

ELECTRONIC AND MEDICAL NANOTECHNOLOGIES Research tax credit boosts the sector in France

Paris, May 13th, 2008 – France has focused its attention the past two years on electronic and medical nanotechnologies. Support for these technologies continues to be a priority for the government, which has put in place the best research tax credit in Europe for the sector's R&D activities, where 50% of R&D costs can be reimbursed the first year.

As a result, there are now numerous top-ranking companies and several major competitive clusters in this sector: Minalogic de Grenoble (LETI, STMicroelectronic), System@tic, the Provence-Alpes-Côte d'Azur secure communication solutions cluster, and various skills in nano-electronics in the academic research centres, LETI, LAASI, LPN, IEFI, IEMN, FEMTO. These industries and research bodies have contributed several global key players in the micro-electronics industry: telecommunications operators (France Telecom), telecom hardware manufacturers and service suppliers (Alcatel, Sagem), and smart card manufacturers (**Gemalto, Oberthur, ASK**).

Many foreign players have chosen France to establish their industrial or research activities (**NXP, Atmel, Freescale, Renesas**) due to this presence of training centres, public research centres and private companies. In October 2007 NXP inaugurated its new global R&D division dedicated to the semiconductor miniaturisation, and its new headquarters in Caen in Normandy. The Californian company **Monolithic Power**, ranked by Deloitte as one of the strongest growing companies in Silicon Valley, opened its headquarters in Bernin-Crolles (Isère) in January 2007. **Boc Edwards**, from the Linde group, has transferred its headquarters from London to Grenoble to be close to its customers in the electronics sector and recruit top level experts in the region.

Philippe Favre, President of **Invest in France Agency**, says, "*Microelectronics illustrates the continuing strive for innovation: R&D costs represent around 15% of turnover and production line updates to keep abreast with technological developments represent an investment of around 20% of the same turnover.*"

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