EIB Group activity in France in 2018

More than half of all projects were financed under the Juncker Plan. Innovation accounted for 42% of total investment.

A key feature of 2018 was the consolidation of the European Investment Bank Group’s activities in France.

There were 98 financing operations amounting to EUR 7.2bn:

- EUR 6.1bn financed directly by the European Investment Bank (67 operations)
- EUR 1.1bn financed by its subsidiary, the European Investment Fund (EIF), which focuses its lending on SMEs (31 operations)

The reduction in the amount invested in 2018 for an equivalent number of operations as in 2017 is the result of a drop in the average project amount, reflecting the EIB’s strategy to support smaller, riskier operations with innovative SMEs and mid-caps.

With a total of EUR 7.2bn, France was the third biggest beneficiary of EIB Group financing, after Spain (EUR 8.47bn) and Italy (EUR 8.46bn).
I - The Juncker Plan continued to flourish

• Last year, the EIB invested EUR 2.66bn under the Juncker Plan versus EUR 687m by the EIF. In total, 46% of EIB Group financing in France in 2018 was granted under the Juncker Plan. That is an extraordinary development, greater than in 2017, when it already accounted for a third of total investment. More than half of all projects – 54 in total (41 for the EIB and 13 for the EIF) – were financed under the Juncker Plan.

• Since 2015, the EIB has invested EUR 11.7bn in France under the Juncker Plan, out of a total of EUR 70bn in the European Union, i.e. 16% of the total amount allocated. Thanks to the leverage effect, this EUR 11.7bn has unlocked EUR 61bn of investment in support of projects by 130 French borrowers.

• The innovation sector accounted for 42% of lending in 2018, i.e. EUR 2.5bn (EUR 1bn more than in 2017). Particular attention was paid to SMEs, which received nearly EUR 1.2bn worth of new loans via partner banks.

• Since 2015, the EIB has mobilised investment of over EUR 375bn across Europe under the Juncker Plan. The initial target of EUR 315bn was therefore exceeded in 2018. The new objective to raise EUR 500bn across Europe over the next phase of the Juncker Plan is expected to be attained by the end of 2020.

II - Energy and digital transition, security, healthcare, Overseas Territories: the EIB broadened its range of operations

• Priority given to environmental transition and digital transition

Two-thirds of projects financed in France last year had a climate component as one of their objectives. In terms of flagship operations, the EIB continued to support third-party financing companies tasked with providing subsidised loans to individuals to help finance their thermal refurbishment work. Sizeable loans were allocated to promote sustainable transport in 2018 with EUR 1bn dedicated to this sector, including loans for the development of the ports of Marseille and Brest.

The EIB also supported digital transition. A number of significant operations took place in 2018 in the field of telecoms. The EIB finances both constructors (EUR 500m loan to Nokia for 5G, of which EUR 160m for France) and operators (EUR 550m for the extension of superfast broadband, of which EUR 300m to Iliad and EUR 250m to Orange) as well as local authorities such as joint association Gironde Haut Mégà, which was granted a EUR 60m loan to finance superfast broadband and fibre optic installation work in the Gironde department.
Healthcare at the heart of EIB activity

A key feature of 2018 was the strong support provided to the healthcare sector. In particular, the EIB focused its investment on financing research and development. For instance, it granted a EUR 40m loan to biotech company Nanobiotix, which has taken a revolutionary approach to local cancer treatment, and a EUR 15m loan to Carmat, the world’s leading designer of artificial hearts, currently at the clinical testing phase. The companies Getinge Medical Technology, Medin-Cell and GVM also received an EIB loan for a total amount of EUR 62m.

A notable entrance into the security sector

At the request of the Member States, the EIB developed a specific programme for financing security that was gradually implemented in 2018. Accordingly, the Bank lent EUR 35m to Maison de santé protestante de Bordeaux Bagatelle in connection with the merger of a civil hospital and a military healthcare institution in Talence, near Bordeaux. It also provided financing of EUR 33m for the refurbishment of housing units for the families of gendarmes. Lastly, in December 2018 the Bank granted a EUR 47m loan to Onera, the National Centre for Aerospace Studies and Research, a loan that will enable this world-renowned facility to modernise its wind tunnels in Modane. This loan is of particular importance to the EIB as it demonstrates the Bank’s commitment to participate in civil and military projects and thus help to protect European citizens. France is the leading beneficiary of this new initiative for financing the security sectors.

The Roullier Group, driving investment in the bioeconomy

Breton group Roullier received a EUR 50m loan to finance its R&D activities in animal and plant nutrition, thus becoming the first beneficiary of the EU’s agriculture and bioeconomy programme loan launched by the Bank. The towns of Saint-Malo and Dinard are the indirect beneficiaries of this loan as they are home to the Roullier Group’s Global Innovation Centre (Centre mondial de l'innovation, CMI, in Saint-Malo) and Centre for Studies and Applied Research (Centre d'études et de recherches appliquées, CERA, in Dinard). This programme loan, launched in April 2018 to assist cooperatives and private companies in Europe, will enable the EIB to lend EUR 400m and mobilise nearly EUR 1bn across Europe. It is one of the results of the extension in 2018 of the Juncker Plan to sustainable agriculture and the bioeconomy in general. This covers complete food production and processing value chains, materials and energy using renewable onshore and offshore biological resources.
Nanobiotix, a pioneer in the fight against cancer

Based in Paris, Nanobiotix is a leading company in the field of nanomedicine that has developed a new way to treat patients thanks to nanophysics applied at the heart of the cell. Using a fully patented technology – NanoXray – the goal is to help millions of patients undergoing radiotherapy by magnifying its effectiveness without increasing the dose to surrounding healthy tissue. The EIB granted a EUR 40m loan to Nanobiotix designed to substantially support its R&D and clinical trials. The aim is also to foster, via Nanobiotix, the emergence of new European expertise in certain fields – e.g. nanomedicine – that will have a significant role to play in the healthcare sector in years to come for the greater good of Europe’s citizens.

Strong commitment in support of mid-caps: EUR 80m for the Fives Group

Established over 200 years ago in 1812, the Fives Group is one of France’s oldest engineering groups. Fives designs and manufactures machinery, process equipment and production lines for the world’s biggest industrial groups. The Group thus jointly coordinated the “factory of the future” programme in France launched by the French Government in 2015 to support the modernisation of French industrial groups. In 2017, Fives generated a turnover of around EUR 1.9bn and had nearly 8 700 employees in around 30 countries. The EUR 80m loan granted by the EIB shows the EU bank’s willingness to provide very long-term support to a French industrial and technological leader in the design and production of innovative industrial processes and products. Around a third of the loan will go to developing the range of products for 3D printing applications, particularly via AddUp, an Auvergne-based joint venture created by Fives and Michelin that provides a large number of skilled jobs in the region.

Overseas regions financed

In 2018 the EIB expanded its investments in the Overseas Territories. In Réunion, the Bank financed, via the European Investment Fund, a programme dedicated to supporting businesses and microfinance in partnership with Banque Française Commerciale de l’Océan Indien, a subsidiary of the Société Générale Group.

Special attention was also paid to the French Antilles. The EIB lent EUR 60m to Société aéroportuaire Guadeloupe Pôle Caraïbes to finance the first phase of its extension work. A EUR 30m credit line was also granted to Crédit Agricole to increase its support for SMEs and mid-caps affected by Hurricanes Irma and Maria in 2017, particularly those based in Martinique, Guadeloupe and Saint-Martin.
Innovative local and regional financing

The EIB Group fostered the emergence of a new type of financing to meet the needs of local economies by investing – alongside two of Crédit Agricole’s Caisses Régionales – in Normandie Participations, the Normandy Region’s investment fund. This is the first time that the EIB has invested on the French mainland in a regional fund designed to finance the businesses of a specific region. Bringing together equity investment and a long-term loan, Normandie Horizon will broaden the range of financing available to businesses in Normandy, particularly SMEs and mid-caps. Around 75 companies will thus be able to benefit from these participating loans until 2022, and on very attractive financing terms thanks to the support of the EIB, which enjoys a triple-A credit rating, but also thanks to the EU guarantee provided under the Juncker Plan.

III - The European Investment Fund stepped up its SME activity

In France in 2018, the EIF:

• took 15 participating interests in venture-capital funds for EUR 456m, and performed three co-investments totalling EUR 26m which, together with the co-investors in these funds, will represent over EUR 4.1bn in capital to be invested in start-ups, SMEs and mid-caps;

• provided 11 guarantees totalling EUR 592m that will enable SMEs to receive EUR 3bn in new loans;

• committed EUR 10m for two microfinance operations, which will contribute to the granting of a total of EUR 92m in micro-loans.

In total, the EIF supported 46 000 SMEs and mid-caps in France employing 415 000 people.

Among the most significant operations in 2018, the EIF invested in a fund created jointly by Groupama AM and Tikehau Capital (Groupama Tikehau Diversified Debt Fund) and designed to invest directly in European companies, particularly French SMEs.

It also invested in a fund developed by Triodos Bank under the EU Programme for Employment and Social Innovation. Triodos is tasked with lending up to EUR 65m to 430 social entrepreneurs over the next five years in Belgium, the Netherlands, Spain and France.

The EIF also signed a new mandate designed to provide loans to farmers and agri-businesses in Nouvelle-Aquitaine, the largest region in France. The EUR 30m ESIF EAFRD Nouvelle-Aquitaine programme will combine EUR 10m of resources from each of the three programmes in the rural development plan, including EUR 12m from the Region's own resources.

Micro-enterprises in French Polynesia, Guadeloupe and French Guiana will now also be able to obtain micro-loans secured under the EaSI programme thanks to a guarantee offered to the financial intermediary by the Association pour le droit à l’initiative économique (ADIE). Thanks to additional financing provided under the Juncker Plan, the EIF was able to increase the guarantee amount from EUR 56m to EUR 80m, which will benefit over 8 256 micro-borrowers in France and neighbouring regions.

Furthermore, an economic study conducted in mid-2018 showed that French SMEs benefiting from EU-guaranteed loans had recorded growth in turnover that was on average 7% higher than that of other SMEs and created 8% more jobs than their peers. Likewise, the default rate was 5% lower than the market rate.

For further information on the EIB in: www.eib.org/france and www.eif.org/france

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