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Didier Geneau provides a fascinating insight into the French biotech scene; its strengths but also weaknesses. France has an incredible track-record of excellence in innovation and, for the first time in a long time, true government backing. All the ingredients are there to excel even further in biotech innovation. Now, let's see...

What role does France Biotech play within the French healthcare and life sciences sector, and why did you accept the role of Delegate General given you are not from the biotech industry?

The mission of France Biotech is to make our members more well known among the public, the government and the media. It is our goal to let the French society know about the innovative activity that takes place in their backyard. While the term "lobbyist" has a negative connotation to it, especially here in France, it is essentially our core function; we look to gain influence over the government and French society on behalf of our members. I prefer to think of our body, though, as "interlocutors." While we do seek to exert influence, we mostly serve as a communication forum between the government and our healthcare innovators.

As for me, I have had a bit of a peculiar path to this role. I indeed have zero former experience in healthcare innovation, but when I met Maryvonne Hiance, President of France Biotech, she was actually specifically looking for someone without any background in the biotech sector; she wanted

this person to bring a new approach and way of thinking. She was searching for somebody who was good with innovation and numbers, to help the group follow a path similar to that of the digital entrepreneurs, who are seen in a very positive light here in France. Right now, biotech companies do not have the same sort of allure in French society and to investors, so we are trying to replicate the success of digital/tech startups.

I also have to serve as a bit of a translator. As it is difficult for investors and the government to understand the complexities of our companies and startups, I have to break down the innovations into palatable, understandable concepts. So, I would say that 90 percent of my job is communication.

How would you compare France's as a host to innovative startups to the rest of the world?

It is true that, broadly speaking, we are seeing a revolution in biotechnology and medicine. It seems like all of the technology is coming together: the Internet of Things (IoT), AI, electronics, etc. It is all starting to come together and it's forming some innovative products. But why is France so innovative, you may ask? I would say that it is due to our fortunate standing. We have very high-quality researchers, academic institutions and healthcare facilities. In France, we have a heritage of innovation – just look at the likes of Louis Pasteur! He is one of the first biotechnologists in the world. Pasteur set the precedent in this country, and it has led to continued success in the field. We have now great public research institutes, which is the keystone of our system. But, to be more specific, I would say that there are seven aspects that make France so innovative. The first of said aspects is our scientific base.

Second, in this day in age, France has a very entrepreneurial culture – many French are venturing out and starting their own companies. Innovative researchers are constantly starting their own ventures. This is for example the case at the Imagine Institute.

Third, in France, we have an incredible regulatory framework that incentivizes entrepreneurship. With programs such as Bruno Le Maire's (Minister of the Economy and Finance) bill project PACTE (Plan d'action pour la croissance et la transformation des entreprises – Plan for the growth and transformation of companies), Jeune Entreprise Innovante (a plan launched in 2004 intended to support young companies under eight years old, from their creation and during their development) and the Bpifrance (Banque Publique d'Investissement – the state's investment bank), entrepreneurs have many resources at their disposal. They are programs that help researchers find

funding and business support during their endeavors. Now, keep in mind that while France is wonderful for a startup, it is not ideal for upscaling once the startup is successful. But that is another matter.

Fourth, France has a wonderful infrastructure of large pharmaceutical laboratories and factories. These large companies provide France with a great scientific and innovative base, and they inevitably introduce knowledge spillovers that help entrepreneurs in France.

Fifth, we have a great deal of mathematical expertise in France. We are not simply good in science, but in AI, mathematics, the internet, and technology in general. Particularly in the realm of AI and the IoT, the French are dominating, and these fields of expertise will soon benefit the biotech sector.

Sixth, I would say that there is, under President Macron, a genuine political dedication to innovation. I have never before felt this type of commitment and receptiveness on the part of the government to the needs of the startups and innovators. Take the CSIS (Conseil stratégique des industries de santé), for example – the Prime Minister made overtures to the group wherein he emphasized innovation in the healthcare sector. He didn't simply ramble on about the pricing of drugs and the typical talking points. I have never seen this before, and for us, this was incredible. We felt a true dedication to innovation and startups in the healthcare sector from the government.

Lastly, the Euronext Stock Exchange has the second highest number of listed biotech companies in the world (93), trailing only the NASDAQ. Paris is a financial hub, and once companies are listed, our stock markets are well equipped to promote them.

What are the challenges that French biotechs face, and what can be done about them?

We, and startups in general, face many challenges, the first of which is financing. It is very expensive to start a biotech company, and even harder to expand a biotech company in France. In this domain, the US has the real advantage. In the US, you can go from being a researcher to a business owner rather easily, but in France, this is not the case. In France, you can be a great researcher, and you can establish a startup, but for those with any true commercial ambitions, the environment is difficult. Take DBV, for example, which is an emblematic French biotech startup – the firm is currently debating registering 100 percent within the United States. For them, it makes great sense, but for the country, it is harmful.

Now, let us talk about how we can find a solution to this problem. I would say that France must take public funds and invest in healthcare innovation. But, of course, this is far from easy, between European regulation and other obstacles. It is a matter of fiscal decisions, and any true progress in the matter would be very complicated to achieve. I would also encourage the private sector and public to invest in the health sector. The largest problem that French biotech companies face in attracting investors is that it takes quite a long time for these companies to turn a profit, especially compared to the digital startups that are never lacking funding. It may take ten years for a biotech company to master its craft and become lucrative. The first course of action that the French can take to improve innovation is to explore ways to incentivize investors to overlook this inherent disadvantage in the very nature of the sector.

A second option that could be taken is to further encourage American and, to a lesser extent, Chinese investment into the sector in France. There are many traditional investors from the US that like to buy French startups, as they say that they are cheaper.

The third measure that could be taken is to encourage the large, French multinationals to open venture funds. In the rest of the world, nearly all mega-companies have a corporate venture department. Why don’t the French? If, say, Sanofi were to become a major investor in biotech startups, a lot of our country’s innovators would have an easier route to private sector funding.

The second major challenge that we face is the cultural schism between public research and private enterprise. There is such a huge difference in perception between a researcher and an entrepreneur, and the public seems not to understand the vital role that startups play in the economy. But, we haven’t been dragging our feet; we are currently collaborating with the government to collectively reflect upon ways in which we can standardize a pathway between the lab and the market. After all, most of our startup owners have their origins in public research. But unfortunately, the moment that they decide to try and profit from a new innovation, they are demonized. But, I am hopeful.

The third barrier that we face is the constitutional notion of ‘precaution’ that prevents some of our innovators from taking risks that could “endanger society.” There is so much red tape to jump through when it comes to engaging in clinical trials that it inhibits progress. In the US, the regulatory burden is less severe, and small companies can engage in clinical trials or other forms of testing that need to be done before a product can come to market. In France, it seems that only the large labs have the resources necessary to comply with the regulations, and we all acknowledge the fact that for biotechs, rapid access to clinical trials is absolutely crucial for them to move on – or not – to the next steps. So, most of our companies have to go to Belgium to

conduct their trials. Researchers and doctors in France can wait months or years to get approval to conduct trials, only to be denied. So, it is simply easier for them to do their work elsewhere, especially if they are working on rare diseases.

The Ministry of Health knows this, and they are working on it. However, we still have not seen any progress as of yet. We are currently working with the Senate and with ministers about all of these problems (financial, cultural, and legislative). We will see what happens.

Of all of those issues that you raised, which do you find the most pressing to resolve?

Frankly, I would say that the cultural perception is the biggest problem. France Biotech has helped to change this impression, but it stands as a grand obstacle that is hindering our inventors. This really may be the most pressing, and most under-the-radar, problem facing biotech startups. In France, generally, public opinion does not look favorably upon biological, pharmaceutical or healthcare companies. It is a funny paradox – public health researchers are revered while private researchers are vilified.

Do you have any concluding remarks for our international audience?

This is a key moment for the international community to invest in France. We have a longstanding excellence in innovation and, for the first time, we have true government backing. We finally have all of the ingredients necessary to excel even further in biotech innovation. With a relatively cheap investment environment, France has the real potential to produce some great startups if the funding can find its way here.

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