Interview: Muriel Pénicaud – France's Ambassador for International Investment & CEO of Business France



19.04.2016

Tags: Pharma, Pharmaceuticals, France, Business France, Innovation, Investment, Export, Import, Business, Life Sciences, Trade, Regulation, Interview, Insight, Exclusive, Executive, Free

As CEO of the newly formed government agency Business France, Muriel Pénicaud is passionate about championing French innovation and creativity, particularly in life sciences. She tells us about her organization's key objectives, ongoing efforts to change perceptions about France's business environment, and her 'bilingualism' in the worlds of business and government.

Business France was formed through the merger in January 2015 of two major government agencies, Ubifrance and the Invest in France Agency. Why did the French authorities decide on this merger and how smooth has the integration process been since you took the helm?

In early 2015, President Francois Hollande officially announced the merger of Ubifrance, the agency responsible for promoting French exports, and the Invest in France Agency, responsible for attracting foreign investment to France and promoting France's business environment abroad. Merging the two organizations was a logical move once I was appointed to run them in tandem. The newly merged agency now provides information and support both on inward investment in France and expansions by French businesses into other markets.

Since the merger, we have been building synergies step by step between the two former agencies and are now promoting success for businesses as a whole. We have fostered a network of private-

sector partners that provide various benefits and information insights for investors and exporters.

Fortunately, we have not had any major challenges since the merger, as we were very aware that Ubifrance, with offices in 70 countries, was a much larger organization than the Invest in France Agency, which only had a presence in 16 countries. We are being very careful to create a healthy balance between the two, especially on how we plan to attract more investors to France.

Aside from attracting investment, our second main goal has been to shift the perceptions that French people have about exports. Approximately 32% of French exports are generated by foreign-owned subsidiaries in France, which is a prime destination for re-exporting, especially to European and African markets.

Another of Business France's chief objectives is to provide B2B liaison services. Whether these companies are focused on exporting or importing, we are there to help them. Of the 9,500 companies in France that we have supported, 1,000 of them are in healthcare. Our role is essentially to connect them with distributors, exporters and partners to create better business opportunities. Fostering this network creates greater value, not only for businesses, but also for the French economy as a whole.

Overall, what is Business France's overriding purpose?

Business France currently has three missions: to promote exports, encourage inward investment, and create a better image of France abroad. For the past 10 years, France has had an image problem strikingly at odds with reality, and our goal is to shift this perception through real facts and figures for the French economy. I believe that the increase in FDI in France is the perfect testament to our success; for example, there have already been 962 new investment decisions in France since Business France was founded, and these have created 33,000 jobs.

Given these objectives and goals, how would you describe Business France's approach in attracting these businesses?

Promoting France as a business and investment location is one of our main objectives. Unfortunately, France has not been seen as a leading investment destination in the past, as businesses and people around the world remained unclear about France's major potential and key advantages. For example, when we think of Germany, the automatic perception that comes to mind is the idea of robust products and high-quality engineering. France does not have a ready-made image like this. As such, one of our key missions has been to create one, which led us recently to launch the 'Créative France' campaign. Indeed, we pride ourselves on France's cutting

edge in innovation; this is something that investors also recognize and that we would like to have reflected in the ‘Créative France’ concept. Complex innovative solutions can be found in many sectors in France, such as cuisine, luxury goods, aerospace, and of course healthcare and life sciences. Creativity is a key driver of the French economy and it fosters a positive image of our enterprise culture as well.

How do you go about promoting companies and raising their profiles to a wider audience?

Looking at the export side of our work, we try to ensure that all our members get involved in major events. What we really want to cultivate is a meeting ground for investors, partners and customers, where they can make easy connections. In this respect, we have taken part in numerous global medical events, from Germany to the United Arab Emirates.

Secondly, we also help create tailor-made programs for different needs. For instance, last year I accompanied Emmanuel Macron, France’s Minister for the Economy, Industry and Digital Affairs, on a business trip to Japan focusing on the opportunities arising from the ‘Silver Economy’. We helped 13 startups get connected with local business opportunities as well as Asian venture capitalists. This VC culture is less well established in France, and another of our tasks is to help French SMEs get the funding they need to take their business to the next level.

What message do you promote to encourage these startups to build an international presence?

We encourage our companies to secure a foothold in Asia, South America and other markets in which they may not necessarily see potential growth. It is also important to reassure French businesses that ‘going global’ does not mean selling their company and scaling down in France!

Our tailor-made programs for exporters have proved their worth for many of our clients. While we help SMEs identify the right markets, our partner Bpifrance, France’s public investment bank, focuses on the finance and fundraising components.

Finally, Business France is responsible for running the VIE (*Volontariat International en Entreprise*) International Internship Program, which provides training and immense international experience for young business professionals, typically up to 28 years old. The experience they gain at this young age is quite simply unique! Once a candidate has been selected by a company, Business France takes care of all the logistical and administrative aspects (such as acquiring work permits), which is extremely beneficial, especially for SMEs. The benefits of the program can be seen by the fact that

97% of participants actually go on to work for the same company after their internship. Having such a broad international base of young professionals also gives us an even greater insight into international markets.

What would you say is France's main competitive advantage in attracting investment in life sciences over strong neighboring markets in Germany and the UK?

Firstly, the size of the French market is France's main advantage. We are ranked among the top three globally in fields such as medicine, medical devices and pharmaceuticals. We are also a leader in Europe in animal health and vaccinations. It is impossible to think about healthcare and not think about France. It is not only the size of the market, but also its maturity.

Secondly, the level of innovation in France is second to none. Both the public and private sectors invest a great deal in research, while France's research tax credit is a real draw for multinationals, as can be seen by the fact that nine percent of inward investments are in R&D operations.

Thirdly, France has a very strong manufacturing sector, ahead of the UK and Italy. This is due not only to the fact that we have a culture of re-exporting, but also because France is a fantastic transport and logistics location.

Finally, quality is extremely high on the agenda, and workforce productivity is also very good. We have all the right resources to help foster innovation.

Despite France's overall attractiveness to investment in the life sciences sector, market access remains a concern for investors. What has Business France been doing to reassure foreign investors in this respect?

It is true that the length of each clinical trial can be an issue, and that procedures are typically longer, but at the same time, they are generally more accurate and precise. Since we are committed to quality, we perform more meticulous steps in each trial to ensure we are providing excellent products. Although it can be a hindrance, many companies are not fazed by this because they know that France is one of the strongest life sciences markets.

It's up to each company to assess the market and risks for themselves. For some, the speed of the trials is key to their success, while for others, waiting a little longer to ensure product quality reaps greater rewards. In my opinion, this issue is not necessarily an obstacle to investment, but rather the basis for further deliberation. We must remember that these issues are not specific to France, and are only sometimes complicated further by public/private sector interplay and the regulatory environment.

Given the political landscape in France today, with the rise of Euroscepticism and nationalistic sentiment, do any investors fear for the attractiveness of the French market? Do you think this could have an impact on investment?

This perception of unstable market conditions could not be further from the truth. The reality is that there are more than 20,000 foreign companies in France, employing more than two million people. These foreign companies also generate more than 32% of France's exports, and undertake 29% of R&D expenditure. Exports in the life sciences sector are very important for us, as it is France's second largest sector after aerospace. This idea that the French market might one day find itself isolated does not reflect how open our economy is, where the footprint of foreign investment is incredibly high. Around 60% of FDI in France comes from the United States and Europe, two of the largest economic powers today, and so it simply wouldn't make sense to close our market to them, or anyone else for that matter.

How have your experiences working in both the private sector (at Dassault and Danone) and the public sector (various governmental roles) shaped your leadership of Business France?

I believe that working in the private sector has been a great asset to my career. I not only have corporate expertise at boardroom level, but also know about how to navigate government bureaucracies. I try not to pitch France as a product, and instead focus on showing the world our strategy. I also know something about how investors think, and what types of strategies should be implemented. Being 'bilingual', as I like to say, in both sectors has also been a major asset to my career.

It's also important for Business France to balance the interests of SMEs and large corporations. We have 1,500 personnel throughout the world who are incredibly keen for businesses to succeed. I would actually go as far as to describe us as a hybrid agency for both the public and private sectors, acting as an ambassador for growth and investment around the world.

Click here to read more articles and interviews from France, and to download the latest free pharma report on the country.

See more interviews