

Economic & Business News from FRANCE



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EDITORIAL

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Focus

Eurosatory Exhibition 12 – 16 June 2006

Held at the Paris Nord Villepinte exhibition grounds and presenting 978 exhibitors and 44735 visitors in 2004, this is the famous exhibition for land and land-air defence systems and technologies.

124 Official delegations visited the 2004 edition of the fair, from 72 countries and included 11 Defence Ministers, 9 Secretaries of State and 25 Chiefs of Army Staff.

For further information visit <http://www.salon-eurosatory.fr>

1 Euro : 6.56 FF
1 Euro : ≈ 1.3 US\$
1 Euro : 53 INR

Visit : www.france-in-india.org

The first quarter of 2006 flew past with the State Visit of the President of France, Mr Jacques Chirac. Important bilateral agreements were signed during this visit in the fields of industrial co-operation with special emphasis on small and medium enterprises, tourism, energy efficiency and an agreement between the Indian Institute of Management, Ahmedabad and the ESSEC of France.

A Joint Declaration on the development of nuclear energy for peaceful purposes was signed between Mr Anil Kakodkar, Chairman of the Atomic Energy Commission and Mr Philippe Douste-Blazy, Minister for Foreign Affairs. This can be viewed, in the English language on the website of the President of France <http://www.elysee.fr/anglais>

Following the path shown by Mr Thierry Breton, Minister for Economy, Finance & Industry and Mrs Christine Lagarde, Minister for External Trade during their discussions in New Delhi in February 2006, France will organise a **B-2-B Forum** in December 2006.

Organised primarily in New Delhi this will re-group 100 French companies covering all industrial and services sectors. They will meet possible Indian partners to have the chance for in depth individual discussions across the table during the 2 day Forum. The Federation of Indian Chambers of Commerce & Industry (FICCI) will also work actively in locating the matching Indian companies to their French counterparts. The French organisers UbiFrance have created a dynamic software programme dedicated to a scientific matching of a wide range of parameters of the participating companies to locate the ideal partners for each other.

This **Forum** will be offered free of charge to Indian participants and provides a unique opportunity to meet a cross section of French business and industry without the need for travelling to France. Indian companies interested in participating could contact Vanessa.mousset-ganguly@missioneco.org for further details.

The Annual Meeting of the **Indo-French Joint Economic Commission** will be held in Paris in May. H.E. Mr Kamal Nath, Minister for Commerce & Industry will lead an official delegation to the Joint Commission which he will jointly co-chair with H.E. Mrs Christine Lagarde, Minister for External Trade.

H.E. Mr Kamal Nath will also lead a **high level business delegation to France**, co-ordinated by FICCI (Federation of Indian Chambers of Commerce & Industry). For further information on the business delegation Mrs Ambika Sharma remains at your service (ambika@ficci.com). The business delegation led by **Mr Saroj Kumar Poddar**, President of FICCI, will interact extensively with the MEDEF, the patronal body of French industry on the 1st June 2006.

Jean LEVIOL

Quality Control in the French Dairy Industry

Milk and dairy products in France undergo some of the most stringent controls. From the farm to points of sale, they are subject to an uninterrupted control chain for the absolute guarantee of consumer safety.

- Herd health monitoring.
- Vaccinations, slaughter of contaminated herds, disinfecting and screening operations, analyses
- Mechanical milking prevents any outside contamination. Thanks to the milking machine, the milk goes directly from the cow's udder to the milk tank without ever coming in contact with outside air or human hands
- Immediately after milking, the raw milk is cooled to 4°C and kept in a refrigerated tank until insulated vans come to pick it up. Refrigeration prevents the proliferation of micro-organisms.
- The milk is controlled at collection. Price is set according to quality and based on at least five criteria: bacteriological quality, fat content, protein content, leukocyte cells and lack of antibiotics or sulphonamides. Inter-professional laboratories handle the controls.
- The quality controls are run on the milk upon arrival at the dairy. Other controls take place during manufacture and on the finished products.
- Consumer milk, cream and butter display a health stamp on their packaging, guaranteeing consumers that the product has been controlled at the company and that it complies with regulatory standards.

Milk Enhancement

- Boasting 22.7 billion litres of collected cow milk, French industry holds second rank in Europe. The special feature of French industry is the wide range of its experience, skills and expertise, with a focus on fermentation control.
- French companies process 4 billion litres of pasteurised, sterilised, flavoured and unflavoured milk in cartons, plastic or glass packaging in sizes ranging from 0.20 to 2 litres.
- French dairies excel mainly in the manufacture of fresh products, such as fermented, natural, brewed or steamed, flavoured or fruit-filled products, or fresh, natural cream cheese, flavoured cheese or cheese with fruit, whipped cheese, salty or sweet cheese made from whole or skim milk.
- Europe commonly speaks of France as the country of the 400 cheeses! Soft cheese (Camembert, Brie, Comté, and so on), cooked cheese (Emmental), or uncooked cheese (Cheddar, Edam, Gouda, Tommes, and so on), marbled or melted cheese are but some of France's many cheeses.

Genetic Enhancement – an Ongoing Goal: Since the nineteenth century cattle breeders, their professional organisations and the Ministry of Agriculture, Food, Fisheries and Rural Affairs have been rolling out **breeding programmes**. Selection goals for each breed have been adjusted to market need. The organisation of livestock breeding in France is governed by the 1966 Livestock Breeding Act and its implementation decrees, which define the role of the organisations in charge of collecting and processing zoo-technical data and identification or in charge of breeding programmes, in compliance with European zoo-technical legislation:

- UPRA (Union nationale de sélection et de Promotion de la Race) the national union on breed selection and promotion defines breeding goals and keeps the herd-books
- EDE (departmental livestock breeding organisations) handles identification, registration, progeny record and performance controls (assignments delegated to the dairy and meat performance control organisations) according to approved national protocols. SIG (the French genetic information system) processes the collected data
- The INRA (Institut National de la Recherche Agronomique, French agricultural research institute) processes the centralised data to compute the genetic evaluations for each breed and each trait
- The artificial insemination centres play a vital part in genetic enhancement in France. They evaluate 1,000 dairy bulls and 110 beef bulls to select the best and spread their strains through artificial insemination (AI). 80% of the dairy cattle herd and 12% of the suckling cows are the result of artificial insemination. Despite the low rate of suckling cows, AI has a substantial impact on herds, since it is mainly used to produce breeding animals.
- The French Livestock Institute supervises all these operations and plays a leading role in organisation and change.

Invest in France

Ensuring the success of your investment:

France cultivates corporate values. In 2004, 225000 new businesses were created in France. ***It costs just a few Euros and takes only 8 days to set up a new company in France.***

At each stage of the process, help is available. France provides an environment that allows you to succeed in today's global markets with a series of on-going reforms designed to constantly improve the flexibility of the working environment. You will also find a corporate tax rate in line with European norms, a stable legal framework as well as unique tax incentives and grants to support your R&D efforts.

France is committed to fostering a supportive and cooperative environment for international companies.

Global business leaders who have chosen France have been impressed by the efficiency and quality of their investment partners, including the main French regional governments that work hard to offer optimal investment conditions. France understands entrepreneurs and adapts to their needs and expectations.

This is what some foreign CEO's have to say:

"France has a real passion for R&D and has passed tax laws to promote it. We are spending over 500\$ million a year on R&D in France. Now we can deduct some 25\$ million from our tax debt. The Government is also creating competitiveness clusters where the cost of social benefits for researchers is being cut by 25 percent. A huge saving!"

Pasquate Pistorio, CEO
STMicronics.

Source: Invest in France Agency

The Comité Colbert visits India

Name a French institution which encompasses the top luxury icons including Hermès, Chanel, Cartier, Veuve Cliquot, Yves Saint-Laurent... - It is The Colbert Committee (Comité Colbert). Founded in 1954, by Jean-Jacques Guerlain, a reputed perfumer, the Comité Colbert (whose name refers to Louis XIV's prime minister, founder of the Manufactures Royales), lies at the heart of the heritage of French fine arts and handcrafts.

The main aim of this committee is to promote French luxury brands around the world and to enhance customers' awareness of product quality and creativity. The committee also promotes fresh and talented designers and ensures a protection to the most sophisticated and traditional know-how.

The Comité Colbert has 69 members covering the famous Arts of France: the art of silver & bronze: the Art of Haute Couture & Fashion Design: the Art of Crystal: the Art of Leather: the Art of Publishing & Design: the Arts of Faïence & Porcelain: the Arts of Hospitality & Gastronomy: the Arts of Gold & Jewellery: the Arts of Champagne, Fine Wines & Cognac: the Art of Fragrances.

It works through exhibitions and exchange forums organized worldwide. For example, the exhibition organized in Shanghai last year introducing the top names in French handcrafts, smart anti-counterfeiting poster campaigns, followed by the exchange forums gathering the most famous luxury brands and 4 think tanks to discuss the future of French luxury abroad.

The Comité Colbert headed by Mr. Olivier Mellerio (Director-Mellerio dits Meller, the famous jewellery brand from France), counts at present 69 members specializing in the following fields: haute couture (Dior, Givenchy, Céline, Chanel, Lanvin, Lacoste), leather accessories (Hermès, Louis Vuitton, Longchamp), fragrances (Guerlain, Lancôme, Patou, Chanel, Dior, Rochas, YSL), jewellery (Cartier, Boucheron, ST Dupont), Homeware (Christian Liaigre, Christofle, Baccarat, Lalique, Saint-Louis), hotels and gastronomy (Ritz hotel, Crillon hotel, Plaza Athénée, Bristol, Laurent-Perrier Champagnes, Ruinart, Remy Martin)

.....



Mr Oliver Mellerio, representing the Comité Colbert was a member of the official delegation accompanying the State Visit of the President of France, Mr Jacques Chirac, to India in February 2006.

Far from the period of family-owned handcrafts' companies, we should also consider that this sector is now estimated to have a turnover of 12 billion euros. With this dream team, in the next fifty years French luxury brands, whose exports represent 82% of their global turn-over, are expected to extend over new markets. One of the top destinations in sight is India, since the progressive opening of up of the economy to foreign investments and the increasing activity of the new wealthy class, which accounts for 1.2 million households according to the NCAER surveys. . According to McKinsey experts, the luxury purchases in India are already worth 454 millions dollars and increase by 20 percent per year.

For further information on the Comité Colbert or any of its members please contact their press office at: Douzal Communication, 33, rue de Surène 75008 Paris.

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Or

Visit <http://www.comite-colbert.com/>

Invest in France

"Personally I've been struck by the strength of local government here. They've been very supportive, providing tax incentives and putting a curriculum together in local technical schools that will ensure we get the qualified personnel we need to operate the plant. We couldn't have done it without them. They're definitely pro-business" Lars Rebien Sorensen, CEO Novo Nordisk

A culture of team work:

In France both big and small companies can rely on committed employees. The French have one of the highest hourly productivity rates in the world, and achieve the best GDP per hour worked in Europe. This high productivity stems from great training. 7% of France's GDP is invested in education and training. French education is free and accessible to everyone. It is designed to provide companies with employees who can adapt quickly to the demands of the competitive environment. Today, 2.2 million French people work in foreign companies based in France and two thirds of the French population under the age of thirty speaks English fluently.

Creativity is another asset that you will find in France. In 2003, French based researchers filed 13,000 patents, from automobile and textile to nuclear power and biotechnology. This ranks France 4th worldwide in its R&D efforts. Creative talent is being cultivated because research and industrial innovation drive the race for international success. The cluster concept was invented in France. It gathers intelligence and know-how around research institutes and companies. One such example is Crolles near Grenoble where more than 1,000 researchers work with STMicroelectronics, Philips and Motorola to create tomorrow's nanotechnology applications. Saclay near Paris is in the hub for nuclear research, with the close involvement from large public and private companies.

France is the world's fifth largest economy and so integrated with the global economy that 30% of the country's industrial production is generated by foreign investors who have already chosen to operate in France.

Source: Invest in France Agency

France attracts in the thick of competition



European destination for foreign investment.

Clara Gaymard, President of the IFA, today presented the Annual Review on Foreign Investment in France 2005, in the presence of Mr Pierre Mirabaud, head of the DIACT (French territorial planning), Mr Jean-Louis Dasseux (president and CEO, Cerenis Therapeutics) and Mr Eric Petco (president and CEO, Monster Southern Europe). The review confirms France's status as a favoured

The number of completed inward investment projects increased by 12.4 % over 2004: a record 664 projects created or safeguarded 33,296 jobs.

As in previous years, the most important sources for investment in France were Western Europe (58.6% of jobs created) and North America (30.6%). The United States remained the most important country, ahead of Germany, these two countries together accounting for half of all jobs created (29% for the US, 20.1 % for Germany).

Asian investment remained modest, representing 7.7% of jobs created in 2005 as against 9.2% the previous year. Japan was still the most important Asian country, responsible for 1,500 jobs created (4.8%), while China retained its second place with 2 % of jobs created.

The most important host regions, the Ile de France and Rhône-Alpes, strengthened their position, accounting for 40.8% of jobs created as against 31.8% in 2004.

Historically, there has been a strong trend of growth in the share of services, which accounted for no more than 10 % of jobs created in 1994. This trend was reinforced in 2005, thanks in particular to substantial projects in distribution/logistics and retail outlet sectors. Two other tendencies were noteworthy in 2005: on the one hand, the growth in the share of high-tech sectors, and on the other, the increased share of business expansions, testimony to foreign investors' confidence in their future in France.

In a difficult and highly competitive international context, France maintained its level of employment-creating inward investment. The same is true of FDI (Foreign Direct Investment), which includes, in addition, mergers/acquisitions and financial flows.

With 40 billion euros FDI in 2005 (source: Banque de France), France comes in fourth, behind Great Britain (which enjoyed an exceptional score thanks to an important merger in the energy sector), China and the United States. Since 2002, France has positioned itself around the third rank after the United States and China. Between 2004 and 2005, the total number of IDE doubled.

According to a study by Thomson Financial, 421 French firms were taken over by foreign companies in 2005, for a total of 37 billion euros. Over five years, almost 1,900 French companies have been acquired in this way.

Commenting on the review, Clara Gaymard said: "France remains a favoured destination, one of the great competitors in the globalised investment market, together with China, the United States and Great Britain. Foreigners have more confidence in the country than we do ourselves, and the figures reveal the reality of France's attractiveness".

The Invest in France Agency (IFA) is the French government agency for international investment. It promotes the image of France abroad and provides authoritative information on the attractiveness of France as an investment location. It relies on an international team of multi-disciplinary specialists, based at its Paris headquarters and at its offices abroad, which cover North America, Europe and Asia. Within France, it works in close partnership with economic development agencies to identify its best business opportunities and to offer a tailor-made service to investors.

For more information visit www.afi.fr.

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MATIERE S.A.

MATIERE SA, created in 1932 by M Louis MATIERE is a medium-sized successful enterprise. In the 1980's, M Marcel MATIERE, the current Managing President, **invented precast structural arch systems** which are used in the construction of road bridges, culverts and for underpasses structures for both traffic and hydraulic applications. **The MATIERE® system has been awarded the Public Works Innovation Certificate of France in 1985.**



The UNIBRIDGE is essentially used in applications for Emergency bridges, temporary or permanent bridges, and military bridges

The MATIERE® concrete technology consists of precast elements with spans ranging from 2.5 to 20m. Advantages include flexibility, low production costs, speed of erection and straightforward calculations required for precasting and erection.

9000 structures have been erected all around the world (Japan, Malaysia, Europe, Canada, and United States). In the 1990's, MATIERE had diversified its activities launching out into metallic works. MATIERE is now the fourth company in France for metallic bridges and the leader in the footbridge market.

In the 2000's MATIERE developed an innovative concept for open-ended industrial metallic bridges which can be installed very quickly: the **MATIERE UNIBRIDGE®**. This bridge has been conceived to replace the 50-year old Bailey bridge. **The UNIBRIDGE® system has been awarded the Public Works Innovation Certificate of France in 2005.**



CONCRETE PRECAST STRUCTURE
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Source: Invest in France Agency

The new skyscraper for 2006

The external pillars carrying all of the services, providing the means of movement and transit of all fluids are bound together by structural rings acting as what Terrell describes as empty platforms on which are built, or from which are suspended, basic 15-floor buildings, offset from each other so as to allow natural light to flow.

The method soon led to a project for a tower 600 metres high with usable floor space of 650,000 square metres. How are such figures reached? Because on this basis, one tower offers floor space equivalent to that in the Twin Towers and to achieve this floor space, a height of 600 metres is needed, according to the calculations for the new system of building. "We were so taken with the logic of VHB, that it was only later that the logic of building small towers with this system dawned on us,"

A Polycentric tower: A polycentric and stable mega structure: The structure, powerful and of great stability is characterised by its light and airy quality. It is composed of pillars and associated platforms which develop between a base and a crown. The structure is composed of a series of units and modules each module normally composed of a platform, 8 pillars and 12 blocks.

Pillars: are fire resistant for 4 hours. Each contains elevators capable of transporting individuals out of the structure.

Platforms: are also fire resistant for 4 hours. They function to support and carry the building blocks.

The load bearing structure is outside and partially open to the air. This eliminates the high temperatures of gases confined in an enclosed space during a fire.

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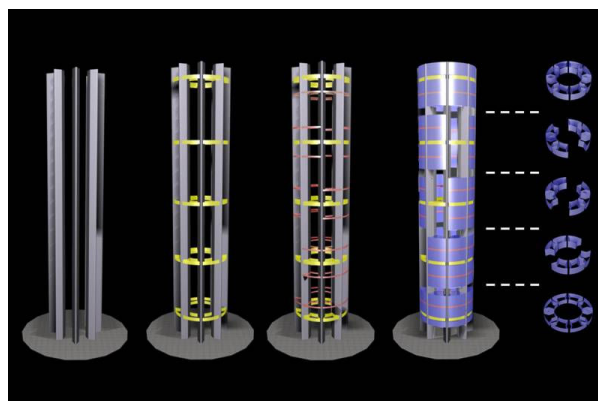
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POLYCENTRIC TOWERS

Skyscrapers and high rise towers have become essential in modern cities as the land available remains limited while the population increases. Skyscrapers will become, in the next 100 years, a symbol of our epoch, incorporating technical progress and urban density. The risks faced by people inhabiting high rise towers force us to search for the best options such as the concept of a **polycentric tower**. The renowned French architect **Denis Sloan** has developed this **polycentric tower construction system** which can build 600 metres high towers. This system was validated by the English engineer **Peter Terrell** (Terrell Rooke Associated) and has been certified for the highest safety levels by **Claude Delalande**, professional Fire Officer

After September 11th, 2001, the architecture of skyscrapers has had to evolve conceptually due to inherent flaws in the basic design adopted. This defect lies in the organization of more or less important technical plates in terms of surface area, enclosing a "central core" which is used for vertical transfers and passages. Because of this design, regardless of what structural material is used in these buildings, it is possible to have **COMPLETE STRUCTURAL FAILURE** during a fire. It is therefore not the construction materials themselves that need to be questioned in the case of a fire generalized at several levels, but rather the "configuration" of the building which, according to **the current method of construction, can allow fire to damage a building to the point of total destruction.**

A new concept developed by the French architect, Denis SLOAN, radically changes the usual method of construction. Through his originality and totally different approach, Denis SLOAN has made skyscrapers "indestructible" by limiting the MAXIMUM POSSIBLE DAMAGE to the number of levels making up a supported or suspended block (10 to 15 floors).



In fact the system is so flexible that towers may be built in the form of triangles, squares, circles or in accordion shape. There are no limits, and even a tower 1,000 metres high is possible.

Individual and Flexible.

To the question, does such a structure satisfy scientific/commercial criteria, the answer is yes, and it is viable. Peter Terrell insists: "All out studies show that the polycentric tower is not cheaper than a conventional tower but that it offers vastly better living space." Claude Delalande says: "And a mixture of uses becomes possible in France because one of the buildings in a structure could be a hotel, another used for office space, another for housing, another as a commercial centre or for services and so on." Terrell adds: " And there is no need to build the whole edifice immediately: units of space can be added at any time, as they are required." Delalande continues: "Each part, or unit, of the whole is independent of the others. This means that the fire fighters have many routs for evacuating people and that a fire will never become trapped as was the case in the Twin Towers. "

VISIT FRANCE THIS SUMMER

Franceguide.com is the official website of the French Government Tourism Office - Your travel and tourism expert for France. You will find up-to-the-minute resources to plan your trip to France, including travel tips and practical information. Follow the guide in our subject's area or work out your holiday using our search engine <http://in.franceguide.com/>

The **Seine Dance Festival** is held from 15th to 21st May 2006 on the Esplanade of la Défense (easy access on RER A line) <http://www.hauts-de-seine.net> provides information on the programme of events which include dances every evening. There will be meet-the-dancers lunches, open air events and a festival closing picnic on the green spaces of la Défense.

Visit Museums all Night. The **20th May 2006** is a special open day for Museums all over France. Visit any participating Museum between sunset and 1 am at night - **absolutely free**. Check the website <http://www.nuitdesmusees.culture.fr> for a list of all the museums participating in this unique offer for foreign tourists.

Villages de Vacances: a great big window to discover France



©renouveau vacances

Villages de Vacances are based on a state of mind that combines authenticity, friendly atmosphere and freedom, providing the pleasure of fulfilling holidays in a welcoming atmosphere. Maintaining and expanding their original purpose, they welcome holidaymakers from all over Europe and beyond, and offer suggestions for a range of different holidays at competitive prices.

They offer a variety of activities for senior citizens and foreigners.

The Avignon Festival <http://www.festival-avignon.com> held from 6 to 27 July 2006 is for all lovers of theatre, dance and contemporary art. Avignon, situated in the charming regions of Provence and Languedoc is worth a visit. This website provides detailed information on sites to visit, in the English language. <http://www.villeneuvelesavignon.fr/tourisme/gb>



Take advantage of the festival to visit this charming corner of France, straddling the regions of Provence and Languedoc. Stay in this charming rural residence in a typical Provencal village Villeneuve lèz Avignon, 15 minutes from the Avignon central railway station.

France – a ski paradise



© Mdlf / Phovoir

Ski in France: With over 8000 km of pistes, France has the largest ski areas in the world. There is something for everyone, from family-oriented village resorts to the purpose-built resorts where you can ski from your doorstep. There is alpine skiing, Nordic skiing, all the new snow-riding techniques, as well as a large range of "natural" activities (snow-shoes, dog-sledding, tours following marked routes...)



© Mdlf / Phovoir



© Mdlf / M. Prunevaille

The classical French garden, as intricate as a carpet. Visit the best examples at:

Château de Saint-Germain-en-Laye (west of Paris) with a complex geometric layout, and a 1.5 mile long terrace above the Seine offering a splendid panoramic view of Paris. www.ville-st-germain-en-laye.fr

Château de Chantilly (north of Paris): Its immense "flower bed" includes ten water ponds set within 284 acres. www.chateaudechantilly.com

Château de Vaux-le-Vicomte (southeast of Paris) Its great axes measure each almost a mile long. www.vaux-le-vicomte.com

Château de Versailles (southwest of Paris) the ultimate of the great gardens and splendours of the Grand Siècle www.chateauversailles.fr

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