

France: an attractive destination for Indian companies

December 2, 2010 – A high-level French government delegation will be visiting India from December 3-7, 2010. During this official visit, discussions are expected to address investment in the civil nuclear and defense industry sectors. India and France are also expected to sign an agreement promoting investment and technology transfer in the renewable energy sector.

France, the third-largest European recipient of Indian investment

France is an increasingly attractive destination for Indian companies and investors, with the number of new job-creating investment projects remaining steady in 2009, despite the global economic crisis. India has come to the forefront in recent years as a valued investment partner:

- In 2009, **France became Europe's third-largest recipient of Indian investment** after the United Kingdom and Germany, hosting 11% of Europe-bound projects (13% going to Germany and 54% to the United Kingdom).
- In 2009, India was the fifteenth largest foreign investor in France in terms of project numbers, ahead of many developing nations. **20 new projects were recorded in France in 2008-09**. These projects led to the creation of more than 500 jobs.
- **Over 100 companies from India have settled in France**, mostly in software/IT services (31%), medications and biotechnology (11%), and consulting, engineering and business services (7%). Indian firms employ more than 6,000 people in the country.
- Between 2003 and 2009, sites creations accounted for 70% of all Indian investment projects in France. These projects were mainly focused on sales offices and business services. Sales and liaison offices generated 54.5% of all Indian jobs created in France between 2003 and 2009.

Recent Indian investments projects in France

- **Wipro Technologies**, the Indian software giant, headquartered in Bangalore, has research and development facilities in France at the Sophia-Antipolis technology park, just outside Nice, as well as in Clermont-Ferrand and Toulouse. In 2008, Wipro also created a research and development center in Rennes, thanks in part to assistance from the IFA and its regional partners, the Bretagne Economic Development Agency and Idea 35. Wipro Technologies already has 200 employees in France and hopes to double this number by 2010-2011.
- In July 2009, battery specialist **Eveready Industries India** acquired 80% of an ailing French business, Uniross Batteries. This €10 million investment saved 50 jobs and is providing Eveready with more advanced, cleaner batteries, as well as an extensive sales network across four continents.
- **Durga Ispat** built a metal recycling unit in 2009 in the Champagne-Ardennes region to process and export metals used in the construction industry to India, creating 22 jobs.
- **Goblin**, a subsidiary of Camec Trade Link, announced in 2009 that it would be creating a European design and distribution center for high-end customized gifts. Their Parisian office is the company's first site abroad and employs 15 people.
- **Onmobile Global** This provider of value-added services to mobile operators – from voice portals to advertising and WAP services – formed a French subsidiary, Voxmobili in 2009, creating 30 positions at its Paris site.

Why Indian business leaders have chosen France

- **France is at the cutting edge of technological innovation in Europe**
According to Narayana Murthy, Chairman of Infosys, "France is a leader in transportation, particularly in train technology. It's a leader in airplane technology, in high energy physics. It's a leader in nuclear physics and nuclear energy. It's a leader in satellites. It's a leader in numerical control. There are many areas in which France is clearly the leader".
- **Familiar engineering cultures**
For Suresh Vaswani, Joint CEO of IT Business at Wipro, adapting to French business culture wasn't that difficult: "France's biggest asset is its combination of engineering and creativity. At our center in Rennes, we have access to top talent in the fields of IT and telecoms. That mix of engineering and

creativity is something which France and India have in common. They're both cultures which are grounded in the basics of engineering: how you design a product, what new products to develop for the future, what new technologies to use, and so on. (...) For us, that makes France a great business destination and a very big market".

- **Macroeconomic strength**

"Relatively speaking, France has not been hit that badly by the economic downturn, compared with the UK for example. It's in times like these that companies look to acquire or consolidate a comparative advantage," notes Narayana Murthy, Chairman of Infosys.

France: a strategic market for Indian IT consulting

- **A fast-growing land of opportunities:**

Indian IT consulting firms have traditionally operated in English-speaking markets, but the trend seems to be reversing as they set their sights on France. Pierre Audoin Consultants reports that the sector grew by 2.2% in France in 2010, but by only 1.6% in Germany and 1.4% in the United Kingdom. France is the world's fifth largest IT market.

- **Highly skilled and productive human resources:**

France is the world's second largest country for graduates in science and technology, boasts internationally recognized schools – such as Supélec, Télécom ParisTech and Télécom SudParis – and has no fewer than 45,000 telecommunications researchers. Narayana Murthy is thrilled and readily admits that the French workforce is "probably one of the most productive that we have (...) Bringing French employees into the global fold enables us to learn and to revitalize our own thinking."

- **A rise in the number of Indian investments in the IT sector**

The IT sector accounted for 15% of all Indian investment sites in France between 2003 and 2009 and new jobs are still being created: in the last six months, Tata Consulting Services (TCS) has tripled its workforce in sales and consulting. TCS now employs 150 people in France, compared with 200 at Infosys, 250 at Wipro and 50 at Mindtree. HCL Technologies, which has a team of 150 people in France, wants to "double the number of its employees and turnover very quickly" says the Regional Director for France and Benelux, Chris Connors.

French universities partner up with Indian universities

- Today, there are around 240,000 foreign students studying in France, of whom over 1,000 are from India.
- France is ranked 7th* among the countries chosen by Indian students to continue their education, after the UK (3rd) and Germany (4th).
- In 2009, leading French Universities became partners of the new Indian Institute of Technology in Rajasthan. It will lead to student and faculty exchanges, internships in France and joint participation in strategic research programs.

Indian investors meeting in France

The "Indian Investors Club", created to support the development of Indian companies in France, was convened in April 2010 at the IFA's headquarters in Paris. Around 60 companies and business people from France and India took part in this seminar, including representatives from 18 companies who travelled from India especially for the occasion. On the agenda were topics such as international mobility, corporate taxation and how to expand into the French market.

In order to cement these relationships, the IFA has launched its "France. Expect more" promotional campaign in India with a view to raising awareness among the Indian business community of France's economic strengths. *The Economic Times*, *The Times of India*, *Hindustan Times*, *India Today* and five other media are currently featuring a series of testimonials from Indian business leaders who have already invested in France.

*Campus France: http://www.campusfrance.org/promotion/mission_fle_inde2010/

The Invest in France Agency (IFA) is the national agency responsible for promoting and facilitating international investment in France. It also coordinates initiatives to promote France's economic attractiveness. The IFA network operates worldwide, with offices in France as well as in North and South America, Europe, the Middle East and Asia. In France, the IFA works in partnership with regional development agencies to offer international investors outstanding business opportunities and customized services.

For further information, please visit www.investinfrance.org