

The Health Care Biotechnology Industry in France

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The health care biotechnology sector in France has grown to **521 companies**, compared to 446 in 2010. The sector is **comprised primarily of companies with less than 250 employees**, which is similar to that of other countries¹. The **large number of micro-enterprises** (49%) is an indicator that consolidation within the biotechnology industry is not yet taking place.

The main objective of this study is to promote the development and competitiveness of enterprises. Our analyses focus on small and mid-sized companies and exclude big pharmaceutical companies. In 2013 there were 457 small and mid-sized companies which represents an **18% growth rate** since 2010 and **ranks France third** among the countries studied (Europe, Israel, and the United States). These 457 companies account for **EUR 2.8 billion** in revenue and employ 33,000 people. They are located primarily in regions with a history of pharmaceutical development, but also around academic centers of excellence and in areas with strong entrepreneurial dynamics (Ile de France, Rhône-Alpes, PACA, Languedoc Roussillon, Midi Pyrenees, Alsace ...). **The annual rate of company dissolution over the period of study was 12%.**

Among the companies studied, 95% are involved in **human health** with a primary focus on **oncology**. In terms of corporate activity, **half of these companies develop therapeutic, diagnostic, or research products**. France is ranked fourth among European countries in terms of the number of therapeutic products under development, and the number of products in Phase III clinical trials ranks the country above the European average. Interestingly, the number of companies operating using a **dual model** (those that develop products and provide services) **has risen dramatically** since 2010 (+265 %). Similarly, the representation of companies in **bioinformatics has increased**. On the other hand, **CROs** (Contract Research Organizations) **remain fragile** and are slow to develop. The provision of services by academic laboratories is an emerging factor in the biotechnology industry and may present competition for other types of companies.

Recent private sector investments show a growing interest in the health sector, including biotechnology. New financial tools that facilitate the involvement of private individuals and support SME funding have emerged and are just beginning to be applied to biotechnology companies. The French stock exchange records one of the largest listings in biotechnology in Europe, but the **amount of capital and fundraising available to biotechnology companies remains an order of magnitude lower** than those observed in the most dynamic countries (the USA and UK). Building critical mass is a key issue in the financing of biotechnology companies in order to increase visibility and mobilize more **foreign investors**. More visibility could also be achieved through a dedicated European marketplace and the promotion of internationally renowned French and European analysts.

French **renowned academic institutions** have clear benefits for industry. There are numerous **collaborations** between biotechnology companies and academic stakeholders that are encouraged by dedicated funding opportunities. Relationships with technology transfer structures are also becoming more professional but should be simplified further.

The French biotechnology sector also benefits from a wide support network and numerous public funding opportunities. In particular, the Research Tax Credit (CIR), a major asset in France, is a powerful (but not necessarily stable) incentive for the sector. If public support is focused only on establishing new businesses, **less support is available for more developed companies to grow.**

The French health care biotechnology sector is still developing and there are several opportunities for growth, including improvements in business development and transitions from startup companies to biopharmaceutical laboratories. To date, the primary struggles facing the sector are related to:

- Financing company development (Death Valley) and attracting private capital, particularly foreign capital;
- Business growth and acquisition (the consolidation of companies in the sector is not yet taking place);
- The need to strengthen the international mindset among biotechnology companies;
- The difficulties faced by public-private partnerships in establishing a mutual understanding of how to achieve common goals and appropriate milestones and/or deliverables.

¹ Germany, Belgium, Denmark, Spain, USA, France, Israel, Italy, United Kingdom, Sweden, Switzerland