

6 October, 2009 – In order to boost and strengthen the innovation economy in France, the French authorities have supported the creation of 71 innovation clusters¹ since 2005, building bridges between industry and organizations providing training and research.

These innovation clusters are developing three types of collaborative projects: research and development projects, their core activity; innovation platform projects, advanced infrastructures intended to promote innovation by businesses; and R&D spin-off projects (training, real estate investments, ICT infrastructures, economic intelligence and watch, international development, etc.), further elements that are essential for the competitiveness of the companies in the cluster.

More than 2,000 R&D projects have already been launched within the innovation clusters. More than €5 billion have been committed, half of which has been funded by the French government. In all, there are 10,000 researchers working on these projects with 5,000 businesses, including SMEs. State funding will be maintained over 2009-2011: the French Government is putting forward €1.5 billion over three years, in addition to funding for specific programs, such as “Crolles 3” for Minalogic, the global cluster for excellence in nanotechnologies based in Grenoble. Local authorities are also helping to fund projects launched by the clusters.

Government funding is awarded under an “interministerial fund” controlled by the French Ministry for the Economy, Industry and Employment. This fund supports applied-research projects, selected based on calls for projects issued twice every year. In March 2009, the seventh call for projects selected 91 R&D projects from 53 innovation clusters, which will now receive €107 million from this fund. The **French National Research Agency (ANR)** provides further funding, and the **French Innovation Agency (OSEO)** offers repayable advances of up to 50% of project costs. The clusters’ dynamic development is being further strengthened by the impact being made by the French research tax credit, which since 2008 has been recognized for offering the best tax incentives in Europe (30% of R&D spending, capped at €100 million).

500 foreign businesses are involved in the clusters, including 270 from Europe, actively participating in various research projects: **Xerox and Sony** have joined the **Cap Digital** cluster in the Paris region, which is focused on images, multimedia and high-speed transfers.

The clusters have also established partnerships with clusters from other countries, for example the Systematic Paris Region and Aerospace Valley clusters have built up a technological partnership with the **German Safe Trans cluster** with a view to setting up a dedicated European platform for embedded systems. Similarly, the three clusters covering health and life sciences (Cancer-Bio-Santé, Lyon Biopôle and Alsace Bio Valley) recently sealed an agreement with the **Kansai Biomedical Cluster in Japan**.

For David Appia, Chairman and CEO of the Invest in France Agency, *“The innovation clusters that have been established in France since 2005 are playing a major role in attracting foreign R&D centers to France, combined, naturally, with the particularly advantageous research tax credit, which offers the best incentives in Europe. 500 foreign businesses are already taking part in more than 700 projects being developed within the clusters. The benefits of setting up businesses in these clusters, or in the surrounding business ecosystems, offering a wealth of talents, partnerships and opportunity, are being consolidated by these success stories.”*

The Invest in France Agency (IFA) promotes and facilitates international investment in France. The IFA network operates worldwide. The IFA works in partnership with regional development agencies to offer international investors business opportunities and customized services all over France. For more information, please visit www.investinfrance.org.

¹ The number of clusters is due to fall to 70 by late 2009 following the merger between the automobile clusters MTA and MOV'EO.