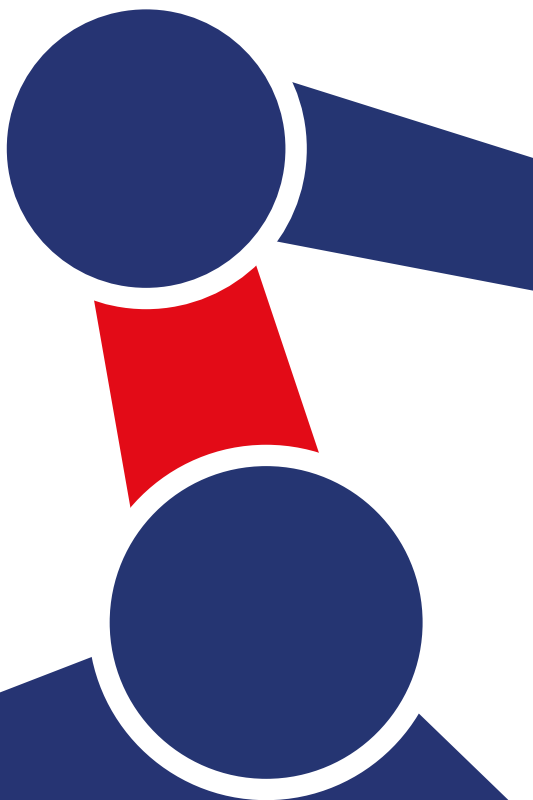


# **AUTOMOTIVE INDUSTRY & INNOVATION**



# 1

## A DRIVING FORCE

The sector is made up of 4,000 industrial companies which employ 400,000 people in France. What's more, it accounts for €51 billion in exports and generates nearly €155 billion in revenues, representing 18% of the French manufacturing industry's total revenues. (Ministry for the Ecological Transition, 2020)

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# 2

## KEY PLAYERS INVESTING IN R&D AND INNOVATION

The French automotive industry invests more than €6 billion per year in R&D and is the leading patent holder in France (PFA), (with Valeo ranked second and Renault fifth). The R&D investments made by Peugeot (PSA) and Renault over the 2018-2019 period amounted to €3.6 billion and €3.5 billion, respectively, an annual increase of 25% and 19%, respectively. (EU, 2019)

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# 3

## GLOBAL GIANTS

Renault and Peugeot PSA are ranked ninth and tenth in the world among manufacturers with the most sales. Peugeot PSA is ranked fourth in the world among the most dynamic manufacturers in terms of market capitalization, with more than 20% growth, ahead of Ford (+ 17%) and General Motors (+ 11%) (EY, 2019). The merger between Fiat Chrysler and PSA, which took place in January 2021, gave rise to Stellantis, the world's fourth largest automotive group.

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# 4

## FRENCH STARTUPS REINVENTING THE AUTOMOBILE OF TOMORROW

Heex Technologies is developing a solution for managing large volumes of information generated by autonomous vehicles, while Kipsum is working on energy efficiency among driverless vehicles. Lextan has been producing semi-autonomous and remote-controlled urban delivery vehicles since 2017 and Stampyt offers imaging technologies for automotive management. (Business France, 2020)

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# 5

## WORKING TOWARDS A CLEANER VEHICLE FLEET

The French government supports the hydrogen industry, as well as the "Clean Hydrogen for Europe" partnership and the important project of common European interest (IPCEI) dedicated to hydrogen. The French startup Verkor, supported by Schneider Electric, aims to create a giga-factory of batteries, to meet the growth in demand for electric cars, a follow-on project to the one created by PSA and Total Energies.

## 6 A SUPPORT PLAN FOR COMPETITIVENESS AND INNOVATION

France has unveiled a support plan for the automotive sector, hard hit by the global pandemic. With a budget of €8 billion, it plans to boost demand for cleaner vehicles (ecological bonuses, public orders, etc.), while €1.5 billion in grants and equity has also been released to support the ecological transformation of the sector and its R&D and innovation efforts. (Ministry for the Ecological Transition, 2020)

## 7 AUTONOMOUS VEHICLES

In 2019, France set up a full-scale city-like test center (Teqmo) for testing autonomous vehicles in real situations, with more than 200,000 km of tests having already taken place (CCFA, 2019). Some 16 new experiments carried out by the PFA platform and the French institute IFSTTAR are underway, with the one million km traveled milestone set to be reached by 2022. (Ministry for the Ecological Transition, 2019)

## 8 A BUOYANT SECTOR

France has the second highest number of vehicle assembly and engine production plants in Europe after Germany (ACEA). In 2019, there were nearly 2.7 million new light-vehicle registrations in France, up 2.3% year-on-year. The registration of industrial vehicles also increased by 1.9%, while that of used vehicles recorded an increase of 5.7 million vehicles in one year (up 2.8%). (CCFA, 2020)

## 9 ELECTRIC VEHICLES ON THE UP

In June 2021, 22,138 electric vehicles and 16,570 hybrid vehicles with rechargeable batteries were sold in France, up 44% and 127%, respectively. France was ranked second in Europe from January to September 2020 with 70,587 electric vehicle registrations, after Germany (98,610) but ahead of the United Kingdom (66,611), Norway (48,175) and the Netherlands (28,852). There were some 45,990 charging points in France in June 2021, with an additional 100,000 terminals set to be installed by the end of 2021. (Avere-France, 2020)

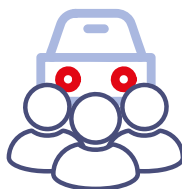
## 10 FUNDRAISING EFFORTS

Mecachrome, which specializes in the manufacture of parts for the automotive and aerospace sectors, raised €50 million in 2020 to accelerate its development (Mecachrome, 2020). In 2019, the startup CapCar, which offers a digital platform for the purchase and sale of used cars between individuals, raised €5 million (Journal Auto, 2019). That same year, the Lyon-based startup Marketparts, which sells spare auto parts, raised €3 million. (Frenchweb, 2020)



**#1**  
**HOST COUNTRY IN**  
**EUROPE FOR INDUSTRIAL**  
**INVESTMENTS**

(EY)



**400,000**  
**EMPLOYEES IN**  
**THE AUTOMOTIVE**  
**INDUSTRY IN FRANCE**

(MINISTRY FOR THE  
ECOLOGICAL TRANSITION)



**THE FRENCH**  
**AUTOMOTIVE SECTOR**  
**ACCOUNTS FOR**  
**18% OF INDUSTRIAL**  
**REVENUES IN**  
**FRANCE**

(MINISTRY FOR THE  
ECOLOGICAL TRANSITION)



**ACCESS TO A MARKET**  
**OF 67 MILLION**  
**CONSUMERS AND**  
**PLATFORM FOR THE**  
**MIDDLE EAST/AFRICA**  
**ZONE**

(INSEE)

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