



RÉUNION DEVELOPMENT AGENCY

An agency for fostering
economic development
on Reunion Island



La Réunion
dotée pour le futur
The Island with a gift for the future

Are you an entrepreneur with a project? AD mobilizes the energies that will make your vision a reality!

Whether you are an outside investor
wishing to create, take over or participate
in a business venture on Reunion Island,
Or a Reunion Island businessman with
a project linked to outside development,

THE REUNION DEVELOPMENT AGENCY IS HERE TO HELP YOU.

AD has also been commissioned by Reunion's economic players to:

- Help draw up a economic project shared by all those working for development on Reunion Island over the next 15 years
- Improve the business environment through dialogue and self-belief
- Promote the economic reality of Reunion outside as well as on the island

- Attract and assist outside investors in setting up industrial and service activities

- Pilot professional and affinity-based networks, bringing together people who are Reunionese by origin, adoption, or in their hearts (Reunion Attitude)

The Agency acts as a BOND CREATOR between project carriers and their private and public interlocutors.

In the world of business, nothing is as important as saving time (and money). Whether you are an investor wishing to set up on Reunion or a Reunion entrepreneur moving into export development or relations with an outside partner, you should contact AD! If the project is accepted by the project validation committee, the Reunion Development Agency will dedicate itself to your project (for a period of months or years). A correspondent with professional development skills will take care of you, free of charge, and according to your needs, will :

- PROVIDE YOU WITH INFORMATION

Thanks to active economic assistance and a diversified partner network, AD can provide you with much valuable information; legal aspects (customs, taxation, labour laws, etc.), competition monitoring, subcontractor identification and so on.

- DRAW UP THE BACKPLAN OF THE STEPS YOU NEED TO TAKE

Our Project Managers can provide you with better visibility of the steps you must undertake in order to optimise your project.

- HELP YOU TO MAKE THE MOST OF THE PUBLIC GRANT SYSTEMS

Provide you with an outside analysis of your business plan.

- ALLOW YOU TO MAKE THE MOST OF OUR PARTNER NETWORKS

As the local DATAR (French Government Regional Development Agency) representative for economic development and the regional correspondent for the French Agency of International Investments (AFII), AD works with effective networks, business clubs, outside consultants, etc.

- HELP YOU TO FIND AN OUTSIDE PARTNER IF YOU ARE A LOCAL ENTREPRENEUR

One of the agency's missions is to foster technological, financial and industrial partnerships between local and outside companies. In the specific event of the takeover of a struggling or expanding Reunionese firm, in difficulty or in expansion, AD will pinpoint both the strengths and weaknesses of the company. AD then promotes and markets this opportunity to both potential outside investors and its other networks.

- ORGANISE A VISIT SCHEDULE IF YOU ARE AN OUTSIDE INVESTOR

The agency provides you with complete logistical assistance, from hotel and meeting room reservations to the organisation of meetings.

- HELP YOU IN YOUR SEARCH FOR PROPERTY AND BUSINESS PREMISES

Thanks to a website (www.agorah.com), which lists available property, as well as through its contacts, the agency regularly manages to find property and premises solutions for its project carriers.

- INTRODUCE YOU TO THE PLAYERS INVOLVED IN RECRUITMENT AND TRAINING LOCAL STAFF

Still in its role as an intermediary (for example, between you and the ANPE [Job Centre]), the agency takes you through the possibilities of grants to help with recruiting and training of local staff (including outside the island).

- REFER YOU TO OTHER INTERMEDIARIES IN NEIGHBOURING COUNTRIES

From end 2005, AD will provide a new service to entrepreneurs seeking export opportunities, especially in the field of services. These entrepreneurs will benefit from the resources of intermediaries based in neighbouring countries, trained and recognized by the agency, and aware of the economic specifics of both Reunion and their country of residence.

- WHAT THE AGENCY DOES NOT DO:

Decide upon and deliver grants and financing... but we can advise you on the organisations and experts in these areas who are responsible for these tasks!



Optimise a Business Plan : The Otébiyé Example

The first mutualised ticketing network on Reunion, Otébiyé provides a complete ticketing management system. Approximately 20 concert halls and event organisers have adopted this system since its launch in 2004.

The fruit of an association between the manager of a software company, Rémy Briatte, a computer manager, François Auguste, a software editor, Rodrigue and Mobius, the local partner, Otébiyé has introduced an innovative solution to the island: the purchase of tickets online (as well as by telephone and from sales points). The tickets can then either be sent by post or collected from one of the networks sales outlets.

Otébiyé represents an investment of 350,000 € and the creation of 10 jobs over a three year period.



"We came knocking on AD's door with the prospect of being advised on the possibilities of optimising the development of our business. The agency acted as an interface between the administrative bodies and ourselves, a role that consisted in organizing meetings with key contacts and presentations at the DRIRE, the organization that handles grant applications for the Region and the Prefecture (Government services). AD also allowed us to optimise our Business Plan. As a result, we were recognized as a structured and innovative company and were entitled to tax reductions on the grants for which we were eligible, which meant we received a much higher level of public aid."

Rémy Briatte, creator of the Otébiyé Project

Convincing an Outside Partner : the Example of Nutrimea

In pursuing an expansion strategy following a change in European regulations, URCCOOPA, the leading agri-food Group on Reunion Island became interested in a project developed by UNIMA, a Malagasy group strongly involved in prawn production.

UNIMA was considering diversifying by producing prawn feed, either by setting up a production plant in

Madagascar, or by signing a partnership with an aqua-feed manufacturer in the zone. UNIMA considered a partnership with a Mauritian manufacturer and did not wish to enter into an association with a Reunion-based company. The work of URCCOOPA and AD consisted in convincing UNIMA and assisting with the whole process of the deal. The result was the NUTRIMA project.

NUTRIMA represents an investment of 7 million € and the creation of 25 jobs over a three year period.

"At the beginning of 2003, we contacted the Development Agency so that its project managers could help us develop a line of argument that would arouse UNIMA's interest, while taking the logic of its point of view into consideration: this company was targeting the European market as an outlet for a considerable part of its prawn production. In order to do so, they had to be able to guarantee their traceability. Producing prawn feed in Reunion guaranteed a "Made in France" label. From a more general point of view, thanks to this argument, we were able to highlight the ways in which URCCOOPA and UNIMA could complement each other's activities, as well as emphasizing the attractions of Reunion : FEDER grants, tax advantages, trained employees, advanced technical platforms in the areas of research and aqua-development, and so on.

The AD Project Managers then helped us defend our project in Madagascar. They organized a series of meetings between UNIMA's management and economic and political officials in Reunion Island. We were then still in competition with a Mauritian aquafeed manufacturer. AD showed us how the optimisation of the Reunion grant system could compensate for low employee costs and tax benefits in Mauritius.


UNIMA decided to go into partnership with URCCOOPA. AD then developed an action schedule with the project managers. This calendar was strictly adhered to. AD was also involved in the search for property solutions and organized meetings with all the organizations likely to participate in the NUTRIMA project: departments of the City Council of Le Port (the town where the new company will be based), SDIS, EDF, GDF, CGE, banks, DRIRE, County Council, Regional Council, etc. Finally they mobilised key local players (especially the Job Centre) in order to define a recruitment plan. NUTRIMA plans to begin its activity in the second semester of 2006.

Philippe Ruelle, Managing Director of URCCOOPA



Finding a buyer : An example : Cartonnerie de La Réunion

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In April 2002, AD was invited by the Association for Industrial Development in Reunion (ADIR) to examine the situation of Cartonnerie Réunionnaise. A company specialising in the production of corrugated and flat boxes, it was owned by SITAR, a licensed cigarette manufacturer, who had decided to let go of this sideline as it was making high losses. The possibility of an outright liquidation was a major concern for the local agri-food sector; if Cartonnerie Réunionnaise disappeared, there would no longer be a local supplier of corrugated boxes.

At first the Agency handled the corrugated box activity of the Cartonnerie. The mission was referred to two consultants (outside and local) who carried out a detailed assessment. The results of their studies (proposed technical scenarios and a 3-year budget estimate) confirmed Cartonnerie's potential.

AD mobilized its local and international networks and carried out targeted prospecting in France, South Africa and Mauritius in its search for a buyer. Two serious candidates emerged and were introduced to SITAR, who then decided for themselves.

Guy Hagelauer, former Financial Director for Pierre & Vacances, who had previously entered the flat box business, was selected. He consulted the Agency for help in his takeover of the Cartonnerie. A few months later, the Cartonnerie de La Réunion's corrugated box production resumed.

The Cartonnerie de La Réunion has announced an investment programme of 1.5 million € over a two-year period, and 23 jobs have been saved in the south of the Island.

*The flat box activity was the subject of a separate operation by the Agency, which led to the creation of the PACK OI company, representing an investment of 200,000 € and 10 jobs over a three-year period.

"AD gave us genuine support by putting us on the track of a financial investor operating in the DOM, whilst providing us with key information, especially concerning the specific grants we were eligible for, and facilitating our introduction to institutions as well as to some major clients to whom we presented our takeover project. As a former Financial Director, I mounted my own takeover bid and drew up a 3-year Business Plan."



Guy Hagelauer, Managing Director of Cartonnerie de La Réunion

The advantages of Reunion

- The status of **European region** and of French department guarantees a stable political, social and monetary environment as well as being completely free of customs for its production to all the countries of the European Union.
- **A market** of 1 million inhabitants in the horizon of 2025, with European like spending power and consumer habits.
- **A breeding ground** in terms of High Tech, research and development thanks to the presence of about thirty laboratories (university and other), research organisations (CIRAD,BRGM,IFREMER,IRD...) and a growing TIC sector.
- A highly **qualified workforce** with positive statistics: absenteeism levels inferior to 2%, production on the same level as France (added value of 49 000 € per employee)



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- A young and racially **mixed population** (56% under the age of thirty)
- **A strategic position** in the crossroads of Africa and Asia, this facilitating access to raw material sources and to many promising new markets.
- Growth **two times superior to French norms** over the last thirty years (5% per year). Reunion Island distinguishes itself as one of the most dynamic European regions in terms of job creation per inhabitant.
- An island **well connected to the rest of the world** thanks to its port infrastructures and its roads which are on a European level, underwater cable liaisons (high debit) and satellites.
- Numerous **financial advantages**, which, if they are used effectively, can considerably, reduce investment costs and exploitation charges, thus permitting Reunion to have the lowest production costs in the entire zone for strongly automated projects.

ADMINISTRATORS

PRESIDENT : Guy DUPONT (entrepreneur)

VICE-PRESIDENTS : Reunion Regional Council (President: Paul VERGES)
and Reunion County Council (President: Nassimah DINDAR)

TREASURER : Jean CHATEL

DEPUTY TREASURER : French Banking Federation (Hervé DELANIS)

SECRETARY : ADIR (Association for Industrial Development in Reunion) (President: Maurice CERISOLA)

DEPUTY SECRETARY : CCIR (Reunion Island Chamber of Commerce and Industry) (President: Eric MAGAMOOTOO)

ADMINISTRATORS : Agricultural Chamber (President: Guy DERAND), Guild Chamber (Président: Giraud PAYET)

Caisse des Dépôts et Consignations (Regional Director: Hervé TONNAIRE), ARTIC (Philippe ARNAUD)

MEDEF (President: François CAILLE), CGPME (Vice-President: Remy HOAREAU) and the entrepreneurs Pascal PLANTE,
Alain GAUDIN, Brigitte BUSSIERE, Daniel MOREAU, Richard MARTORELLE, Xavier THIEBLIN

DEPUTY ADMINISTRATORS

Maurice CERISOLA (Food processing), Richard MARTORELLE (Environment), Jean CHATEL (Property), Philippe ARNAUD (ICT)

OTHER MEMBERS

CINOR, CIREST, TCO, Caisse Régionale de Crédit Agricole, EDF, SOFIDER, SEMIR, Foncière de La Plaine, Jeune Chambre
Economique, SODIAC, Université de La Réunion

FRBTP, Association Technopole, AREA, Conseil Régional de l'Ordre des Experts Comptables, UMIR

COMMISSIONS

"Image of Reunion" and "Business Environment"

The AD Team

Guy DUPONT, President – Paul HIBON, Managing Director – Nathalie LE BOUDER, Assistant to the Managers

Elody VINCENT, Communication and Project Manager – Dominique OUDIN, Project Manager

Vincent QUELO, Project Manager – Frédéric POULET, Project Manager, Aix-Marseille

Reine Marie GUNET, Operational Assistant – Marie Pierre SERVY, Secretary – Fabrice MARCHAND, Consultant Rhône Alpes

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RÉUNION DEVELOPMENT AGENCY

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