Thierry Drilhon – President, Franco-British Chamber of Commerce & Industry, France



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Thierry Drilhon, president of the Franco-British Chamber of Commerce, talks about Brexit, the pro-industry Macron government and his positive outlook on the future of France and Franco-British cooperation.

Why did you agree to become the president of the Franco-British Chamber of Commerce?

The first reason is related to the professional and personal aspect. I have worked for international companies in high-tech and media, such as Cisco, Microsoft and Euro Media Group. In all of these cases, the European HQ or significant affiliates were based in the UK. On a more personal level, one of my children is living in London. My heart and my business experience is pretty close to the UK mentality and way of life. The second reason is even more important, as it is related to the current context. I do not consider Brexit to be a threat, but an opportunity to reinforce international collaboration and the importance of Europe. We need to show that the deep relationship between France and the UK, which survived even throughout World War II, will prevail regardless of anything.

What is the role of the Franco-British Chamber of Commerce in promoting the relationship between the two countries?

This Chamber is the oldest in Europe and was founded 145 years ago. We are the voice of business and our goal is to develop partnerships, collaborations and teamwork. Our role is multi-faceted. We help French companies willing to invest in the UK and their British counterparts targeting the French market. Our mission is not only to address large companies but also to give help and a voice to medium-sized and smaller companies, which need more support due to their lack of infrastructure for internationalization.

Last July, you met with Jeremy Hunt, the UK's Secretary of State for Foreign and Commonwealth Affairs. What were some of the main points you discussed with him?

During the summer, a few key events changed the overall position of the UK. Theresa May decided to build and shape the plan, substituted Boris Johnson for Jeremy Hunt as Secretary of State for Foreign and Commonwealth Affairs, and David Davis for Dominic Raab as the main Brexit negotiator. These actions communicated the willingness to find a solution. During the meeting with Mr. Hunt, I was primarily listening, as my objective was to understand his point of view. We did not discuss politics, but business, in a pragmatic and realistic manner. Indeed, we should never forget the business challenges attached to Brexit and the need to represent companies of any size, from multinational corporations to small enterprises. The UK and Europe already agreed on 90 percent of the points related to Brexit. The remaining 10 percent, which includes controversial aspects such as the Irish border, need to be settled in the transition period that will continue until the end of December 2020. Overall, I am confident that there will be an agreement which takes into account the positions of all parties involved.

How do you see Brexit as an opportunity for France and the UK to build stronger relations?

The overall trading of goods and services between the UK and France roughly represents GBP 72 billion (approx. USD 83 nillion). On top of that, there is a deep and profound historical relationship between the two countries. 300,000 French people today live in the UK, of which 14,000 are students, while there are 3,000 British students in France. The relationships are tight and the UK is still largely considered to be the gateway to Europe by most international corporations. This is not

going to change. In the past few months, despite the general concern around Brexit, I remain strongly ‘Francoptimist’ and ‘Europtimist’, as I have always been during my entire professional career. Europe needs to have a strong France, a strong UK and a strong Germany. We need diversity and fruitful collaborations between these countries. Europe was created with the purpose of embracing differences and avoiding disruption and wars. I believe that in a couple of decades, Brexit will appear as a small event. I am not candid, I am just reflecting all the messages I receive every day from the international business community. Despite the scepticism, we are already witnessing very important positive signals on France, the UK and Europe.

What are some of these positive signals you are witnessing that could restore the faith in France and its collaboration with the UK?

My background is business, I am a businessman. In July, I met a few managers of large US private equity funds, the kind of people that inject billions in the economy worldwide. Interestingly, they share similar views about investment priorities. Firstly, they are not interested in investing heavily in the US for geopolitical reasons, despite its good economic situation. Secondly, in the past few years, they invested in the APAC region and are waiting to get their ROI. Thirdly, Europe, and in particular the UK and France, are their primary investment area in the next years.

Similarly, EY conducted a study on the general attractiveness of France and obtained very encouraging results. Indeed, 81 percent of the business decision makers are satisfied with France’s business attractiveness and 55 percent are confident regarding the next three years, compared to the 27 percent of 2017 and the 5 percent of 2016. In 2018, Paris became the most attractive city in Europe, for the first time ever. As you can see, I am positive for a reason.

What role do President Macron and the recent pro-industry messages of the government play in the increase of investment attractiveness you just mentioned?

President Emmanuel Macron and Minister of Solidarities & Health Agnes Buzyn have announced the willingness to bring France back to the first division. Leading a country is like leading a company: it is all about vision, strategy and execution. Vision without execution is just hallucination. The good news is that President Macron decided to significantly transform this country and he is systematically addressing every single issue. He is acting like a CEO: with courage, consistency, resilience and determination. It does not mean there will not be mistakes and for sure it is going to

take time to make up for 25 years of inaction, but at the end of the day we are moving forward and injecting enthusiasm into the economy.

Let me give you a practical example of Macron's attitude. Last year, just before the World Economic Forum in Davos, President Macron organized a meeting with 250 global CEOs in Versailles. At the dinner, John Chambers, chairman and CEO of Cisco, was announced as the new ambassador of France for technology. Interestingly, he is not French, but one of the most respected international business leaders in the tech environment, as he brought a company from one billion dollars to sixty billion. Mr. Chambers strongly believed in France even in 2010, when in the middle of the crisis he wrote an article for French business newspaper Les Echos called "France is going to be the next big thing".

How important are healthcare and life sciences for the Franco-British relationship and what are the challenges in this sector?

Vital. This sector is characterized by a healthy competition between the two countries. Among the top ten largest pharma companies, there is the French Sanofi, closely followed by the British GSK and AstraZeneca. The industry is not only huge – it represents EUR 1 trillion worldwide (USD 1.150 trillion) – but it is also dynamic. Over the next three or four years, the market will grow by another EUR 400 billion (USD 460 billion), as 2000 new drugs are in the development pipeline and 40 to 60 new products will be launched yearly.

Other than production, R&D remains a vital aspect, due to the tough competition. In order to be successful in this, Europe will have to massively invest in further developing a talent base, as one of the main issues will be the shortage of talents: over the next two to three years, Europe will be missing 1.3 million engineers. Programs like Erasmus and Erasmus+ are fundamental in this sense. My children consider Europe as their house and the world as their garden: one is in Canada, the other in London and the third just came back from Australia.

What do you think are the main concerns of this Erasmus generation? Is the youth worried by the rise of populism, trade wars, walls, and Brexit?

I am also a professor for the Executive MBA programs at HEC. During the last semester, I offered my students, all between the ages of 29 and 34, the possibility to choose the topic of a class. The theme chosen was "leadership of yourself". It was strongly focused on authenticity, as they wanted

to understand how to be ‘a decision maker’ while being a father or grandfather at the same time. This is a sign that this generation is very interested in the human aspect: the emotional quotient is now as important as the IQ.

A few words to conclude?

The world is transforming very fast, the business is changing: this represents an opportunity but also an adaptation race. Agility will be a key component in the game. We talked about a lot of topics today, from business to politics, but at the end of the day, the most important are human beings. I strongly believe that if you take care of people, they will take care of your business.

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