

IMPORTANCE OF THE SECTOR

A new industry made up of a mosaic of companies specializing in many areas with a wide variety of products.

The concept of **biotechnology** appeared in France in the early 1980s. In the past few years this concept has been based on the specific skills of biotechnologies such as genetic engineering, cell culture and enzymology.

It is difficult to describe the main characteristics of the biotechnologies sector in France or in other countries for that matter. They cannot be considered as one industrial sector since several industries are likely to use biotechnologies. They include techniques that are spreading to many industrial sectors and that are bringing about changes in them. Thus, discoveries in genetic engineering could benefit sectors as dissimilar as agriculture, agri-food, pharmaceuticals or cosmetics. Companies that intervene in biotechnologies are relatively varied in size.

More than half of the companies employ fewer than 100 people and only 8% have more than 10,000 employees. This is due to the newness of biotechnologies which appeared only in the early 80s and to the number of subsidiaries created by the oldest companies.

In France, some of the large groups soon tested the advantages of the new biotechnologies by participating in the creation of small companies at the beginning of the 80s. Examples that attest to this are the participation of BSN and LVMH in the starting capital of Transgène that of Rhône Poulenc Mérieux in Immunotech and of Roussel Uclaf in Bioeurope.

This type of funding should give large groups an idea of how they could benefit from new technologies and give them incentive to establish biotechnology research units. The latter could be added to research units that already exist or specialized subsidiaries could be set up.

The hierarchy of activities will remain the same for the next five years. Only the environment and energy sectors appear to create permanent vocations.

The newness of biotechnologies, as well as their numerous applications explain why it is so difficult to characterize the resulting products. Companies sell two types of products: common consumer products that have resulted from biotechnological procedures and

¹Source: Ernst & Young