

gies and healthcare. UBIFRANCE, the French export-support agency, organized a national pavilion at the Mobile World Congress trade show, in Barcelona in February. The French pavilion was the largest at the fair. Inside the pavilion the Invest in France Agency was promoting inward-investment for the whole of France.

Entrepreneurs are realists, however, and know that starting a business is never easy. French employment laws still favor the employee. Taxation is higher than in many countries. Private finance capital can be hard for small companies to obtain, according to the Association Française des Investisseurs pour la Croissance, AFIC, France's growth investment association.

The government of President *François* Hollande recognizes this, and is trying to make business less conservative and risk averse. As well as lower taxes under the Responsibility Pact, by mid-2014 companies will receive tax breaks for risky investments. Any company that buys a stake (of less than 20 per cent) in a small, innovative, company, will be able to write off the cost of the investment against tax.

France already had an impressive record in innovation before these latest ini-

a role in all industrial sectors, across the Russian economy from the international cooperation that produced the Sukhoi Super Jet, to the construction of high-speed rail lines and the production of modern trams and high-speed locomotives.

Avionics specialists Safran Group, of France, will cooperate with the Ramenskoye Instrument Design Bureau to help make its technology park a center for aviation, aerospace and robotics.

FRANCE'S AWARD-WINNING INNOVATORS

Several French companies have scooped awards at the 2014 International Consumer Electronics Show, in Las Vegas and in MIT Tech Review's "French Innovators Under 35" contest, sponsored by BNP and Val de Marne.

Solar Euromed. Harnessing the power of the sun to produce thermal and electric energy for sustainable development. The company points out that the world's deserts receive as much solar energy in six hours as the world's population consumes in a year. So it proposes to couple agriculture and energy to benefit less-developed populations. For example, using solar energy to power water supplies.

Prestodiag is developing a new system for detecting pathogens, or proteins that can transmit disease. The company has developed solutions to quickly and reliably detect microorganisms in healthcare or industry. Its products allow for the direct monitoring of microbes like salmonella in the food industry for example.

Gravit is an accelerator that helps investors find projects, and vice versa. It is headquartered in Grenoble and allows users to make direct contact with the owners of a startup, in order to provide seed capital or funding to help a business expand.

Ecoat makes eco-friendly coatings for the paint industry. These include water based paints that are long lasting and yet which do not pollute the environment. It is building a global franchise based on patented technology using a bio-based alkyd emulsion for use in the coatings industry. Its innovations replace the need for solvents and driers and work with natural oils in wood products.

Withings is another award-winning French innovator in the wellness sector, producing pulse and body monitors. It can monitor your blood pressure, track your activity and understand your sleep patterns.

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INTERVIEW



Sergey MOROZOV

DATADVANCE Co-founder and technical director

SOFTWARE MAKES DESIGN MORE EFFICIENT

ONE RECENT EXAMPLE OF A SUCCESSFUL RUSSIAN-FRENCH STARTUP IS THE SOFTWARE DEVELOPER DATADVANCE, LAUNCHED BY RESEARCHERS OF THE RUSSIAN ACADEMY OF SCIENCES ALONG WITH EUROPE'S AIRBUS GROUP.

What has contributed to the success of your business?

In the beginning the key to our success was the collaboration of the Russian academic establishments with those French industries most open to innovation, meaning aviation and space. In 2002-2003 the RAS Institute for Information Transmission Problems and the Institute of Control Sciences (Moscow), where most of our current employees worked at the time, started collaboration with Airbus.

At the request of Airbus our engineers and scientists carried out more than 20 research projects including software development. One of these projects was devoted to the development of intellectual data analysis and optimization algorithms and was successfully finished in 2009. On its basis the software complex MACROS was created, which is known now as the "pSeven" complex, based on MACROS technology. We created DATADVANCE the following year and it took little time to establish a company in France.

According to the consulting company Deloitte, France is the best country for startups. Why do you think that is?

Despite the traditional view of the southwestern Europe as an agriculture-based economy, the industrial sector of French economy is very well developed. There is a lot of high technology and the level of openness to innovation and investment is very high. We experienced this ourselves. In my opinion these factors encourage the development of high-tech startups.

What are the main obstacles for the innovative startups in Russia? Which of them have you encountered?

The main difficulty for DATADVANCE was the implementation of our technology. Most companies are committed to the existing methods. They don't have any motivation and interest in reducing design lead-time or the cost of complex engineering projects. They don't understand all the advantages of innovations implementation. While the European market is long acquainted with optimization solutions, in our country many still don't know about this type of software, and our work is in many ways enlightening. We do a lot of seminars, webinars and so on.

Which sectors you think are in priority for innovative development in Russia?

The IT sphere, of course, since we work in it, along with medicine, space exploration, and energy efficiency. All developed countries pay special attention to information technologies. Our company always participates in special IT events and is part of the Skolkovo "Forum for Innovations" fund which organizes various business events in the field of innovations.

We can say with certainty that IT-companies are the first ones to attract investment from international venture funds.

What are your plans for the future?

We have two main vectors of development. The first one is expanding our user base in the existing markets in Russia, the CIS and Western Europe. Besides direct sales through our offices in Russia, France and Germany, we are going to develop sales channels through distributors and vendors of computer-aided design. The second aim is to enter new markets in Asia and USA. This year we are going to start work in the USA, in Japan, China, and India. |

THERE IS A LOT OF HIGH TECHNOLOGY AND THE LEVEL OF OPENNESS TO INNOVATION AND INVESTMENT IS VERY HIGH.

tatives. Two thirds of French exports to Russia are high-tech products. Russia is France's third-largest market for investing and localizing enterprises, after the U.S. and China.

Many French corporations cooperate on research and development by locating factories in Russia. Schneider Electric, a global expert in energy management, contributes to the transfer of skills and knowledge through its six Russian-based factories and three logistics centers.

It is also opening its own R&D center in Skolkovo, the government-sponsored innovation hub outside Moscow. Research will focus on the creation of control systems for multipurpose stand-alone generators and pipelines, as well as the adaptation of Schneider Electric solutions to the Russian environment. By 2017, the R&D facility is expected to have 100 employees.

Alstom is another French company, among the 30 international corporate partners that have agreed to set up R&D facilities in Skolkovo. The buildings are still under construction. The first facility for housing startups will open in the second half of 2014, and the first laboratories in 2015. The Skoltech university campus will host 20 professors and more than 80 postgraduate students by 2020.

French and Russian innovation plays