

## Chinese investors in France to learn about investment opportunities

December 6<sup>th</sup>, 2010 – The “Chinese Investors Club”, created to support the development of Chinese companies in France, was convened on December 6<sup>th</sup> 2010 at the IFA’s headquarters in Paris. Around 120 business people from France and China took part in this seminar, including representatives from around 50 Chinese companies. On the agenda were topics such as international mobility, government financial support and global assistance for Chinese companies to set up in France.

### France is the 4<sup>th</sup> most attractive investment destination for Chinese companies in Europe

During the past decade, China successfully positioned itself as a fast-growing outward FDI country. Most of these investments take place in Asia. But China is increasingly making a noticeable presence in Europe, where its FDI has quadrupled since 2005.

Chinese investment in France, in particular, has also been growing steadily over the last few years.

- In 2009, 22 job-creating Chinese investment projects in France (versus 17 in 2008) were announced, generating 1,483 jobs.
- With 8% of Europe-bound projects hosted by France, the country was in 2009 the fourth largest recipient of Chinese investment in Europe, after Germany, the United Kingdom and Russia.
- Over 100 Chinese companies have invested in France so far, creating more than 8,000 jobs and making China the eleventh largest investor in France.

### Energy, equipment manufacturing, chemicals, telecoms and IT: a wide range of industries receiving Chinese investments

Between 2000 and 2008, the top three French sectors receiving Chinese investments were:

- **Chemicals and plastics** (13% of projects),
  - China National Bluestar, a subsidiary of the leading chemical group ChemChina, acquired Adisseo in 2006, one of the world leaders in additives for animal nutrition. And in 2007, it took over Rhodia’s silicone business, reorganized under the Bluestar Silicones corporate brand.
- **Electrical, electronic and IT equipment** (12%)
  - Lenovo, the computer maker, located its European headquarters in Paris in 2005.
- **Transport and logistics** (10%)
  - Crown Worldwide Holdings LTD, a leader in logistics solutions operating in France since 1999, created in 2009 a fourth subsidiary in Sophia Antipolis that led to the creation of 10 jobs.

In 2009, Chinese investment projects spanned a broader variety of sectors:

- **Telecoms:**
  - Huawei, the top telecom equipment vendor, announced in September 2009 the opening of a research center in the Paris region – the first R&D center of a Chinese group in France. Huawei will join forces with French universities to create a center of excellence in mobile telecommunications, directly employing about 150 people.
  - ZTE, another major telecom equipment vendor, announced in November 2009 that it would be locating its Europe and North America headquarters in the Paris region. ZTE’s European HQ had already been established in France in 2004. The move will create about 40 extra jobs and ZTE will also strengthen its technical support team in Poitiers with some 40 extra members.
- **Energy:**
  - Yingli Solar, one of the top-10 solar panel manufacturers in the world, opened an office in Lyon in the spring of 2009, which will initially employ 10 people. "France is a more and more important market for Yingli Solar, and we needed a real subsidiary," said Flore Noel, the France country representative for Yingli Solar.

- **Commercial and financial services:**
  - In November 2009, Silverlit Toys Manufactory Limited took over OUAPS, a bankrupt French toy company with headquarters near Paris, maintaining the existing jobs.
- **Machinery and equipment:**
  - Weichai Power, one of China's leading diesel engine manufacturers, acquired in February 2009, the French diesel engine and gearbox maker Société des Moteurs Baudouin (SMB),

New projects have already been detected for 2010:

- Haier, the appliance giant, chose in May 2010 to relocate its European headquarters, which was in Varese, Italy, in Neuilly, near Paris.
- Bluestar Silicones, decided in September 2010 to invest €7 million to expand its plant in Saint-Fons, south of Lyon, in order to increase its industrial capacity

#### **China also invests in French higher education**

In 2008-2009, China became the second most popular source country with 27,000 Chinese students attending university in France. Moreover, joint subdivisions of prestigious French engineering schools have been set up with China since 2005: the Ecole Centrale in Beijing (2005), the Sino-European Institute of Aviation Engineering (2007) and the Franco-Chinese Institute of Nuclear Energy (2009).

#### **Why Chinese business leaders have chosen France**

Leaders from companies that have already invested in France explain what France has offered them:

- **Attractive regulatory and tax environment:**
  - "France is a place that takes research seriously, where the government actively encourages R&D", Robert Lu, China National BlueStar Group President.
  - "New financial policies and reforms such as the research tax credit contributed to our high motivation for choosing France" Leo Sun, CEO Huawei France.
- **Highly skilled and productive human resources:**
  - "France is one of the countries that have the most talented people in research and development, they are very competent" Leo Sun, CEO Huawei France.
- **Innovation and R&D environment:**
  - "People in France are very innovative. They love innovation. They like having new ideas. France is a country that sets the trends for the rest of the world. So it's an ideal place to do R&D", Lin Cheng, European CEO ZTE.
- **Excellent industrial, energy and transport infrastructure:**
  - "France has a mature "business ecosystems", very healthy industries, and a lot of facilities, including good quality transport networks" Leo Sun, CEO Huawei France.
- **Strategic position for serving European markets:**
  - "France occupies a central position in Europe, it makes it easier for us to develop our business in the region", Lin Cheng, European CEO ZTE.

#### **French authorities offer great assistance to Chinese businesses**

The Invest in France Agency (IFA) team in Shanghai, working in close partnership with French administrations, regional development agencies and service providers, is able to offer the latest business opportunities, as well as customized services to Chinese investors all over France.

Together with the Chinese companies, it builds the key contacts, sets up their projects, recruits staff and links them with the key local players for production or distribution. It also regularly hosts related thematic seminars e.g. on taxation, policy analyses, etc.

In addition, IFA has launched this year a targeted communication campaign in China - "France. Expect More", aiming to raise Chinese investors' awareness of the ease of doing business in France.

**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](http://www.investinfrance.org)