceuticals and biotechnologies, fashion and luxury goods, food processing and the energy sector**.

The study shows that the efforts made over the past few years are bearing fruit, since Paris Region has consolidated its position as the second most favoured destination in Europe for foreign direct investment and regularly encroaches on the lead of the favourite destination, London, as is apparent from the list of business relocations published by ARD Paris Region.

Vincent Gollain.

- [Global Cities Attractiveness Survey 2008](#)

Paris, Europe's 2nd most business friendly cities

London and Paris have been named as Europe's most business friendly cities in the last European Cities Monitor report from global real estate consultant Cushman & Wakefield, ahead of Frankfurt, Brussels and Barcelona. **Paris has reduced its gap to London.**

London and Paris remain the best known cities, in terms of city promotion.

Paris is in 2nd position for qualified staff, access to markets, best telecommunications, external transport links.

Of the more established western cities, Paris and London are the most popular cities for future expansion plans across Europe. Both cities are seen as the easiest cities in which to travel around, with Paris closing on London this year.

Paris is the 5th city offering the best quality of life for employees, ahead of London (14th).

Paris takes first place ahead of London in terms of choice and value of hotel accommodation.

Brussels enters into the top five of the overall ranking at the expense of Barcelona and Amsterdam which move down to 5th and 6th respectively. Frankfurt is ranked 3rd.

The biggest risers are regional cities including Zurich, Düsseldorf and Manchester.

The annual report is based on interviews with senior managers and board directors in charge of location for 500 of Europe's largest companies. In addition to the overall ranking, 34 cities are ranked against a number of criteria such as transport links, telecommunications, access to markets, availability and quality of staff, cost of office space and quality of life.

In this year's ranking, the availability of qualified staff came ahead of easy access to markets, customers or clients as the single most important factor for relocating business, with telecommunications marginally ahead of national and international transport links.

Most attractive European Cities for Foreign Investments

Ranking 2008 (2007)	Cities
1. (1)	London
2. (2)	Paris
3. (3)	Frankfurt
4. (6)	Brussels
5. (4)	Barcelona
6. (5)	Amsterdam
7. (7)	Madrid
8. (8)	Berlin
9. (9)	Munich
10. (13)	Zurich
11. (12)	Geneva
12. (16)	Dusseldorf

European Cities Monitor 2008, Cushman and Wakefield

[European Cities Monitor 2008, Cushman and Wakefield](#)

Paris is also n° 1 worldwide in information exchange and n° 3 worldwide in the global ranking and to do business according to the "[2008 global cities index](#)" prepared by the US magazine Foreign Policy, A. T. Kearney and the Chicago Council on Global Affairs.

Paris arrives 2nd in cultural experience, 3rd in business activity, 4th in political engagement and 11th in human capital.

The Global Cities Index ranks 60 cities from around the globe, based on 24 metrics grouped in five categories: business activity, human capital, information exchange, cultural experience and policy engagement.

The 20 Most Global Cities

1.	New York
2.	London
3.	Paris
4.	Tokyo
5.	Hong Kong
6.	Los Angeles
7.	Singapore
8.	Chicago
9.	Seoul
10.	Toronto
11.	Washington
12.	Beijing
13.	Brussels
14.	Madrid

The 2008 global cities index

- [The 2008 global cities index](#)

Finally, **Paris is ranked top in brand strength of European cities in a study carried out by Saffron Consultants**, which examined 72 cities based on about 10 criteria.

For brand strength, Paris is number one, followed by London, Barcelona, Berlin and Amsterdam. Paris also beats London as European city with the most advantages.

Brand strength Top and bottom 10		Asset strength Top and bottom 10	
1	Paris, France	1	Paris, France
2	London, UK	2	London, UK
3	Barcelona, Spain	3	Munich, Germany
3	Berlin, Germany	3	Barcelona, Spain
3	Amsterdam, Neth.	5	Amsterdam, Neth.
6	Munich, Germany	6	Rome, Italy
7	Stockholm, Sweden	7	Vienna, Austria
8	Prague, Czech Republic	7	Milan, Italy
9	Rome, Italy	9	Madrid, Spain
10	Athens, Greece	10	Athens, Greece

Source : Saffron Consultants, 2008

- [Saffron European City Brand Barometer](#)

Paris Region, 2nd leading region in the world for Fortune 500 companies

Paris Region boasts the highest number of Fortune 500 companies in Europe, and ranks 2nd worldwide after Tokyo according to Fortune latest ranking. It is home to 37 of the 500 head offices of the world's biggest companies and has consolidated its position as a key economic decision-making centre.

Discover the Fortune 500 company head offices in Paris Region at Econovista.com

- [Fortune Global 500](#)

Paris, less expensive than many European Cities

According to the latest study by Mercer, Moscow is the most expensive city in the world for expatriates, ahead of Tokyo and London, then Oslo, Seoul, Hong Kong, Copenhagen, Geneva, Zurich and Milan. Asuncion in Paraguay is the least expensive city in the world and Sofia the least expensive in Europe. Paris reaches 12th position globally.

The most expensive cities in Western Europe and Asia have maintained their place in the top 20, but the cities of Eastern Europe, Brazil and India have moved up the table.

The weakness of the dollar has brought significant changes in the ranking, especially for American cities, which have all moved lower in the classification.

The Mercer survey covers 143 cities and compares 200 factors, including accommodation, transport, food, clothing, household appliances and leisure. This comparison is based on a methodology reflecting the purchasing and consumer habits of expatriates with New York as reference city with an index of 100.

A study by ECA International also compares the cost of living in more than 370 cities based on a basket of 128 consumer and service items.

Paris is in 19th position globally and 11th in Europe in the 2008 table.

Europe remains expensive as a continent due to the value of the euro. Nine European cities are in the top 15 in the world: Oslo is the most expensive city in Europe for expatriates and tourists, and second in the world behind Luanda in Angola, followed by Stavanger, Copenhagen, Moscow, Geneva, Zurich, Basel and Berne.

Because of sterling's weakness, British cities dropped significantly in the table: 27 places for Greater London and Edinburgh, 14 for Central London, which nevertheless was in 24th position globally. For the same reason – the weakness of the dollar – American cities no longer feature in the 50 most expensive cities in the world. Tokyo, in 13th position, is the most expensive city in Asia, moving above Seoul because of the rise in value of the yen.

- [Mercer 2008 international cost of living survey](#), [ECA International](#)

Tourism - France: The world's number one tourist destination

With 82 million incoming international tourists in 2007, France still retains global first place ahead of Spain. The number of international tourists grew by almost 4% in France in 2007 compared to 2006, and by 6% in the world as a whole.

The principal customer bases come from Europe: Germans, British and Belgians represent 46% of tourist arrivals, the Dutch 8.9% and Italians, Spanish and Portuguese 17%.

The European customer base increased by 3% and more distant customers by 7%. In particular there have been 7% more Americans, despite the exchange rate and economic situation, 1% more Canadians and 14% more Mexicans. Although the number of Asian tourists was higher than in 2005, there was a reduction of 6% compared with 2006.

Tourism represents 6.3% of GDP in France compared with 3.8% globally.

Paris Region remains number one French tourist region

In 2007, Paris Region retained its place as the top French tourist region. It welcomed 32.6 million tourists

to its hotels, of which 45% were foreign. International tourism is one of the region's strong points with 55% of overnight stays being by foreigners compared with a national average of 33%. The region welcomed more Europeans (+ 12.6% compared with 2006) and Americans (+ 11.6%) but fewer from Asia.

The **principal sites visited** where there are entry fees are Disney and Walt Disney Studios (14.5 million visitors), the Louvre (8.2 m), the Eiffel Tower (6.8 m), the Pompidou Centre (5.5 m), Versailles (5.3 m), Musée d'Orsay (3.2 m), the Cite des Sciences et de l'Industrie science park (2.8 m) and the Arc de Triomphe (1.3 m).

[Find leisure activities in Paris Region on Econovista](#)

Economic trends

Attractiveness

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The City of Paris strengthens its attractiveness

In order to strengthen the capital city's attractiveness, Paris Council has pledged a € billion fund for universities, research and innovation between 2008 and 2014.

It is planning to establish a Parisian Innovation Agency in 2009 and an investment fund dedicated to launching projects and developing business incubators. It is committed to creating an additional 55,000 m² to create an area of 100,000 m² by 2014.

It is supporting the building of a new campus north east of Paris and funding 4,000 additional student accommodation places.

It will also support strategic projects with the creation of two new world-class clusters based firstly around the design and creative industries and secondly around urban innovation and sustainable development.

In addition, Paris will finance access for almost 80% of Parisians to very high speed broadband between now and 2010 in order to remain a leading digital capital city.

- [Council of Paris: communication on innovation, research and higher education. \(French only\)](#)

Sustainable development / Eco-zones

The Ile-de-France Regional Council has adopted a report on regional economic development strategy to make Paris Region an eco-region. This report provides for financial support for eco-study courses (loans on trust of €m), study course structuring (€m over 4 years), an eco-grant for businesses with fewer than 250 employees which commit to a programme of sustainable development (up to €50,000 for initiatives to reduce pollution, recycle waste, switch to renewable energy and train employees in sustainable development) an annual competition to reward eco-innovative SMEs and the creation of eco-centres and eco-parks (with a grant of 40% for the investment costs).

- [Ile-de-France Regional Council \(French only\)](#)

Eco-qualified activity areas in Paris Region on Econovista

The choice of location for international businesses is made according to increasingly stringent criteria in a tough competitive climate, as well as seeking conditions that will stimulate growth, companies also looking for quality premises, especially from the environmental point of view.

Paris Region offers an array of existing and planned business parks, reinforcing its position as a leading, multi-faceted business hub and eco-region that is home to start-ups and businesses of every type, with regional authorities working closely with businesses and a services offer that fulfils their needs.

As part of this support structure, the Paris Region Economic Development Agency has created an index of the region's "eco-qualified" business parks – i.e. those implementing an environmental or sustainable development policy. Initially, 31 projects either completed or underway are being presented on Econovista, and more will be added soon as more projects develop; those involved have found that this type of approach, once launched, soon gathers momentum.

- [Discover the eco-qualified business parks on Econovista.com \(click on Discover\)](#)

Higher Education

3 Paris Region projects for international university excellence

The French government has put in place a campus plan, which is aimed at creating 10 world-class university centres of excellence in France.

Of the projects selected, **three are in Paris Region.**

- **The Concordet Paris-Aubervilliers Campus project**, which links the Paris-I (Panthéon-Sorbonne), Paris-VIII (Vincennes-Saint-Denis), Paris-XIII (Paris-North University), the Higher Social Studies School (EHESS), the Higher Practical Studies School (EPHE), the Economics School of Paris and the École des Chartes, is planned to constitute a centre of excellence for social sciences. Only one campus still needs to be built, which should open its doors in 2012.

- To the south of the capital, **the Saclay campus project**, supported by 21 institutions of higher education and research organisations including Orsay (Paris-XI), Polytechnique, HEC, Centrale, ENS Cachan, the Atomic Energy Commission... are due to become a world-class science centre.

These projects will benefit from the campus residential renovation plan.

- **The Paris Project** has not yet been decided, but the ministry wishes to create the “Latin Quarter of the 21st century” there. The decision will be taken in early 2009 after examining “the complexity of the real estate situation”.

The campus plan involves 7 regions, 39 French universities out of 85, 37 schools and the leading research organisations. It concerns 650,000 students (out of 2,254,000 in 2006-07) and 21,000 researchers. The selected projects have until February 2009 to finalise their plans, after which the evaluation committee will determine the amount of funding to be allocated to each of them. The operational launch of the projects is planned for the beginning of 2009.

11 projects which have not been selected should, however, **also benefit from state support**, among which are Paris Region’s East Paris, identified as one of the “**promising campuses**” and Cergy, one of the “**innovation campuses**”.

- [Locate Paris Region higher education sites on Econovista](#)

- [Plan Campus \(French only\)](#)

Paris Region education distinguishes itself.

HEC on every front

Top of the Financial Times European ranking for the 4th successive year as best “Masters in Management”, HEC Paris is creating:

- **the Visions of Leadership Centre** sponsored by L'Oréal, which will promote innovation within the field of management sciences and examine entrepreneurial, political and social leadership.

- **its incubator**, which houses and supports start-ups developed by students and young HEC graduates (from the Grandes Écoles, or elite universities, specialised Masters degrees, MBAs). Priority is given to projects focusing on innovative services with strong development potential. The HEC incubator has initiated collaboration with I-Source, an “early stage” European technology venture capital company, managing more than 170 million euro.

- **a Real Estate Chair** in partnership with the HEC foundation, Morgan Stanley Estate and Unibail-Rodamco, to teach economics, management and finance applied to real estate.

In addition, **HEC Paris has become a founder member of ParisTech**, a public institution for scientific cooperation linking 10 engineering Grandes Écoles in Paris Region. The first project concerns the establishment of a common study course between the Cole des Ponts MBA and that of the HEC, probably focusing on technology management.

- [HEC](#), [ParisTech](#), [Financial Times](#)

Real Estate

London still top of the most expensive offices table.

According to CB Richard Ellis Research, London remains the most expensive city in the office rental market, with €2,035/m²/year in the West End, ahead of Moscow and Tokyo.

Paris is ranked 8th and La Défense 14th at €65 and €01/m²/year respectively. Costs in “emerging” cities are growing rapidly and new cities have made their appearance in the top 10 most expensive markets:

Singapore and Dubai. Office occupation costs continue to resist the crisis, as prices are rising faster than global inflation.

- [CB Richard Ellis](#)

Research / Innovation

Innovation competitiveness clusters

Within the framework of its competitiveness cluster policy set in 2004, the government announced at the end of July that the state would fund 99 new research and development projects at a cost of €09 million.

These projects have been selected among the 193 proposals submitted following the sixth call for projects.

Paris Region cluster projects will benefit from this funding: 9 for the Mov'eo cluster, 8 for Systematic Paris Region, 5 for ASTech and for Medicen Paris Region, 4 for Cap Digital, 2 for Advancity, 1 for Finance Innovation.

Taken together, the different calls for projects have provided support for 554 competitiveness cluster projects since their creation in 2005. These projects represent R&D expenditure of close on €6 billion, 12,000 researchers, and public funding of over 1.1 billion euro, of which €29 million has been state funded.

In addition, the government has indicated that the competitiveness clusters should receive the same financial package from 2009 to 2011 as the period which is just finishing, that is, €5 billion.

A 7th call for projects for R&D competitiveness clusters has just been launched.

- [Competitiveness clusters](#), [Advancity](#), [ASTech](#), [Cap Digital](#), [Finance Innovation](#), [Medicen](#), [Mov'eo](#), [Systematic](#)

Life sciences

A future Brain and Spinal Cord Institute in Paris

Construction works for the future Brain and Spinal Cord Institute have begun in Paris on the Pitié-Salpêtrière site. By bringing together research laboratories and medical activities, the Institute will advance the

understanding of neurological and psychiatric illnesses and of the spinal cord and will develop appropriate treatments.

On a 22,000 m² site, the Institute will welcome 80 research teams, or 600 international researchers, engineers and technicians. It will include a biological resource centre made up of computerised patient files, DNA banks and numerous medical samples. The human imagery department will have use of an MRI 3 scanner and the clinical investigation centre will have space for 20 hospital patients. The total cost of the project is estimated at €5 million.

- [Ile-de-France Regional Council \(French only\)](#)

- [Discover Paris region Biocluster on Econovista.](#)

- [Consult our brochure Health and Life sciences: a dynamic European Center](#)

ICT

Cap Digital is building a digital Europe

Three projects organised by the members of the Cap Digital competitiveness cluster and accredited by it **have recently been funded by Eurêka:**

- **The OpenSem projects**, led by Exalead **and GeoTracksSports**, led by Trimaran, figure in the list of 11 projects with French participation which have won awards in the EUROSTARS call.

- **The Cities Unlimited** project led by Monte Cristo Games is one of the Eurêka-accredited French projects announced in Ljubljana on 6 June 2008.

Funded by Eurêka member states (€300 million) and by the European Commission (€100 million) within the framework of the 7th PCRD, the Eurostars programme supports collaborative R&D projects promoted by SMEs.

This first EUROSTARS call for projects was marked by the success of French SMEs, which were involved in 11 of the top 20 ranked projects.

Cap Digital is the top French competitiveness cluster by number of projects (100 have been accredited), third in terms of funding and fourth by amount of financing from the company competitiveness fund.

- [Cap Digital](#)

Economic players

Flagship businesses

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Paris Region start-ups shine

According to the latest Red Herring's "Top 100 2008" ranking, 10% of European innovative young businesses are French. France was in third position behind the United Kingdom with 27 businesses and Germany with 12, beating Switzerland, Israel and Sweden.

8 of the 10 French start-ups are in Paris Region. These are: Blogmusik/Deezer (free music listening service), Imagiin (online advertising), Wixi (virtual offices) and Zoomorama (photo album creation) in internet services, Kameleon in multimedia, NAVX (geo-localised community content platform), SecurActive (surveillance networks platform) and Streamezzo (mobile multimedia software editor).

The Siemens Innovation Grand Prix singles out three Paris Region start-ups

Ivéa, based in Gif-sur-Yvette (91), received the industry prize for its mobile matter analyser. **Naskéo Environnement**, based in Malakoff (92), received the energy prize for its Ergenium methanisation process. **Aterovax**, based in Paris, received the health prize for its atherosclerosis treatment solution.

UPS is recruiting 300 people and wants to double its number of employees in France, currently 2,400. Express parcel and mail courier, its international distribution hub is located at Chilly-Mazarin (91). Its French turnover increased by 13% in 2007.

- [Red Herring European Ranking 2008](#), [Grand Prix Siemens \(French only\)](#)

Locations / Relocations

- **Apple is planning to open an "Apple Store" in 2010**, covering 715 m² over two floors at the Carrousel du Louvre **in Paris**.

- **HSNorbank is setting up in France.** This German real estate investment specialist has already invested almost € billion in France and is looking to increase its investments in Paris, which it considers to be one of the largest office property markets in Europe.

- **SA Ducroire**, a Belgian credit insurer, **is opening a branch in Paris**. It regards France as the top European market after Belgium.

- **Arkanissim**, a Luxembourg company specialising in insurance brokerage, the sale of financial products and property management, **is relocating from Paris to Levallois-Perret**.

- **Standard Chartered**, a British bank, **is opening a Paris branch** which will employ about twenty staff.
- **Sixt Lease**, a German rental company, is strengthening its commercial presence in France, in particular with **2 new agencies in Paris**.
- **The American “streetwear” brand Ecko is opening its first Paris shop**.
- **New Look**, English prêt-à-porter clothing manufacturer, **is opening a 1,200 m² retail outlet** in the Les Halles shopping centre **in Paris**. The clothing brand, third largest in the UK market, has two other shops at Ivry (94) and Cergy (95) as well as its international head office in Thiais (94). It is looking to recruit 400 people in France this year.
- **Carlo Gavazzi France**, subsidiary of the Italian corporation specialising in the manufacture and sale of automotive components, **is opening offices in Roissy** (95).
- **Heineken is developing a logistics platform in Combs-la-ville** (77).
- **Vietnam Airlines**, a Vietnamese air carrier, **is opening its first agency in France**.
- **Visteon Interior Systems**, an American company, **is expanding in Hauts-de-Seine**. It is renting 1273 m² in Clamart (92), complementing its site in Courbevoie, at La Défense.
- **Fiskars**, Finnish company specialising in the sale of garden cutting tools, **is opening a distribution point at Villebon-sur-Yvette** (91).
- **Bradip Travel Designer**, an Italian company specialising in private, very personalised travel, **has decided to set up in Paris**. It is planning to open 60 outlets between now and 2011.
- **General Motors has opened its new parts warehouse in Gonesse**.
- **UPS is recruiting 300 people** and is looking to double the number of employees in France, currently 2,400. Express parcel and mail courier, its international distribution hub is located at Chilly-Mazarin (91). Its French turnover increased by 13% in 2007.
- *Cosmetic Mag, Expertise Pierre, Le Figaro, L'entreprise, Le Parisien, Lettre d'information Val de Bièvre, Logistiques Magazine, La Tribune, Le Moci, Les Echos, Val Maubuée Eco, AFP*

Regional development

Regional developments

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The Paris Region Development Plan adopted by local government

The definitive version of the Paris Region Development Plan (SDRIF) was adopted by the regional assembly on September 25. The plan is a framework reference document for the management and development of the region from now until 2030 in terms of housing, transport, development and employment, environment and quality of life.

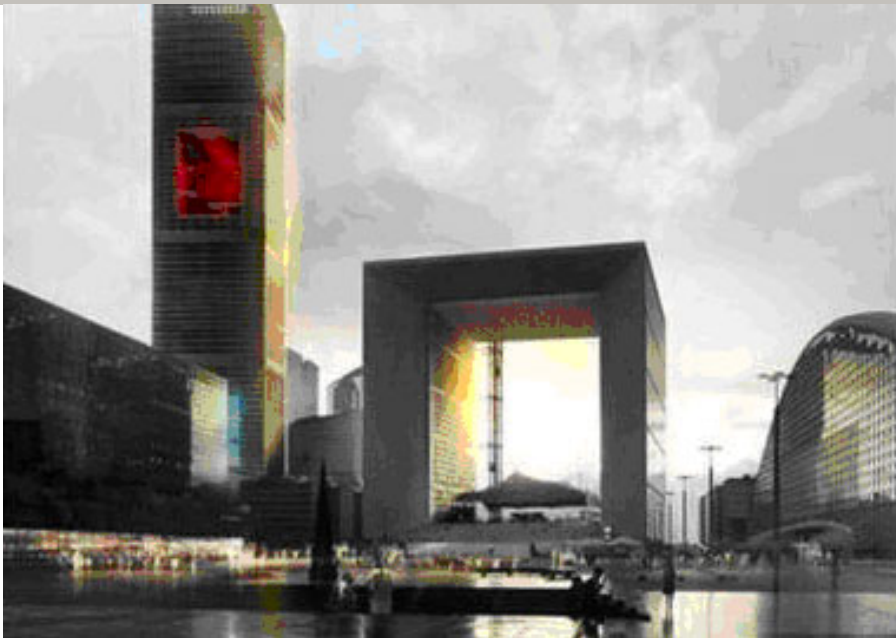
Its goals include:

- the creation of 700,000 jobs between now and 2030 by developing major economic clusters and by modernising the central business districts
- the construction of 60,000 homes per year
- the development of a public transport system favouring suburb-to-suburb links, in particular with the flagship scheme Arc-Express, creating an inter-suburban network for suburbs of medium distance from the centre.

The SDRIF now needs to be approved by the state, by Council of State decree.

- [Ile-de-France Regional Council](#)

La Défense celebrates its 50th birthday



© Jean Nouvel

30,000 people gathered on September 9th to celebrate La Défense's 50th anniversary. Music, laser effects, fireworks, set the Grande Arche ablaze for 30 minutes.

Today, La Défense is just what those who initially conceived it wanted it to become: a business quarter, Europe's prime business district, and one of the most attractive in the world.

This economic grandeur is not only the fruit of legislation governing the market and the interest shared by investors. It is the result of a political will backed by the state and relayed by the instrument which it established as far back as 1958: the EPAD, the Public Body for the development of La Défense. Showcase for half a century of architecture, intersection point for all the public transport networks on the edge of Paris, life-size laboratory for technological innovation applied to the workplace environment, this crucible of energies accumulates and continues to generate the assets of its own glowing reputation.

- [La Défense](#)

- [Discover La Défense on Econovista, the interactive economic map of Paris Region](#)

Genopole® celebrates its 10th birthday



© Vincent Gollain

The Paris Region Genopole® cluster specialising in biotechnologies and biotherapies is celebrating its 10th birthday this year. The Evry-based cluster intends to reinvent itself with a raft of forward-looking projects. For example, by opening its own monoclonal antibody and therapeutic protein bioproduction unit, the Genopole® aims to create a new European centre of excellence which will enable France to keep pace with developments in the field of biomedicines as well as promote dialogue and national research and production. Genopole® also plans to build a new hospital, scheduled for completion in 2011. It will replace the current south Paris Region hospital. At the heart of the new hospital will be a 3,000 to 4,500 m² clinical and translational research centre forming a link between fundamental research and enterprise.

Genopole® in figures:

- €6.05 million annual budget in 2007
- €80.78 million leveraged by Genopole companies
- 2053 people work in the Biopark
- 923 biotech companies
- 797 academic research laboratories
- [Genopole](#)
- [Discover Genopole, one of the key Paris Region economic centres, on Econovista](#)

Seine-et-Marne: Val d'Europe, an area of excellence

Val d'Europe has just been awarded the "Prize for Excellence" by the Urban Land Institute (ULI).

This symbolic distinction honours the city centre project for the town of Val d'Europe, for its responsible urban development and the quality of life the Paris east area.

Other European urban projects were prize-winners: Amsterdam, Istanbul, Antwerp and London.

The architectural quality of Val d'Europe had already been recognised last March when it received a "Palladio Award" for the completion of the Place de Toscane, a convivial town centre space.

- [Val d'Europe \(French only\)](#)
- [Locate Val d'Europe on Econovista, the interactive economic map of Paris Region](#)

Paris: A glass pyramid at Porte de Versailles

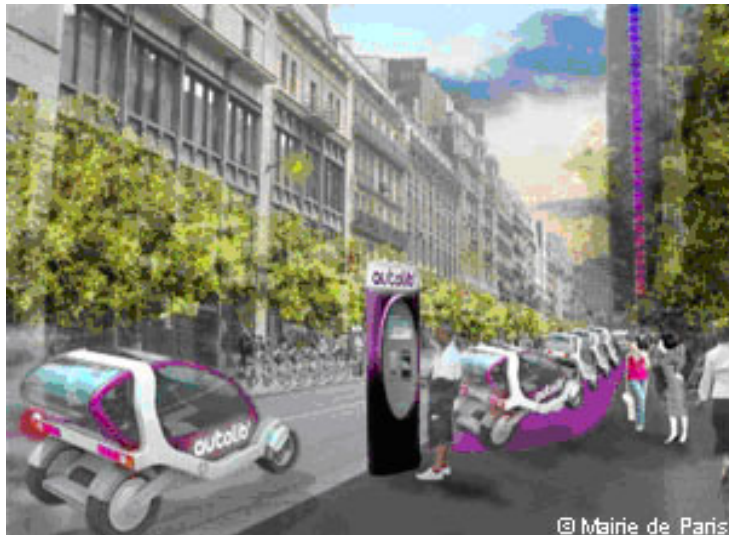
In September, sponsor Unibail and the Mayor of Paris presented their tower project comprising a glass pyramid, planned for 2013 in the Exhibition Park in Porte de Versailles. This pyramid, of High Environmental Quality, and designed by the Swiss firm of Herzog & de Meuron, will be 200 metres high and contain 70,000 m² of offices, shops, facilities, a conference centre, hotel and business incubator.



Transport

Paris Region transport innovations

Autolib: Self-service cars



Following the success of Velib, self-service bicycles, the Mayor of Paris has launched its Autolib project for self-service cars. Between now and 2009-2010, 4,000 individual vehicles will be made available to people living in Paris and neighbouring suburbs. The project currently comprises 700 bases in Paris (of which 200 are underground). The vehicles will be equipped with an IT system enabling drivers to select the base where they wish to leave the vehicle and to reserve a parking space at their destination. The Mayor wants a “completely clean, therefore electric transport system for individuals” but car manufacturers do not seem to be technologically ready to respond to the 2009 tender date planned by the City of Paris. And so the project could see the light of day in 2010 with petrol or hybrid cars at the outset, and these would be progressively replaced with electric cars to provide an entirely electric fleet within 4 years.

Several car manufacturers are currently interested in this project: Fiat, with its future electric 500 and Panda, Smart, Mitsubishi, Subaru, the Norwegian Think, Bolloré and Renault. Paris Council has not ruled out using several models.

- [City of Paris \(French only\)](#)

Voguéo, first public river transport service in Paris



Voguéo, the new mode of transport on the Eastern section of the Seine, entered service in June 2008

The Seine has welcomed a new public transport service, the river shuttle Voguéo, which will provide a link between Austerlitz station and Maisons-Alfort/École Vétérinaire in eastern Paris. Four boats with a capacity of 70 passengers will provide a service running every 20 minutes during rush hour. Launched by the Paris Region Transport Authority (STIF), this service will be trialled for two years. If successful, it will be confirmed in 2009 and could be extended as far as Suresnes.

Success for motorcycle taxis in Paris Region

Another mode of transport is in vogue in Paris Region. Personal transport by motorcycle is seeing increasing success in the capital. It offers a time saving of 50%, while tariffs are higher than those of traditional taxis. In slightly under a year, the number of motorcycle taxis in Paris has risen from 80 to 300. A regulatory framework is about to be put into place in order to guarantee the continued authorisation of the profession. In addition, passenger demand for taxis continues to grow. In response, the Paris police authority aims to issue 500 additional taxi licences between now and the end of 2008. Parisians will therefore be able to count on 16,400 taxis in the capital. The aim is to take the taxi fleet to a level of 20,000 vehicles in 2012.

- [Voguéo, the site of the new public transport system on the Seine, \(French only\)](#)

- [News Port Autonome de Paris \(French only\)](#)

- [Locate Paris Region's transportation infrastructures on Econovista, the interactive economic map of Paris Region](#)

Key Figures on Education in Paris Region

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1,076,548 secondary school pupils, about 24.5% of French total.

594,098 students in higher education, i.e. 26.8% of French total, of whom:

- 346,854 in universities,
- 15,745 in instituts universitaires de formation des maîtres (Teacher training colleges)
- 40,784 in Technical sections of secondary schools
- 24,503 in Preparatory classes for "Grandes Ecoles" (elite higher educational institutions)
- 24,395 in engineering schools
- 30,954 in schools of business, commerce and accounting
- 113,118 in other schools and other educational institutions

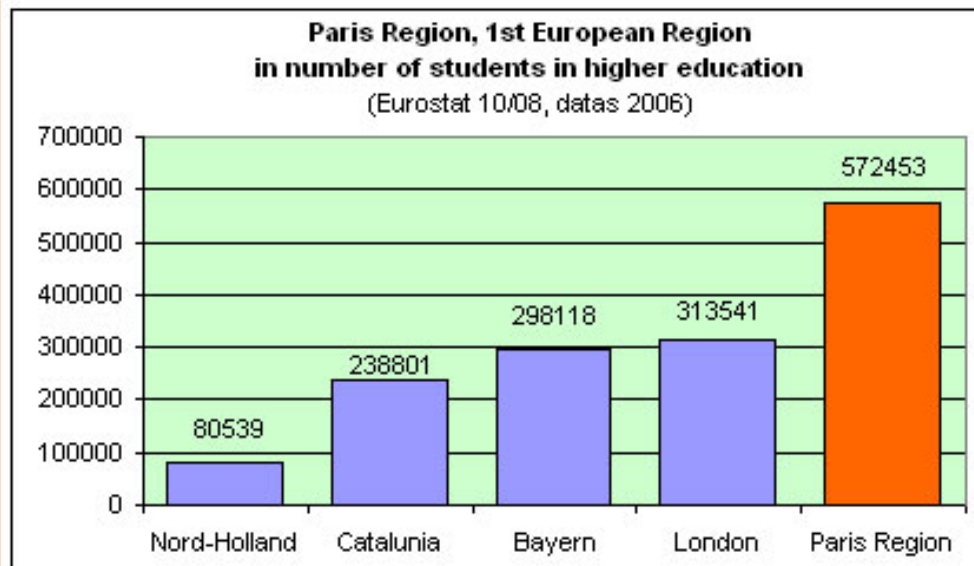
Paris Region counts 17 universities

International students

France no.3 worldwide for welcoming international students (OECD 2007)

- 16% of university students and 20% of postgraduate students are international in Paris Region

Paris Region has more students than in any other European Regions



[Locate Paris Region's international educational institutions \(number of institutions\) on Econovista](#)

Websites

- [Paris Region Key Figures 2008](#)
- [Atlas Régional de l'Île-de-France 2006-2007 \(French only\)](#)
- [Ministère de l'Éducation Nationale \(French only\)](#)
- [Discover spots talents on Paris Region on Econovista](#)

Note on use of source documents

- [Sources shown in blue](#) : the original document used as a source for the newsletter is available free of charge - simply click on the link.
- [Sources shown in red](#) : the original document used as a source for the newsletter was obtained by subscription.

Paris Region Economic News

Summary of the latest economic news from Paris Region

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