LYON, THE ‘OTHER CAPITAL’
(FRANCE)
WELCOME TO LYON - FRANCE
WELCOME TO LYON - FRANCE
LYON, CAPITAL OF THE RHONE-ALPES REGION - FRANCE

At Europe’s crossroads

- **Country**: France
- **Region**: Rhône-Alpes
  - **Population**: 5,845,407
  - **Workers**: 2,263,018
  - **Firms**: 304,042

The region annually produces more wealth than 14 of the 25 countries of the European Union, including Ireland, Portugal, Greece or Finland.

<table>
<thead>
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<th>Region</th>
<th>Working population in 2003 (in millions)</th>
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Sources: Eurostat

GDP per capita significantly higher than the EU average

Source: Eurostat 2002

LYON METROPOLITAN AREA: POPULATION 1.7 MILLION

LYON URBAN REGION: POPULATION 2.6 MILLION

RHÔNE-ALPES REGION: POPULATION 5.9 MILLION

Source: INSEE censuses 2004
AGENDA

1- Introduction

2- Lyon: “The other capital”
   - Key figures
   - Lyon’s strengths & weaknesses

3- Greater Lyon: economic development strategies
   - Aims
   - Economic governance
   - Key for success & best practice

4- Monitoring & evaluation system

5- Conclusion
1- INTRODUCTION : LYON, CAPITAL OF THE RHONE-ALPES REGION - FRANCE

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Sources: Eurostat

Source: INSEE census 2004
2-Lyon : the “other capital”
Some figures to discover the city
I-1 - Lyon - Key figures

- 2nd largest city in France (after Paris)
- 1,7 million inhabitants
- 146 million € GDP (Growth Domestic Product) in 2005
- 117,500 firms
- 76 company headquarters with more than 1000 employees
- 750,000 public and private employees
- 144,000 students and 10,000 researchers (10% of whom are foreigners)
- 12,000 start-up companies in 2004 (1st city in France)
- 2nd largest property Market in France

→ A medium city in Europe with great economic potential
I-2- Lyon – Main strengths

- A gateway to Europe
  - 112 cities connected by plane
  - 2 airports
  - a round trip to European main business destinations in a single day
  - three high-speed TGV train stations (Part-Dieu, Perrache and Airport)

- A pool of talents
  - 144,000 students (+20% by 2010)
  - 12% foreign students
  - 4 universities
  - 54 higher education institutes
  - 700 exchange programs with foreign universities

<table>
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<tr>
<th>Destination</th>
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<tr>
<td>London</td>
<td>1 hour 35 min</td>
</tr>
<tr>
<td>Brussels</td>
<td>1 hour 20 min</td>
</tr>
<tr>
<td>Manchester</td>
<td>1 hour 55 min</td>
</tr>
<tr>
<td>Dublin</td>
<td>2 hours 10 min</td>
</tr>
<tr>
<td>Barcelona</td>
<td>1 hour 15 min</td>
</tr>
<tr>
<td>Milan</td>
<td>55 min</td>
</tr>
<tr>
<td>Copenhagen</td>
<td>2 hours 10 min</td>
</tr>
<tr>
<td>Vienna</td>
<td>1 hour 45 min</td>
</tr>
<tr>
<td>Amsterdam</td>
<td>1 hour 40 min</td>
</tr>
<tr>
<td>Munich</td>
<td>1 hour 20 min</td>
</tr>
<tr>
<td>Zurich</td>
<td>1 hour 10 min</td>
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Source: Lyon Saint-Exupéry Airport, 2005.
1-2 - Lyon - Strengths

- Competitive costs

Lyon and Europe: comparison of costs by position
(salary costs + real estate costs), based on the wage bill for a financial director and a marketing director with offices of 40 sq. m. in luxury premises:

Cost comparison by position in Europe
(Lyon: base 100)

169 Munich 166 Zürich 154 Paris 134 London 131 Brussels 126 Milan 124 Rome 123 Amsterdam 113 Lyon

High quality / attractive prices

Real estate prices 30 to 40% lower than the European average

Prime rent pre-tax (€/sq. m.)
Source: CB Richard Ellis, August 2004

198 Budapest
210 Lyon
222 Copenhagen
228 Prague
275 Barcelona
300 Brussels
310 Amsterdam
360 Munich
380 Manchester
420 Frankfurt
450 Milan
459 Geneva
480 Dublin
603 Paris
1115 London
I-2- Lyon - Weaknesses

- The international visibility
  - The presence of Paris: a very important city for economic development
  - The size of Lyon: a “medium” city in Europe
  - Necessity of building international partnerships & networks

- The France attractivity
  - Cost of work
  - Administrative complexity
II- Greater Lyon: economic development strategies
II – Greater Lyon : economic development’s strategy

- **II-1- Our aim** : to become one of the top 20 European cities

- **II-2- Our method** : an economic governance : « Greater Lyon, a Business Spirit », a dialogue between the public and private sectors

- **II-3- Key for success & best practice**
  - Lyon’s entrepreneurial spirit
  - Key account management
  - Promotion of international business clusters
  - Business portal [www.lyon-business.org](http://www.lyon-business.org)
  - International partnerships
II-1. Our aim: to become one of the top 20 European cities

To reach this goal

- Development of strong private/public partnerships enterprises
- Development of international clusters:
  - Biotechnologies: diagnostics, vaccines, virology, immunology, infectious diseases,…
  - Chemical-environment: from a curative chemical’s industry to an “avant-garde” industry
  - Mechanical engineering: Urban Trucks & Bus
  - Fashion/design and Creative Industries: Lyon Vision Mode
- Strengthening Lyon’s position as the second largest service sector city (after Paris)
- Attracting higher education establishments,…
  ➔ Attractivity and international visibility
II-2- An «economic governance» unique in France

Strategy: to federate initiatives

- An economic strategy draft in partnership with the institutions representing world business: The Lyon Chamber of Commerce and Industry, The Rhône Chamber of Trade, The Lyon Rhône MEDEF (French employers’ organization), The CGPME (General confederation of small and medium-sized enterprises) University of Lyon,…

- Around one hundred organizations and businesses are members,

- Each player is involved in accordance with the principle of subsidiary.
Il-2- An « economic governance » unique in France

- 9 years (1997-2006) : from ideas to actions

- Launched in 1997, the Economic Action Plan is the result of a huge diagnostic exercise shared by the economic players, backed by an assessment of the local economy (updated in 2003).

- This analysis enabled all economic partners to launch action plans in accordance with the economic strategic plan.

- In 2003, the plan was formalized under «GREATER LYON, A BUSINESS SPIRIT».

⇒ A global system with concrete actions
Il-3- Key for success & best practice

Lyon has become the French reference on the following subjects:

- Il-3-1- Lyon’s entrepreneurial spirit
- Il-3-2- Key account management
- Il-3-3- The competitive clusters
- Il-3-4- Business portal: [www.lyon-business.org](http://www.lyon-business.org)
- Il-3-5- International partnerships
II-3-1- Lyon’s entrepreneurial spirit

- Lyon, France’s best performer in entrepreneurship (12,000 company creations/year)

- The aims: to regenerate the economic climate, to enable companies which set up here to find buyers (between now and the next 5-10 years)
  - Action for the creative community
  - Parks reserved for the attraction of activities (specialized and non-specialized incubators)
  - Innovative entrepreneurial channels
  - Awareness of the distribution and renewal of businesses
  - National events promotion: yearly entrepreneurs’ exhibition
II-3-2- Key account management

30 Key private investors concerned (action plans)

The aims:
- to increase the knowledge base of the key private sector investors and respond to their expectations/plans efficiently and rapidly.
- to develop a competitive advantage over other cities.
- In the long run, define our business development policy with the support of key private companies.
A COMPETITIVE CLUSTER - A STATE POLICY

- **Members**: companies, public and private research units, universities and other education institutions,
- **Where?**: a defined geographical area,
- **Why?**: Innovative projects focused on the market to improve global effectiveness.

**Strategy**

- The extent of the approach: 800 M€ R&D's industrials projects planned in the region over the next 6 years
- A market approach
- The presence of leaders companies
- A focus on innovation as the motor to firms' competitiveness
- The area as a factor of performance

**First teaching**:

- A spirit of cooperation between search-training-firms
- An important implication of major companies in the strategy’s definition and the piloting of the clusters
- A lasting impact: cluster's strategies are developed over the long term logic (10 years)
15 international clusters have been chosen by the French government after analysis.

Lyon’s results:
- 2 worldwide clusters:
  - LYONBIOPOLE
  - AXELERA
### The aims:
Using diagnostics and vaccines as a shield against disease, the first steps toward personalized medicine

#### Critical mass
- 100,000 jobs, 220,000 students at universities and graduate schools
- 600 firms in 4 markets: biotechnology, medical devices, pharmaceuticals and bioservices
- 29,000 researchers in 650 laboratories

#### International events:
- **BioVision, the World Life Sciences Forum** (a unique International Platform, where Science, Society and Industry are equally represented)
- **World Vaccine Congress Lyon 2006**: Europe’s strategy meeting for vaccine leaders
Partners & Governance

- World leading companies – Merial, Sanofi Pasteur and bioMérieux, Becton Dickinson,…
- A number of SME’s, academics and hospitals

Projects

- 3 projects have already begun (representing 15 M€), 314 M€ should be invested in 20 projects
The aims: Moving towards environmentally friendly chemical production

- **Critical mass**
  - 48,000 direct jobs (100,000 indirect), 1,900 firms in Rhône-Alpes
  - 3,000 searchers, 470 patents/year
  - 1st chemical production centre in France

- **International events**:
  - POLLUTEC: The largest world trade show of the sector, 2,400 exhibitors and 65,000 industrialists,…

- **Partners & Governance**
  - Three large firms: Arkema, Rhodia, Suez
  - The French Petroleum Institute
  - The CNRS (National center of scientific research)

- **Projects**
  - 1 project has already begun (17.5 M€)
  - More than 400 M€ should be invested in 12 projects
The aims: conception of « vehicles for the future » to ensure the growing needs of mobility for low costs, improve the environmental friendly and reinforce security and safety

Critical mass
- 100,000 jobs
- 920 firms

Partners & Governance
- Four large firms - Renault Trucks, Irisbus, French Petroleum Institute, SYTRAL
- A number of SME's, academics (INRETS, INSA, Ecole Centrale de Lyon, ENS, ECAM)

Projects
- 50 R&D projects representing 150 M€ of investment
Lyon-business.org makes everything easier...

- Fast business information or contacts in the Lyon region to move forward with their business project.

Lyon-business.org, the product of a sustained partnership effort, is developed by the partners of GREATER LYON - A BUSINESS SPIRIT

- Question about setting up, relocating to Lyon or developing your business... An expert will answer your question within 72 hours.
II-3-6- Lyon’s International events 2006/2007

- **Global City : May 2006**
  - 800 participants from 35 countries, 100 mayors and elected officials, 50 urban strategy presentations, 98 speakers,
  - A unique networking opportunity for international urban decision-makers,
  - A global best practice exchange and helps to deliver integrated and practical solutions to make our cities better places.

- **Economic & social forum : October 2006**
  - More than 1,600 peoples : political responsible, ONG representatives, corporate managers, academics,…
  - Allow a dialogue on the question of economic & work mutations.

- **BioVision World Life Science Forum : March 2007**
  - 2,000 experts from over 50 countries : opinion leaders, company managers, NGOs, society representatives, important political and scientific figures,
  - Provide a renewed opportunity to carry forward the key developments of the 21st century.
II-3-6- International partnerships

Aims :
- Participates in international city networks (Eurocities), and applies projects backed by the European Union,
- Supports and accompanies local businesses and economic players abroad.

Partnerships :
- Barcelona, Lyon & Turin : become allies to improve its international visibility
  - Signature of a cooperation charter to strength partnership and formalize common development actions.
- Launching of the “Eurobiocluster” : be competitive face to American giants
  - A dynamic model grouping together 11 clusters of Europe, numerous universities & public research institutes.
- Structure links with Philadelphia
  - Provide a gateway to the American market for local companies,
  - Promote exchanges in economic cultural university domains,
  - Promote each other cities during international forums, trade shows.
- European project COMPETE :
  - Elaborate & exchange good practices of economic development with 7 big European regions,…
### Monitoring & evaluation system

#### Monitoring

- **When?** A quarterly monitoring of competitiveness.
- **How?**
  - Studies carried out by independent auditors
  - Economic observatory: 📊
    - Share local economic information
    - Help local actors’ decision
- **Thanks to:**
  - a public and private network
  - the production of common analyzes & diagnostics
    (clusters & territorial diagnostics, international comparisons, social and employment observatories,…)

#### Competitiveness evaluation: key performance indicators

- Number of new establishment.
- Gross Domestic Product.
- Unemployment rate.
- Number of researchers.
- Number of foreign-capitalized companies.
- Location in major business cities surveyed,…
CONCLUSION

Lyon’s economic development:

- **Ambition**: enter the top 20 European cities

- **Conditions**:
  - Availability of traditional conditions for economic development (density of the economy, pool of talents, competitive costs, access to the market, quality of life,...)
  - Focus on the development of competitive advantages based on strong partnerships
    - **Partnerships**: “Greater Lyon, a Business Spirit”, an economic strategy draft in partnership
    - **Entrepreneurial spirit**: the symbol of the territory’s reactivity,
    - **Key account management**: the mobilization of the major firms for the city,
    - **International clusters & high level projects**: an exemplary alliance between companies, public & private research units, universities & education institutions,