CYPRUS' TECHNOPARK PROJECT

The Sophia Antipolis' experience

Contents

1. Introduction

by

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Chairman of the French Riviera

Chamber of Commerce and Industry

1. Introduction

- **An historic link between the Greek community (Cyprus included) and the French Riviera**

1. **NICE, main city of the French Riviera, was founded by the Greeks, NIKAIA over 2500 years ago**
2. **In the seventies a Greek name was selected for our technological park : Sophia Antipolis**
3. **In 1992, our Chamber of Commerce and Industry organised the first European convention of CCIs**

   At this convention, in Nice, the president of the Cyprus republic announced the Cyprus decision to join the European community

1. Introduction

4. In the nineties and last year, your minister Mr. Lillikas visited Sophia Antipolis at least twice and set up an initial partnership with our chamber of commerce and industry
5. In the two thousands a Cypriot citizen, Mr. Stelios Haji Ioannou, develops the activities of his airline Easyjet from Nice airport (built and managed by our chamber); this very successful activity pushes up our local economy
6. On Sept 6th, 2004 the present seminar certainly represents an historical step for your development

1. Introduction

- **An historic project**

1. **Sophia Antipolis was the first technological park in France (launched in the sixties)**
2. **Sophia Antipolis is still the largest park in Europe**
   - **2400 ha**
   - **1270 companies**
   - **27000 employees**
3. **Sophia Antipolis has significantly changed the French Riviera's economy but also its social life and opening to the most modern world**
4. **Due to this high tech park, the French Riviera is now one of the most dynamic, advanced and international regions of France and Europe**

1. Introduction

- **Your project of technological park**

  1. **Is also a strategic project for Cyprus**
  2. **We believe this poject has a bright future**
  3. **And we are honoured to bring our experience and our contribution to this project**

2. Initial objectives

By
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general manager
of SAEM SACA

2. Initial objectives

- **Experiment a new concept : scientific and technological park**
- **Experiment it in a remote region of the South, far from large industrial cities of Europe**
- **Create a strong push towards technological developments and entrepreneurship**
- **Create a European region, not a pure French area**
- **Build a second economic engine for the riviera, besides tourism**
- **Attract national and foreign investment**

3. First proceedings to implement the project

- **Initial concept as a « utopia » carried out by Pierre LAFFITTE**
- **Creation of « Sophia Antipolis association »**
- **First development (40 Ha) undertaken**
- **Political, administrative and financial support of local and national authorities.**
- **Commitment of all partners through a « charter for Sophia Antipolis Science Park »**
- **Land control (2400 Ha)**
- **Creation of SYMISA: public body to govern the project**
- **Delegation to the Chamber of Commerce in order to manage the implementation (from 1974 to 1988)**

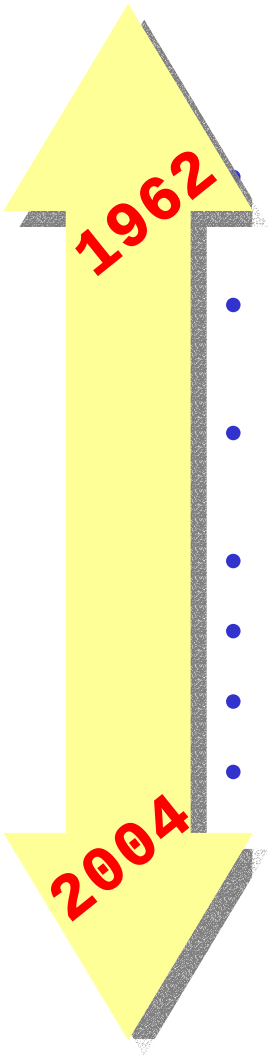
4. Key success factors (1)

1. Shared vision (state administration, locally elected officials, chamber of commerce and industry)
2. Long term commitment (14 years zone of « deferred planning » - interministerial committees)
3. Strong support of French government by relocating public laboratories and research centers
4. Incentives to investors creating high added value jobs (land cost reduction + territorial planning premium)
5. Modern infra and superstructures, airports, roads, utilities, telecom equipment
6. Higher education institutions (engineering and business schools)
7. International schools

4. Key success factors (2)

8. Congress and exhibition halls, cultural equipment
9. Cosmopolitan image
10. Exceptional climate and environment
11. Lobbying from national personalities to attract private laboratories and research centers
12. Dedicated teams for management, marketing, animation …
13. Outstanding, clear and efficient marketing strategy
14. The right product, at the right place, at the right time

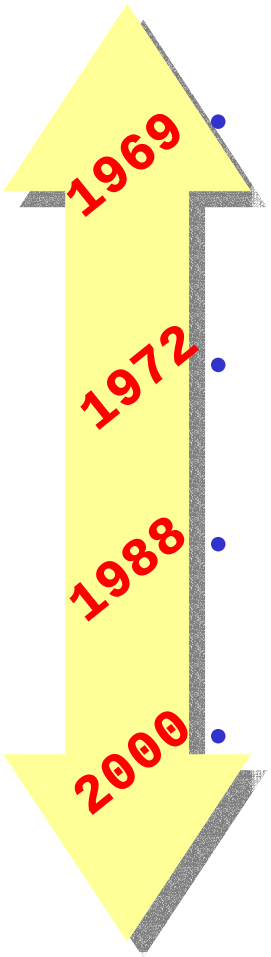
5. Evolution of clients' structure



- Incentives in order to attract major multinational corporations (IBM & Texas Instruments)
- Relocate public institutions (Air France, laboratories and research centers),
- Big projects, « green field » operations, anchor companies to build an identity
- Development of higher education institutions
- Developers for new speculative office buildings
- Small and medium sized companies
- Spin off from big firms

Start-up, locally incubated projects, … and still big firms' projects whenever possible

6. Evolution of project's parameters



- **Small scale park based on new economic development trends (knowledge economy, I.T, life sciences…)**
- **International technology and science park (2400 ha)**
- **Forecast for northern extensions (2000 additional ha)**
- **Expansion : new concept of « associated sites »**

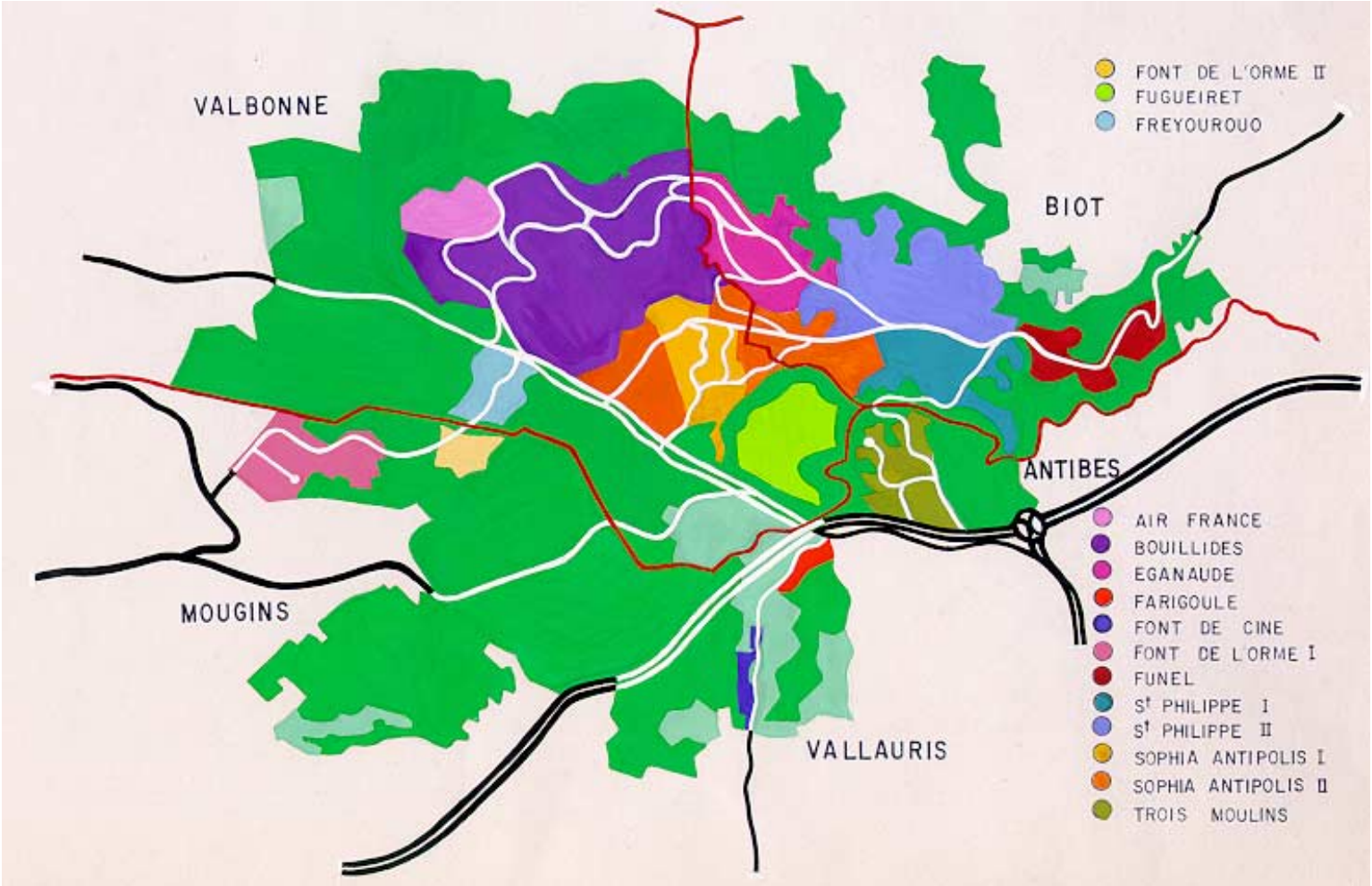
7. Sophia facilities (1)

- **2400 ha total surface area (2/3 protected green belt, 1/3 liable to be equipped and sold)**
- **Publicly mastered parcels of land**
- **Public facilities for companies and staff to take advantage of (fiber optic network, housing, international schools, sports equipment)**

7. Sophia facilities (3)

	PRIVATE	PUBLIC
• Parcels to be built		X
• Offices (rent and sale)	X	
• State of the art telecom facilities	X	
• Engineering and technical schools	X	X X
• Business school	X	X
• Incubation facilities	X	X
• International schools	X	
• Housing	X	X
• Students' residences	X	
• Hotels	X	
• Catering facilities and restaurants	X	X
• Post delivery business office	X	X
• Leisure and sports facilities	X	X

7. Sophia facilities (3)



8. Management and operational aspects (1)

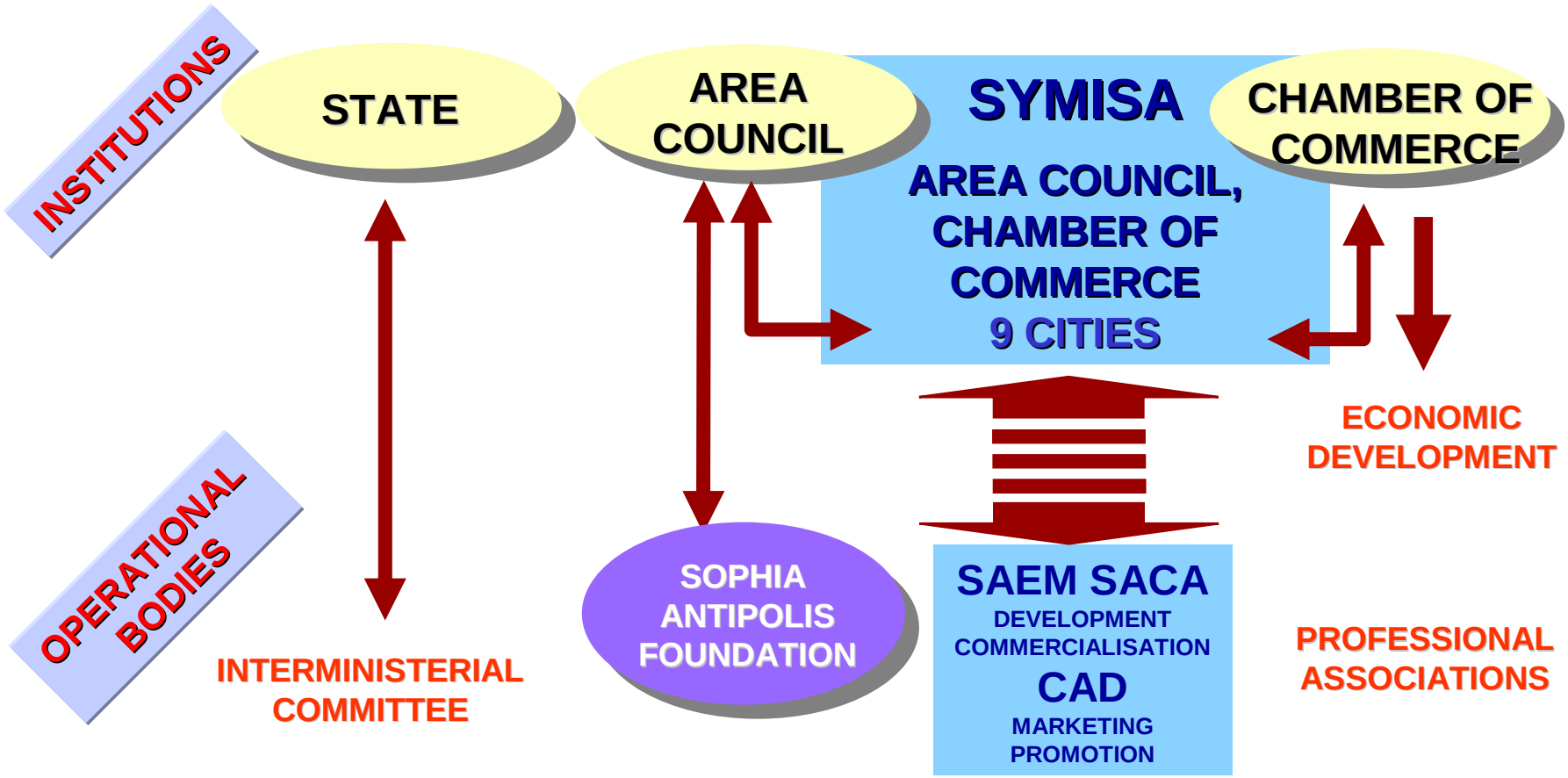
- **Overall governance**
  - **Strategic committee at state level (meeting once a year)**
  - **SYMISA public institution in charge of deciding**
    - **– development guidelines and objectives**
    - **– financing**
    - **– admission of companies**

    Members of SYMISA : local council, cities, chamber of commerce and industry

8. Management and operational aspects (2)

- **Operational management**
  - **SAEM SACA development agency of the park**
  - **CAD Riviera's agency to attract investors**
  - **Sophia Antipolis foundation to organize scientific and cultural events**

8. Management and operational aspects (3)



9. Financial aspects (1)

- **Total public investment:**
  - **State: 230 m€:**
    - **Land purchase (area to be developed)**
    - **Main connection to highway**
    - **Telecommunication network (still publicly owned in seventies)**
    - **Public international school**
    - **Public laboratories**
    - **Direct subsidies to SYMISA**
  - **Area council: 270 M€:**
    - **Land purchase (green belt)**
    - **Main roads**
    - **CICA (Incubation and nursery building)**
    - **Contributions to university and educational institutions**
    - **Funding contribution to SYMISA**
  - **Total sale of land lots : approx. 200 M€**

9. Financial aspects (2)

- **Is the project self-sustained?**
  - **30 years after creation, subsequent net cash flows:**
    - **direct local and national taxes: 250 M€/ year**
    - **Induced economic activity : 27000 direct and around 35000 indirect jobs provided by the park's activity**

10. Lessons learned (1)

1. Economic and social impact

	1975	1983	1993	2003
COMPANIES	3	188	950	1 276
JOBS	350	5 000	15 480	26 635
BUILT AREAS (Sq.m)	41 000	328 000	762 000	1 019 925

10. Lessons learned (2)

1. Economic and social impact

- The high tech sector now is the first economic engine of the Riviera :
  - high tech sector turn over 6,4 Bn€
  - tourism sector turn over 5,0 Bn€

  60% of high tech companies are located in Sophia Antipolis
- Sophia Antipolis now has 27000 employees among which 55% are engineers or business graduates
- A new model of company :

  10 employees 5 to 7 nationalities
  100 '' 10 to 20 ''
  1000 '' 20 + ''

10. Lessons learned (3)

2. Value added by the park to the business community of the French Riviera

- Economic impact (direct, indirect and induced) is estimated at : 3 to 4 Bn € per year

- Added value per employee in the park is very high : around 100 K€ per year per employee, so each employee is generating work for others in the Riviera

- Business people coming to meetings in Sophia Antipolis are coming back for vacation and or conventions

10. Lessons learned (4)

3. Town planning impact

- Necessity to create one and then two or three « social life centers » with cafes, restaurants, hotels, meetig places etc ..
- Necessity to significantly improve road access and other infrastructure
- Necessity to permanently develop housing offering (with appropriate services i.e schools, sports facilities)
- Necessity to keep a high standard for architectural guidelines
- Necessity to develop bus services

10. Lessons learned (5)

4. Environmental impact

- Long term protection of natural forested areas

- Excellent environmental conditions in Sophia Antipolis
  air, water
  low noise level green areas
  … and sun

- Such a park is totally compatible with :
  . a sustainable development
  . an important touristic activity in the region

11. Conclusion (1)

1. **Most of the initial objectives have been achieved**

   - **the new concept is successful**
   - **The French Riviera is no longer remote and isolated in the south**
   - **The two economic engines (tourism and high tech) are progressing together**
   - **The Riviera is at least as European as French**
   - **It has become one of the most modern, dynamic and prosperous regions of France**

11. Conclusion (2)

2. But

- The success of the past is not a guarantee for the future

- Sophia Antipolis needs to permanently improve to live up to its standards

- Technological parks are now being created and developed almost everywhere in Europe