

FRANCE

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OVERVIEW: A STABLE REGION WITH APPEAL FOR THE TENACIOUS

France offers stability for international businesses looking for solid capital opportunities. With strong governmental support for research and development, tech businesses can thrive if they have the tenacity to navigate each French region's geographical idiosyncrasies.

THE TECH LANDSCAPE

In 2018, 58 countries invested in France – with the United States, Germany, UK, Netherlands and Italy the highest contributors. Following a significant increase in investor interest, France is now considered the second European marketplace for foreign investment after Germany.

With its well-oiled market, stable economy and impressive infrastructure and talent pool, France offers appealing opportunities for businesses and investors alike.

FRANCE OFFERS APPEALING OPPORTUNITIES FOR BUSINESSES AND INVESTORS ALIKE



THE TECH BUSINESS ECOSYSTEM

There's a healthy level of competition in France between various chambers of commerce, cities, departments and regions – which is both an advantage and a disadvantage. With each looking for recognition as the “hub” of a particular kind of tech, opportunities are particularly concentrated.

For example, biotech or medtech is largely focused in the east of France, close to Belgium and Germany. Paris is naturally another hotspot – if businesses are looking to connect with scientists, entrepreneurs or incubators, the capital offers unrivalled access.

In the west, gaming companies abound, while Lille in the north is also attractive for tech businesses due to its proximity to London and other European hotspots.

There's some fairly recognisable companies coming out of these areas, including life sciences firm Doctolib, an online platform for medical appointments; Kyriba, a French/US company specialising in cash management. There's also Ledger, a cryptocurrency storage company, and cloud gaming firm Shadow.

THE TALENT POOL

Reflecting the wider global challenge, it's also tough for medium-to-large tech companies in France to hire the right people. Competition is fierce, particularly for younger graduates with coding qualifications and more senior candidates with engineering backgrounds.

However, tech companies are well-positioned to deal with this competition. Their business models are different to traditional companies, and they appeal to the younger generation who want freedom, autonomy and a challenge in their workplace.

The main benefit of moving or expanding a business into France is its large talent pool for engineers. And crucially, companies won't need to pay the exorbitant prices of Silicon Valley to land top talent.

THE GOVERNMENT SUPPORT

France has a great deal of public and private assistance for businesses, both from large corporations and the government itself. There are over 5,000 specific regimes for fast-growing companies starting out in the tech space. Because there are so many different criteria depending on location, regulation, business size and more, it can sometimes be tricky for newer companies to navigate.

Tax is another area which causes newer businesses to France some trepidation. The digital services tax, recently implemented by President Macron, is an indication that the French government is looking to tax tech businesses more in future.

Despite this, the area's stability and proximity to major European infrastructure still makes it appealing to businesses looking to establish themselves. France has excellent credentials for research and development, which appeals to businesses working in that area.

THE INVESTOR ANGLE

Venture capital firms in France have invested amounts of up to €3.6 billion – quite competitive when compared to other European states. French tech businesses tend to stay in the country for three to four years before expanding abroad, largely because the initial support is favourable here.

Several unicorns and large tech companies have benefited from the investment here. For French companies, raising capital without plans to go international can be difficult, but foreign businesses seeking to get a foothold in France may have more success.

Another aspect to consider when thinking of expanding into France is that – while it remains a problem worldwide – female entrepreneurs tend to encounter a more favourable climate in France. Women still raise 20% less than men when pursuing capital for their businesses, but this is improving constantly, where other nations are failing.

