

Interview: Philippe Richert – President, Region Grand Est (Alsace Champagne-Ardenne Lorraine), France



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Philippe Richert, President of the newly created region Grand Est (Regions Alsace, Champagne-Ardenne and Lorraine) shares the significance of life sciences to his local economy, the industrial heritage which have made the region a leading exporter of pharmaceuticals, as well as the world-class innovation taking place there. Finally, he discusses the friendly-yet-competitive relations with neighboring regions in Germany, Switzerland, and Luxembourg.

Could you please give our readers an overview of the Grand Est region's importance to the French economy?

The newly designed Grand Est region – which encompasses the former Alsace, Champagne-Ardenne and Lorraine regions – has expanded its sphere of activity and responsibilities, its scope of actions as well as its prerogatives. Needless to mention that our territory has significantly increased in size following the January 2016 merger; the Grand-Est region is today twice as large as Belgium and counts 5.5 million inhabitants – as much as Denmark or Finland. The Grand Est region is home to several historically significant cities. Strasbourg of course but also Nancy, Metz, Troyes, Reims and Mulhouse.

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From an economic standpoint, its GDP exceeds EUR 150 billion (USD 165 billion) and our region's economy is very much export-led. We export more than any other region in France. Our economy is very international due to our proximity with our neighbors: Belgium, Luxembourg, Germany and Switzerland. More than 30% of our companies' capital is foreign owned.

Among our region's significant achievements, we are well known for our agricultural heritage and are France's first agribusiness region. The Grand Est is both a rural and urban region and there are certain industrial fields in which our region excels such as aeronautic, pharmaceuticals, new technologies, and science research. Contrary to common belief, the Grand Est region is more industrialized than the rest of France. We are of course very successful in pharmaceuticals thanks to the very well regarded competitiveness clusters we hold.

All in all, despite its low population, the region's economic potential resides in our proximity to leading European business centers: Paris and its region to the West; Belgium and Luxembourg to the North; and Germany and Switzerland to the East. The Grand Est is at the crossroads.

Your region has traditionally been a pharmaceutical hub. Lilly set up its flagship production site in Fergisheim 45 years ago which is today the company's largest manufacturing site globally; France's largest pharmaceutical company Novartis established a bioproduction site here as well. How would you define the importance of life sciences and pharmaceuticals to your region's economy?

Our region's economic strength relies on its industrial heritage combined with a very innovative mindset; we are an innovative region without a doubt. The small city of Chaumont for example has become an economic hub for stainless steel products and is home to the largest subsidiary of the German corporation Aesculap. Our region's economy is still powered by pharmaceuticals but we are also developing new expertise in different sectors. Cities like Nogent have specialized in hip joint prosthesis for instance. I am very confident in the synergies between our former regions, Alsace, Champagne-Ardenne and Lorraine that now compose the Grand Est region. If you look at the University of Strasbourg which ranks in the top 100 on the Shanghai University Ranking, it had more partnerships with foreign universities than with French universities! The creation of this larger region has spurred new opportunities between Universities and research centers. These universities are catalyzing synergies in the fields of medical technology, medical imaging and E-health.

A few words on the Alsace Bio Valley cluster. What impact does it have on your region's economy?

The Alsace Bio Valley value proposition lies in its sustained success over a long period of time. The Alsace Bio Valley allocates large investments towards innovation and research. Several Nobel prize recipients work here. Our main challenge is to translate these innovation and research efforts into industrial applications. Most of the time, research carried by large corporations is still conducted in the Paris region. The second challenge consists of keeping the whole value chain here from research to industrial development. We need to be competitive across the value chain. This is why the establishment of the Alsace Bio Valley has been essential to the region's economic success. Finally, our relationship with neighboring countries is critical; we for example rely on Switzerland for medical exports. We are very proud to be part of the exceptionally renowned Rhineland BioValley with German and Swiss counterparts.

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Overall, more needs to be done in terms of innovation, which only contributes to 2% of our region's GDP as of now. We really need to find practical applications for every bit of research conducted here. This relationship between research and innovation is still not fully entrenched in our

region's business culture and it has become one of my priorities to change this. If you look across the border in Germany, innovation accounts for 5% of GDP. I insist on ramping up investments in start-ups as innovation is a mean to remain competitive.

We have a very porous border between France and Germany. Workers from both sides cross the border to find work and offer their expertise to companies. We have a great deal of partnerships and cooperation between our region and the Rhineland valley. We must not forget however that our relationship with our foreign partners is extremely competitive. Our main competitors are not China, India or Poland, but the regions right across our borders: Southern-Baden in Germany and North-Western Switzerland. For a while it was very difficult to compete with them as the single GDP of the Southern-Baden area exceeds USD 280 million. Basel is one of the most advanced regions in the life sciences field in the world! Today we need to rise up to the challenge by building trans border partnerships. Our research capacity and industrial tradition serve as testament to our region's potential.

The Grand Est is by far the most European of the French regions. On July 4th of this year, you wrote to the President of France François Hollande suggesting to relocate the European Medical Agency (EMA) to Strasbourg in light of the recent Brexit. You are not the only ones to have put such an idea forward. Why do you believe Strasbourg is the right place for the EMA to be?

Strasbourg is strategically located at the heart of Europe. It houses the European Parliament and the European Pharmacopoeia. The presence of European institutions in Strasbourg has contributed to the city's economic vitality. The implementation of this agency in Strasbourg would rebalance the relationship between Brussels and Strasbourg, the institutional seats of the European Union. There is an ecosystem in the medical field in Strasbourg, a city which now asserts itself as an economic hub in the field of life sciences, and I truly believe Strasbourg would be a sensible and logical choice of relocation.

A few words of conclusion about the Region Grand Est and the future significance of life sciences?

First of all, our region presents many opportunities in terms of high standards of living and economic development. We have an unparalleled research and innovative infrastructure. Investors are welcome here. We can offer them the best working conditions to develop their businesses.

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Secondly, I would like to say that France is at a turning point. The country has a wealth of potential, research and development capabilities. We waste too much time bickering! There is room for bipartisanship when it comes to innovation and economic development. We cannot be complacent about our past; we have to look at our national and regional assets to build a greater future. I have always espoused the value of progress; I care for my region's well-being and I want my region's inhabitants to have a better future with more opportunities for great jobs. The Grand-Est is above all, a very hard-working region so I am confident in the future.

My motto for the years to come is very straight-forward: *take maximum risk with a minimum level of precaution.*

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