

**The French startup ecosystem has been incredibly dynamic over the past ten years,** led by a generation of ambitious, innovative and disruptive talents and entrepreneurs who are shaping tomorrow's world.



# 74%

## FOREIGN INVESTORS

74% of foreign investors consider France an innovative economy. In 2015, France had more high-growth firms than any other country in Europe, and was ranked second in Europe for venture capital investment in startups.



# 115

## DECISIONS IN R&D

Three new investment decisions were made per day in 2016, including 115 decisions to invest in R&D, engineering and design functions, and 72 solely for research activities. In 2015, the amount of funds raised by French Tech startup companies more than doubled compared with 2014.



# +27%

## EMPLOYEES

The number of startup employees increased by 27% between 2014 and 2015. On average, 13 jobs were created in each startup in 2015, and this trend was sustained in 2016. 29% of startups have at least one foreign investor.

## COMPETITIVENESS CLUSTERS

— **Launched in 2004, France's competitiveness clusters policy aims to increase the competitiveness of the French economy through innovation** by mobilizing large and small companies, research laboratories and training institutions to work on shared development strategies and joint projects in specifically targeted locations. Today, France has 71 competitiveness clusters comprising 7,500 companies, 86% of which are SMEs.

- Five patents filed on average for every 10 cluster members for the period 2013-2015.
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## FILING OF PATENTS

— **France is now ranked fourth worldwide in the European patent system (6.3% of registered applications).** Major players in the automotive industry were once again ranked among the top patent applicants in 2016. France is at the cutting edge in the following sectors in particular: cosmetics, aeronautics, telecommunications, electronics, chemicals and energy. 2016 also saw an increase in public research on the list of major depositors, with the entry of four French research institutes in the Top 25 companies to have filed the most patents in 2016.

## FRANCE: A THRIVING STARTUP ECOSYSTEM

— **France is a land of entrepreneurs. There are 12,000 in the Ile de France (Paris) region alone - more than in London or Berlin.** Some are incubated at NUMA, in the heart of Paris, while others will soon set up shop at La Halle Freyssinet, which Xavier Neil (founder of the "42" coding school) hopes to turn into the world's largest incubator. These fledgling businesses are covering new ground and creating a more connected, sustainable and collaborative future.

— **Along with large companies like Orange or rising stars like Criteo - now on the Nasdaq - they are shaping France as a leader in new technologies.** 2016 was a record-breaking year for French startups: they raised more than €2 billion across all sectors - an 11% increase compared with 2015. €460 million was raised by tech startups alone, and those working in the cloud technology domain performed particularly well.

⊕ **NUMA is a French company that supports entrepreneurs in the technology domain.** NUMA has offices in 8 cities, including Berlin and New York, and employs 500 people. Founded in 2000, the company offers a startup accelerator program which aims to prepare startups for fundraising. It also provides programs and training for large companies and institutions to support them as they evolve and grow. 120 startups have benefited from NUMA's services since its creation; 82% of them are still in business or have been acquired.

## "FRENCH TECH"

— **The "French Tech" initiative is an innovative public policy designed to put the French startup community on the international stage.** France now has 10,000 startups - an increase of over 30% between 2012 and 2015. "French Tech" has developed 22 international hubs in major cities to form a global network, driving French startup growth internationally. In 2015 and 2016, more than €3 million in grant aid was awarded for six private projects to promote French startups. 93 international startups have benefited from the "French Tech Ticket" initiative, enabling foreign startups to avail of "French Tech" services in order to set up in France.

## CONNECTED DEVICES

— **More than 28 billion connected devices will be installed by 2020, according to certain studies, and the market will be worth a potential €3.6 billion.** 69% of the French population say they know what connected devices are and understand their purpose, revealing a noteworthy potential market in France. Many French startups have seized this opportunity and have invested in this growing, promising market:

- **42 Tea** aims to help tea enthusiasts to optimize their experience using an intelligent cube. When placed on a tea bag, the cube connects to a database with over 30,000 references and provides information on the best way to prepare the tea.
- Having raised over US\$1 million on Kickstarter, **Joy** has developed its connected watch for young children. The wearable device makes it possible to create routines for children and to make them more independent from an earlier age.

## FRENCH PRESENCE AT INTERNATIONAL EVENTS

⊕ **The Consumer Electronics Show (CES) in Las Vegas is a major event in the electronics industry. France's presence was notable in 2017, with 275 companies in attendance.** One third of the companies presenting at Eureka Park - the show's main exhibition area - were French, making the French delegation the largest from Europe, well ahead of Israel, the UK and Germany. France was the third largest economy at the CES in 2017 after the United States and China.

⊕ **Launched in 2014 in New York, the French Touch Conference is a roadshow conference founded by French serial entrepreneur Gaël Duval.** The event brings entrepreneurs and investors together and aims to bridge the gap between France, Europe and other startup ecosystems around the world. The French Touch Conference also launched the "pitch in the plane" initiative, a unique competition that allows entrepreneurs to present their startups to a jury of investors on a Paris-New York flight, at 35,000 feet over the Atlantic. In 2017, after its first outing in San Francisco, the French Touch Conference will be held in New York on June 27 & 28.

## EXAMPLES

- **Facebook** has decided to invest in France, and is due to open an artificial intelligence research center shortly in Paris.
- Similarly, the **Google Institute** has declared that France is a "frontier nation".
- **Horizons Ventures** a Hong Kong-based venture capital fund, has invested €3.5 million in French startup Algama, which specializes in microalgae-based food products. The deal

also includes a commercial partnership for the sale of Algama's products in Asia.

- Based in the United Kingdom, **BSRIA** is an international testing, instrumentation, research and consulting organization that provides specialized services in building and construction. The group has invested €1.5 million to open a calibration laboratory in Lille, in the Hauts de France region. BSRIA will recruit a dozen people.