Automotive and Off-Road Vehicle Markets in France: Opportunities for Finnish Companies

Summary of report prepared for Business Tampere

Context

Business Crescendo was commissioned by **Business Tampere** to conduct a study focused on the French Automotive and Off-Road Vehicle sectors in France, highlighting potential opportunities for Finnish actors.

This webinar reviews the results of that report.

Business Crescendo was selected to do this study because of our prior work with Business Finland and the Embassy of Finland in Paris, in which we conducted similar studies to identify potential opportunities for Finnish players, in sectors including Batteries and Enterprise Software. We have also worked with Business Finland on projects involving the New Space Economy.

BUSINESS TAMPERE

About Business Crescendo

Based in Paris, Business Crescendo is a business development consulting firm with a strong track record of working with Finnish clients.

For example, we are responsible for the Finnish software company **Piceasoft**'s business in France and grew their annual revenue in France from zero to €1 million, making France their most important country. In addition, we have worked with Finnish companies like **Convergentia**, **Akkurate**, **FinnPower**, **Grundium**, **Algol Chemicals**, and others.

Our projects span a variety of activities: market receptivity analysis, partner identification, customer discovery, prospection and business development.

We identify lucrative opportunities for your products, develop an effective business strategy, and then execute it.

Today’s Agenda

Overview

The Key Geographic Region

French Automotive Ecosystem & Key Players

Notable Industry Associations and Clusters

Key Challenges of the Sectors in France

Opportunities for Finnish Actors

Engaging the French Market

Five examples of French Companies to Engage

Overall Overview

The Automotive sector in France is strong and vibrant (#3 in EU production, after Germany and Spain), and is the focus of this study.

- Expected to reach **$51 billion** by 2029 with a CAGR of **6.5%**
- In 2023, France represented **~10%** of the European auto production with **1.5 million** vehicles produced
- Over **4,000** manufacturing sites
- Over **100** foreign companies are already present.

Opportunities in Off-Road Vehicles are also relevant. This sector includes a range of applications and vehicles: agriculture, mining, construction, forestry, military, sports, and recreation.

In this report we focus on:

- **Construction Vehicles:** Includes excavators, bulldozers, dumpsters, loaders, forklifts, light commercial vehicles. The French market represented 57,392 such vehicles in 2022.
  Key players include **Caterpillar**, **Volvo**, and **Liebherr**.
- **Agriculture**: France ranks **#3** in tractor production in Europe.

Future of Mobility: a Key Topic in France

Strong government support for **electric vehicles (EVs):** The French government will invest EUR 2.5 billion to support the production of nearly two million electric and hybrid vehicles. The "France 2030" plan also provides support for high-power charging stations aim to accelerate EV adoption

Gigafactory investments: Several large-scale EV battery cell factories are planned or under construction in France, to respond to projected EV battery demand in Europe

Growing interest in **autonomous vehicles**: Pilot projects and technology developments are underway for the introduction of autonomous vehicles in France. Key topics include safety, sensor technology, data management, and artificial intelligence.

Sustainability: Connected and autonomous vehicles are seen as key contributors to a more sustainable and efficient transportation system.

The Key Geographic Region

Hauts-de-France

A key region for the Automotive Sector

3 leading automakers (Toyota, Renault, and Stellantis) operate **7 production sites** here

40% of the nation's engine and gearbox production occurs here (roughly 600k engines and 1.4 M gearboxes annually)

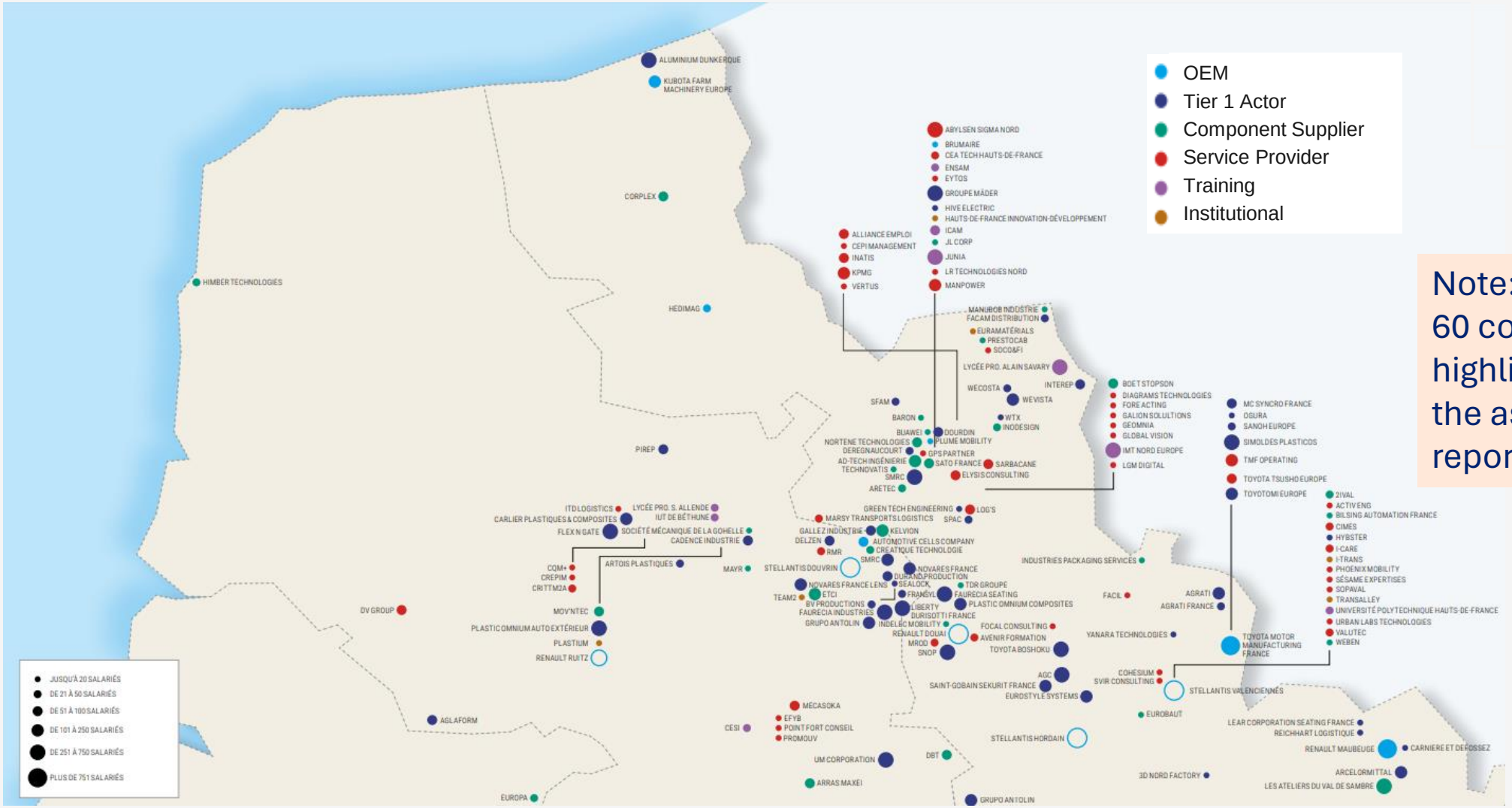
Over **200 Tier 1, 2, and 3 players**, encompassing a wide range of automotive parts production, from shock absorbers and windshields to tires and finished auto body parts.

Strategic Location: 2/3 of Europe's automakers and subcontractors are within a one-day shipping distance.

Northern France is also important for Off-Road Vehicles

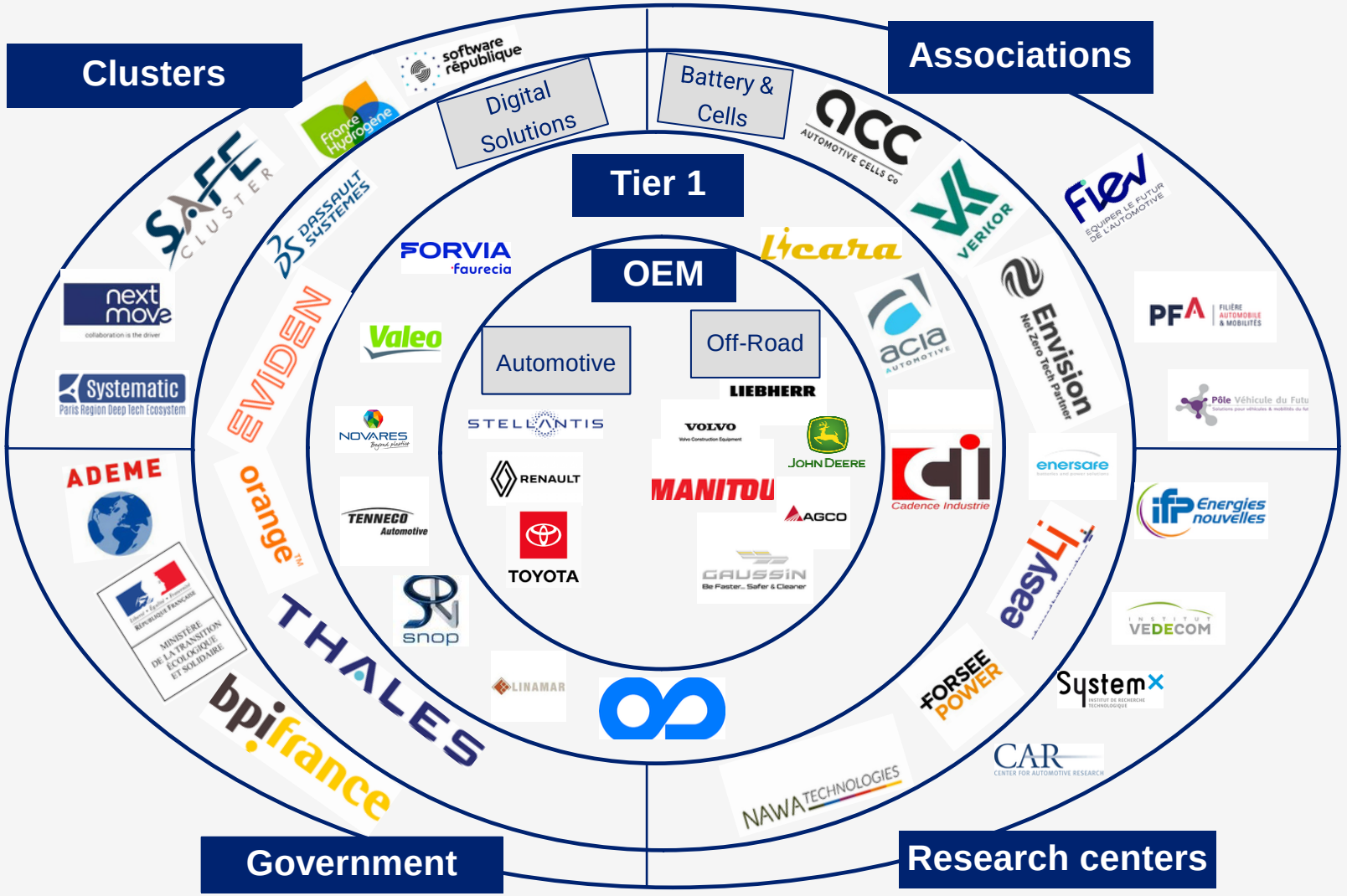
Key actors like **Liebherr**, **Fenwick**, and **Yanmar** have production here. The North represents the largest tractor market share in the country, exceeding **32%** in 2022.

Organizations in Hauts-de-France



Note: more than 60 companies highlighted in the associated report!

French Automotive Ecosystem



Key Players in Off-Road Vehicles

Construction

CAT

KOBELCO

VOLVO

Construction Equipment

KOMATSU

Creating value together

MECALAC

BOMAG

FAYAT GROUP

MANITOU

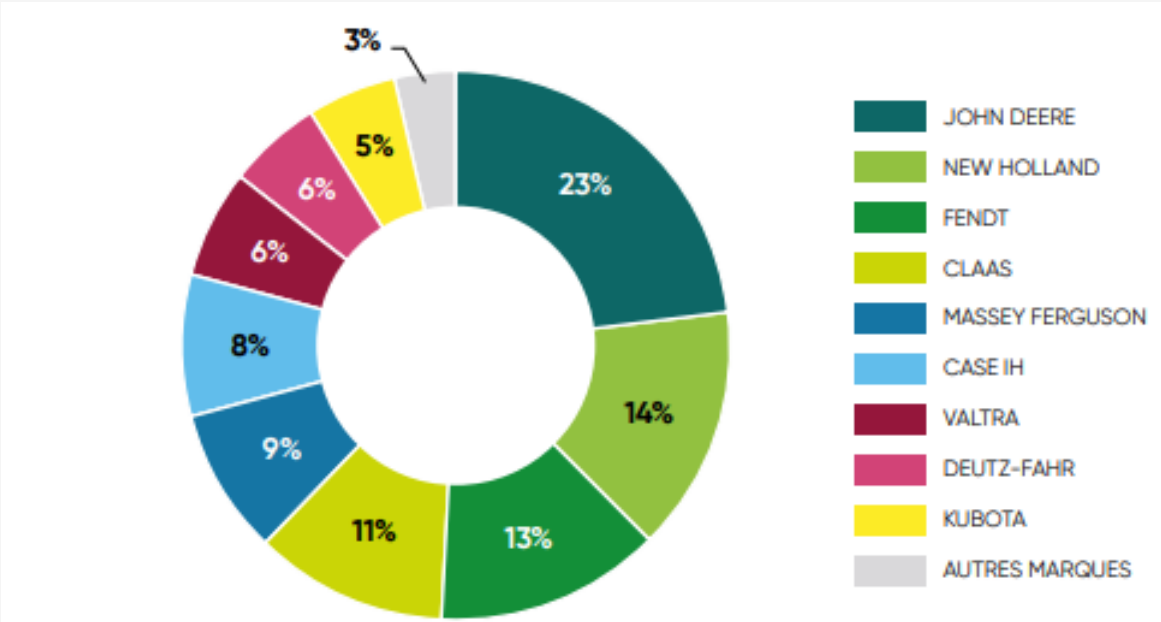
GROUP

TOYOTA

MATERIAL HANDLING N.A.

Agriculture

French agricultural tractor sector by market share



Source: Rapport économique 2022 - AXEMA

Notable Industry Associations and Clusters

PFA

PFA (Filière Automobile & Mobilités): Represents over **4,000 companies**. Members include Stellantis, Renault and major industry players.

REGIONAL PLAYERS

Such as **ARIA Hauts-de-France** (with > 220 members, including automakers, suppliers and research institutions)

TRADE FEDERATIONS

FIEV (equipment manufacturers) | **FFC** (bodywork) | **FIM** (mechanical engineering) | **GPA** (plastics) | **SNCP** (rubber and polymers) | **Elanova** (rubber and polymers)

CLUSTERS

ELSAT: Scientific cluster promoting research into sustainable transport and mobility.
Medee: Network of companies and researchers focusing on electric motors and energy efficiency.
CRITT M2A: Research and innovation center for automotive engines and acoustics.
I-TRANS: Competitiveness cluster for transport, mobility and logistics.

Key Challenges of the Automotive Sector in France

Energy	1.
Autonomous and Connected Vehicles	2.
Materials	3.
Digitalization	4.

Key Challenge: Energy

ESS (Energy Storage system)

Batteries

- Better thermal management
- Improved safety
- Reduced costs
- Improved sustainability – recycling, second life, etc.

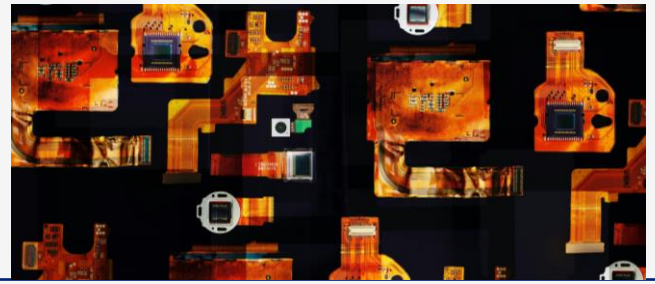
Charging infrastructure

- Reducing charging time
- Improved infrastructure
- Contact-less recharge

Hydrogen Fuel Cells

- Improved safety of hydrogen storage
- Reduced costs of the fuel cell systems
- Sustainability : Green Hydrogen, recycling…

Key Challenge: Autonomous/Connected Vehicles

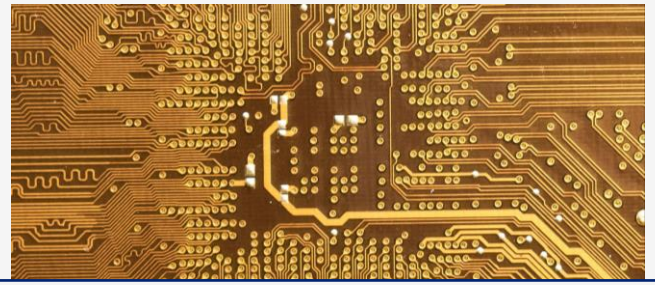


Sensors

- Improved anti-collision systems – detection, avoidance, etc.
- Improved localization precision
- Reduced costs

Communication

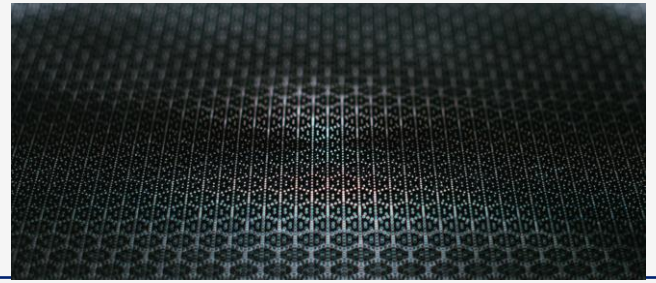
- Reduced risk of cybersecurity attack
- More robust connected networks



High performance computing, including AI

- Improved sensor fusion and object classification
- Improved 3D rendering of vehicle environment
- Real-time data processing and analytics
- Improved decision-making in real-world scenarios

Key Challenge: Materials

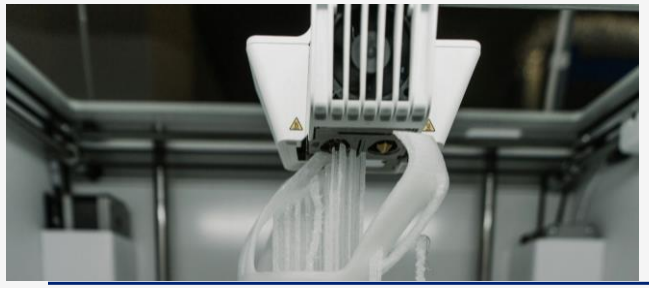


New Materials

- Lighter weight
- Improved durability & resistance
- Better mechanical properties

Sustainability & Recyclability

- Increased use of bio-sourced raw materials
- Improved mechanical and chemical recycling
- Better sorting processes
- Enhanced Re-use



Advanced Manufacturing Technologies

- Additive manufacturing for improved prototyping and low volume production
- Improved processes for the manufacture of composite parts, thermoset assemblies, etc.
- Near-net-shape manufacturing

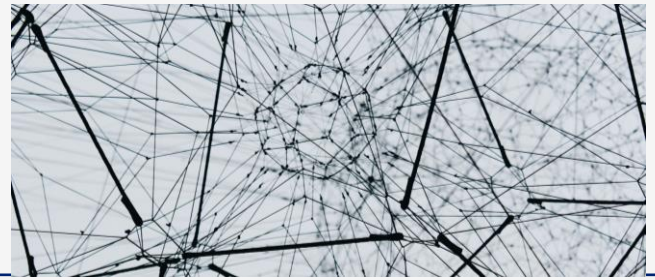
Key Challenge: Digitalization and Manufacturing

Industry 4.0

- Improved production efficiency
- Improved quality control
- Robotization and automation of repetitive tasks

Logistics

- Geolocalization throughout the value chain
- Increased traceability
- Automated communication among actors



Artificial Intelligence (AI)

- Better predictive maintenance
- Improved demand forecasting and inventory management
- Enhanced defect detection

Key Challenges of the Off-Road Vehicle Sector

Construction Vehicles

- Electrification: Especially in the compact utility vehicle segment
- Safety: Collision avoidance solutions and overall vehicle safety for vehicles like forklifts.
- Sutstainability: Mitigating the environmental impact of off-road vehicles

Agricultural Vehicles

- **Precision Agriculture**: new technologies for increased productivity
- **Non-Diesel Powertrains**: plant-based, biogas, battery-powered, etc.
- **Digitalization**: Improved localization and navigation systems, improved remote sensing for precision agriculture, etc.

Opportunities for Finnish Actors

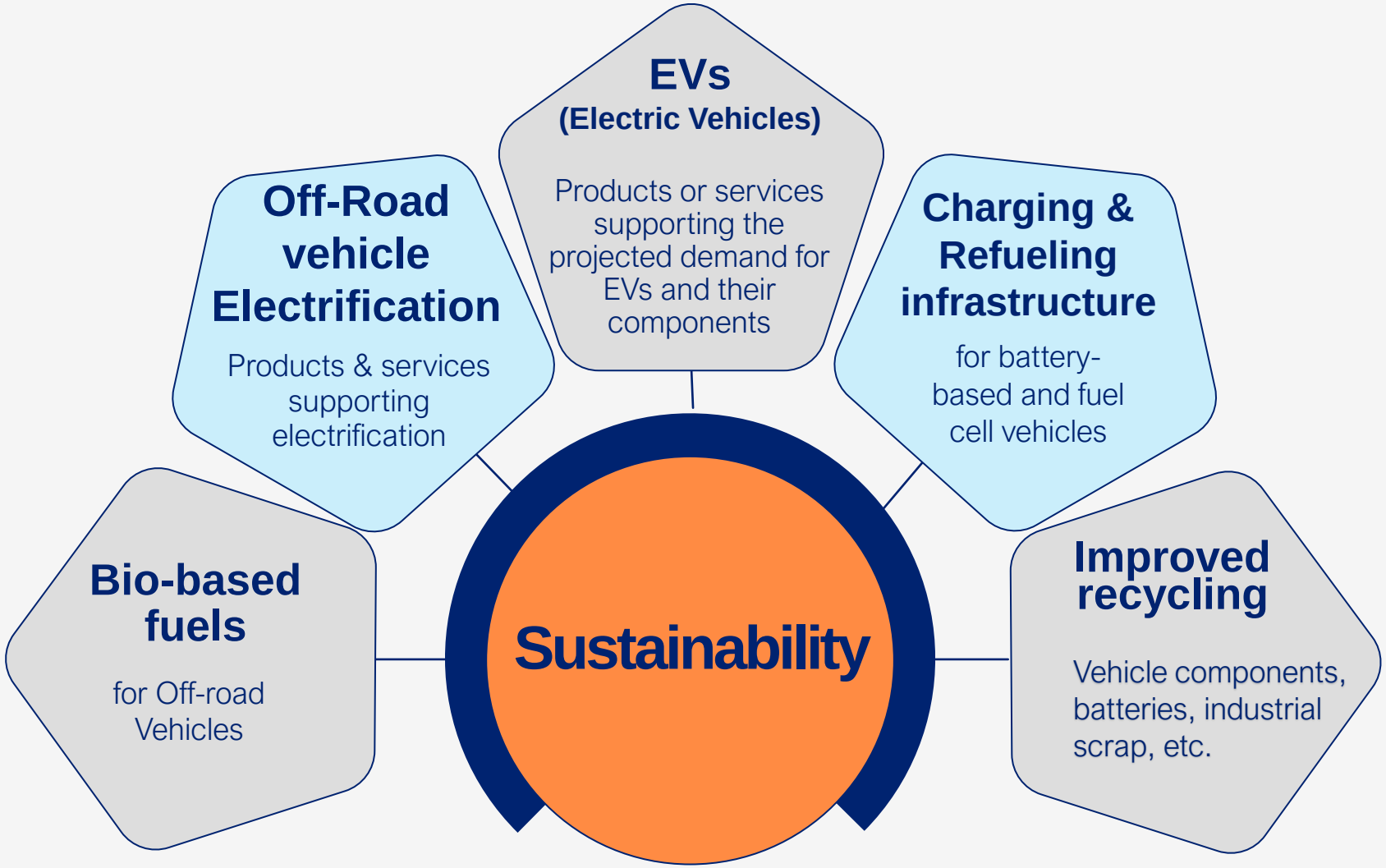
Three Key Areas

Sustainability **1.**

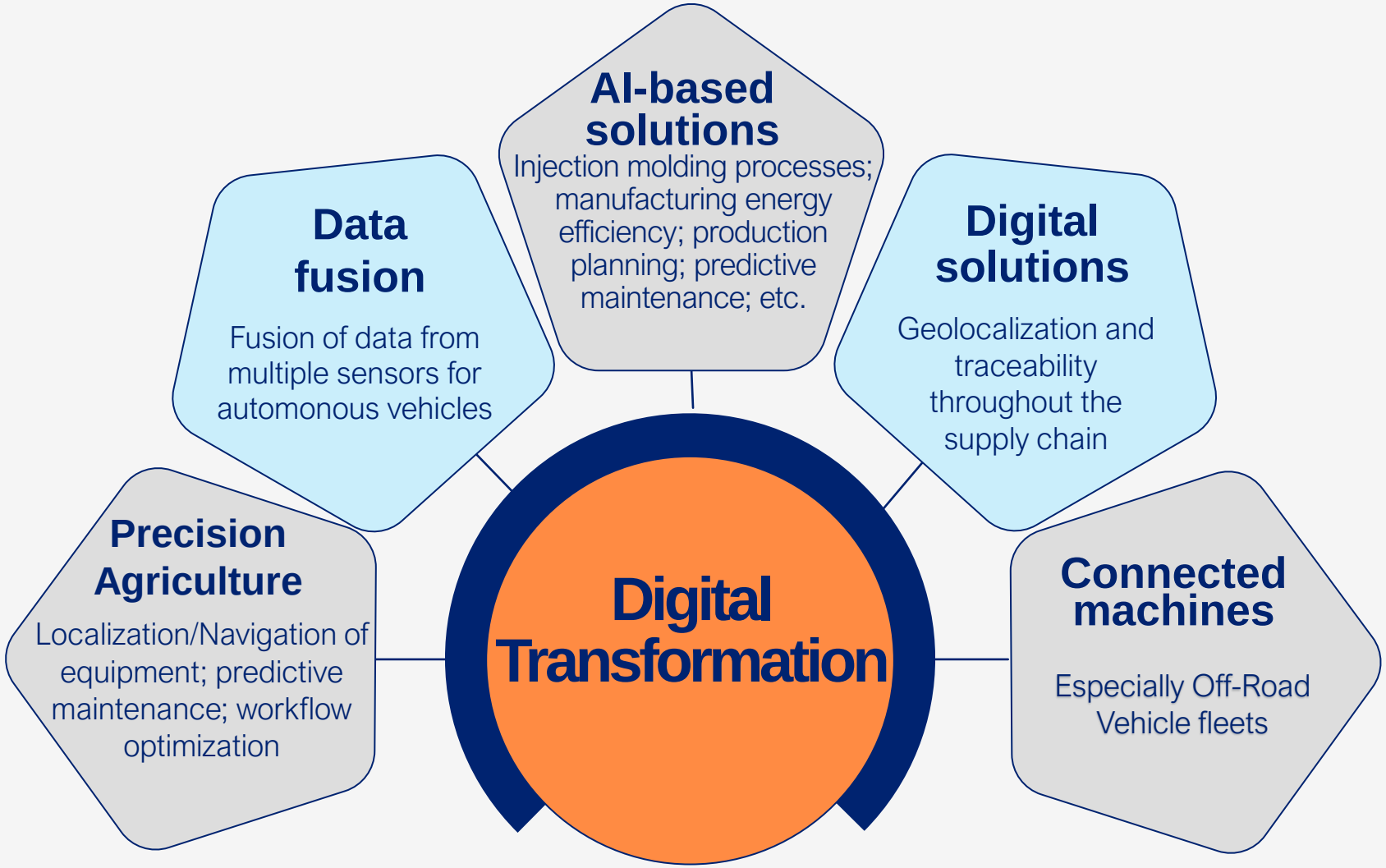
Digital Transformation **2.**

Materials **3.**

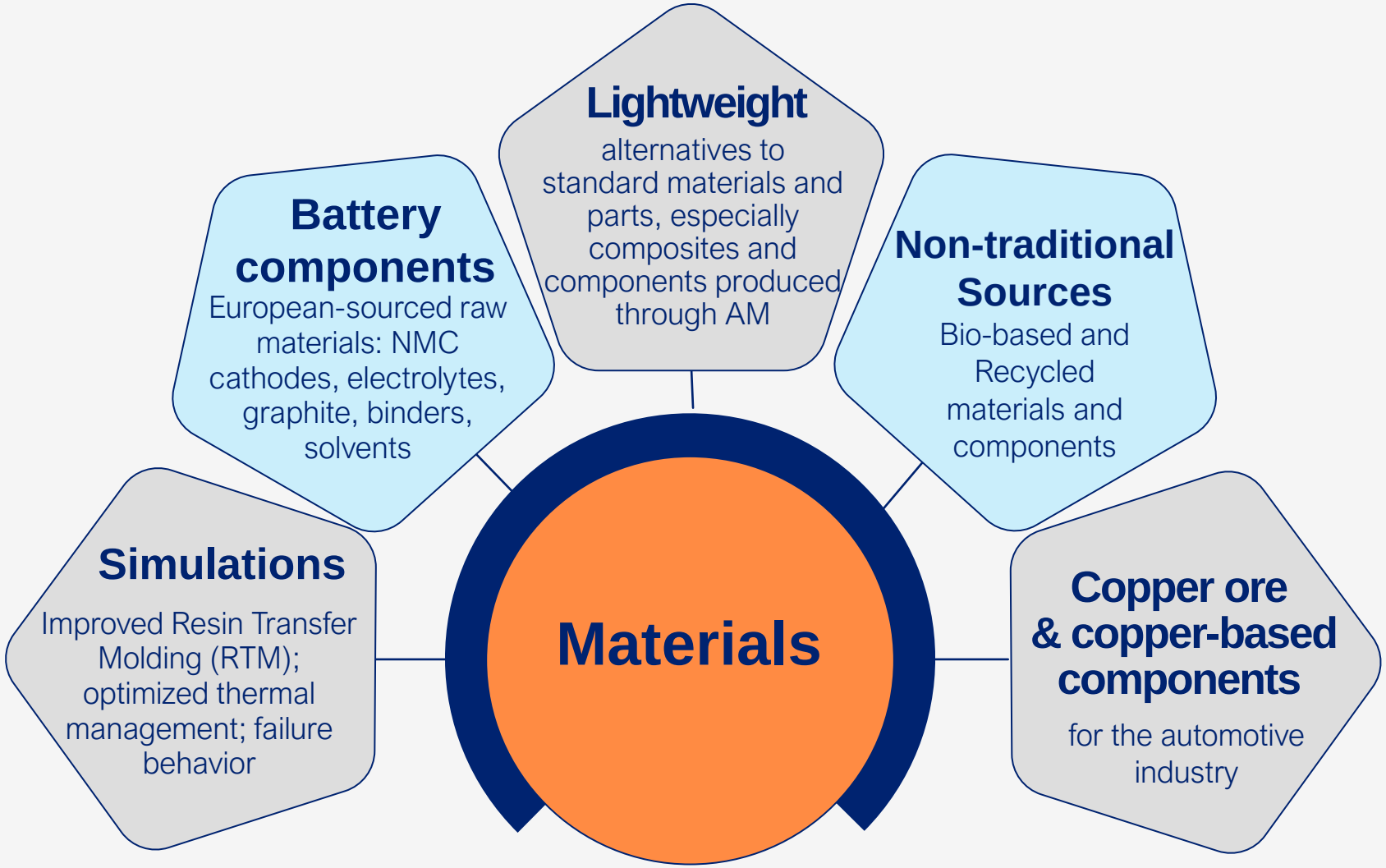
Sustainability



Digital Transformation



Materials


Lightweight
alternatives to standard materials and parts, especially composites and components produced through AM
Battery components
European-sourced raw materials: NMC cathodes, electrolytes, graphite, binders, solvents
Non-traditional Sources
Bio-based and Recycled materials and components
Simulations
Improved Resin Transfer Molding (RTM); optimized thermal management; failure behavior
Materials
Copper ore & copper-based components
for the automotive industry

French Business Culture

Importance of Trusted Relationships: Typically not transaction-based business

Language: English generally sufficient for large actors, though French preferred if possible

Formality: in verbal and written communication

Dress code: generally professional/formal

Customer service: responsive after-sales service expected.

Collaborative Discussion Style: Be prepared to listen actively and respond thoughtfully.

How to Engage the French Market

Attend industry events, conferences, trade shows

Join or follow relevant clusters and associations

Reach out to prospects directly

Engage a consultant or business partner to introduce you

Get involved in collaborative projects

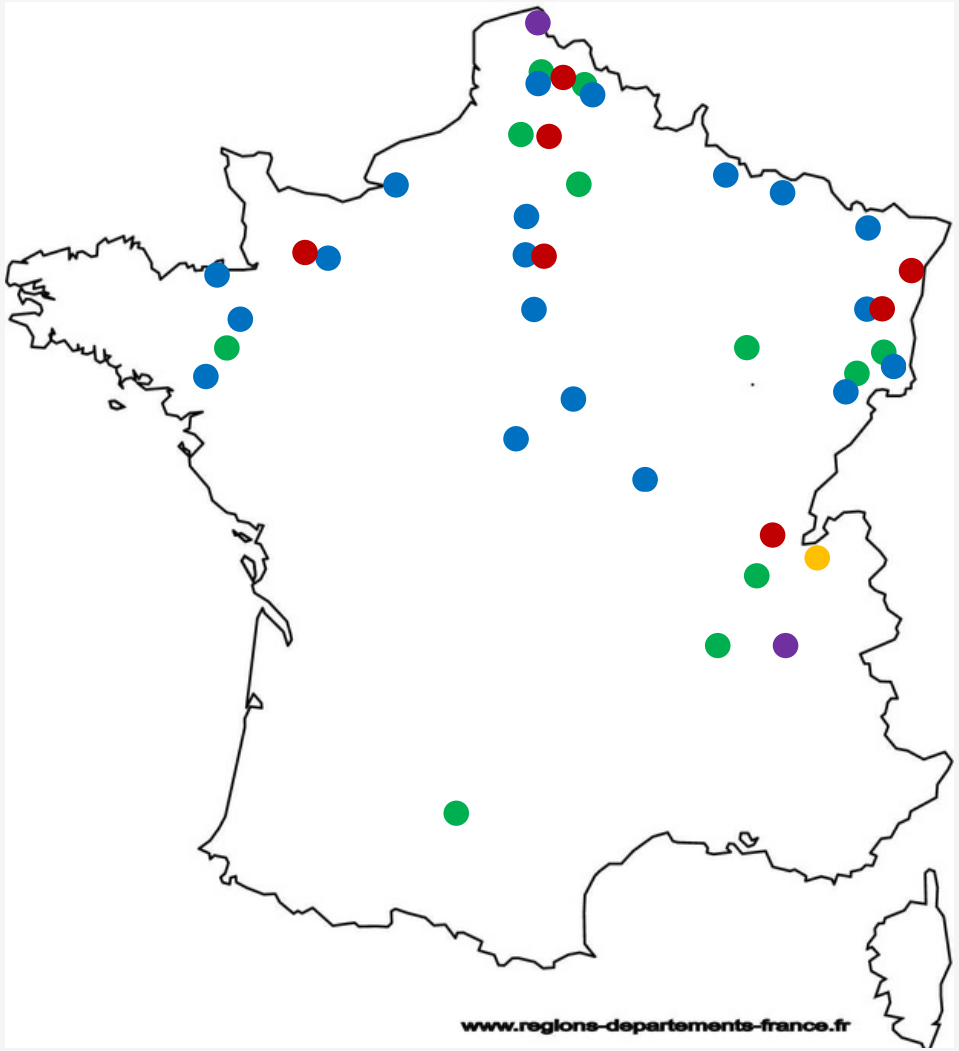
Some Tips

- **The Key to Success**: Building trust and respect through relationship-building
- **Persistence Pays Off**: Multiple contacts and follow-ups will be necessary
- **Network & Collaborate**: To improve your credibility and visibility in the eco-system

Events

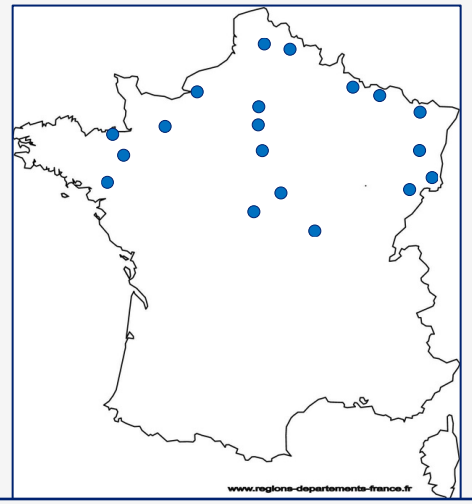
Event	Location	Date	Topic
Advanced Automotive Battery Conference (AABC) Europe	**Strasbourg**	**May 2024**	Batteries for electric vehicles
SIA (Sociéte des Ingénieurs de l'Automobile) Powertrain 2024	**Lille**	**June 2024**	Powertrain technologies, with applications from short range urban mobility to large commercial vehicles
EquipAuto	**Montpellier Reims Rennes**	**Dates in June, September 2024**	Connected vehicles, Automotive components, After-sales products, Digital solutions, etc.
European Mobility Expo	**Strasbourg**	**October 2024**	Sustainability mobility, public transport
Solutrans	**Lyon**	**November 2025**	Light commercial vehicles, heavy goods vehicles
World Fira	**Toulouse**	**February 2025**	Agricultural robots

5 examples of French Companies to Engage



●	FORVIA faurecia	Automotive Parts Manufacturer
●	MECALAC	Construction Equipment Manufacturer
●	NOVARES Beyond plastics	Plastics Manufacturer
●	PLASTIC OMNIUM	Plastics Manufacturer
●	VERKOR	Battery Cell Manufacturer

Forvia (formerly Faurecia)



Overview

Global automotive supplier specializing in vehicle interiors and emission control technology, ranked **7th** globally.
#1 actor in vehicle interiors and emission control technology.
Four business units: **Seating**, **Interiors**, **Clean Mobility**, and **Electronics**.

2023 Revenue : €27.2b

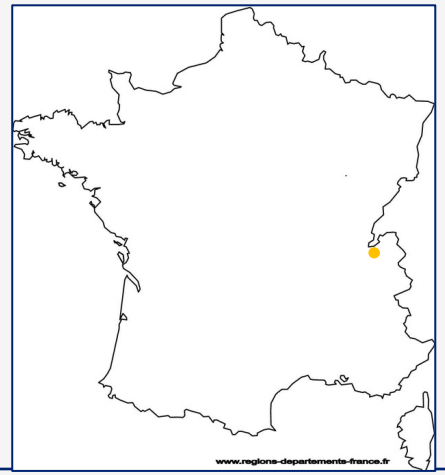
Key strategies

- **Sustainable automotive design and zero-emissions mobility**
- **Improved onboard experiences**
- **Automated driving**
- **Digital transformation in manufacturing**

Possible opportunities

- **New recycled or bio-based materials for seating products**
- **AI solutions for manufacturing optimization & predictive maintenance**
- **Smart robots or Automated Guided Vehicles (AGVs)**
- **Enhanced electronic display capabilities and tactile interfaces**

Mecalac



Overview

OEM manufacturer of compact construction equipment, including **excavators**, **loaders**, **site dumpers**, **compaction rollers**

2023 Revenue : €350m

Key strategies

Development of small multi-purpose articulated loaders for agriculture and construction, to replace larger tractors and skid steers

Improved sustainability, including electrification of Off-Road Vehicles

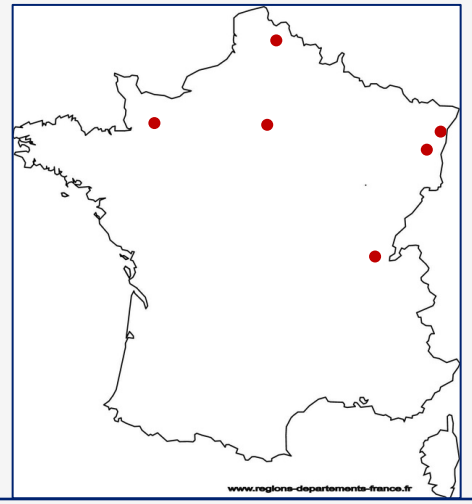
Possible opportunities

Electrification of vehicles

Biobased fuels

Digitalization for improved manufacturing processes

Novares



Overview

Leading plastics supplier to the automotive industry, focusing on systems integration, enhanced user experience, and clean mobility. Present in **22** countries. Their extensive product portfolio includes **powertrains**, **air vents**, **interior & car body trim**, **opening systems**, and **exterior paint & surfaces**.

2022* Revenue : €1.2b

* *Most recent data available*

Key strategies

Engaging innovative startups worldwide, on themes such as green mobility, intuitive user interfaces, improved safety/comfort

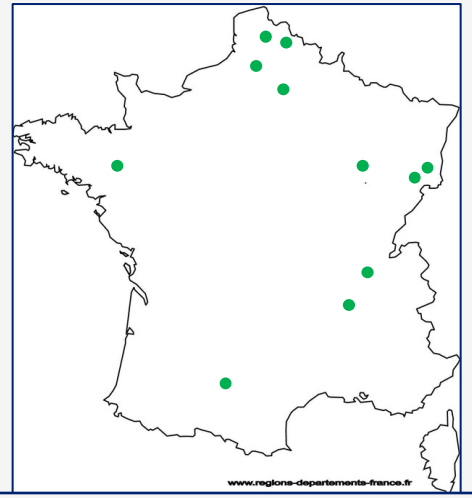
Developments in improved systems integration, enhanced user experience, and clean mobility (e.g. illuminated parts, smart opening systems for EVs, smart sensors for batteries)

Possible opportunities

Engage Novares through the Novares Startup Program, or the CVC group

Topics of interest: improved sustainability, improved user experience and comfort (lighting, user interface, tactile screens, etc)

Plastic Omnium



Overview

Automotive supplier specializing in plastics, operating globally with key focuses on design, sustainability, new energies, modules, and personalization - **1 in 6 vehicles** is equipped with a Plastic Omnium **bumper**, and **1 in 3 vehicles** with a Plastic Omnium **tailgate**.

2023 Revenue : €10.2b

Key strategies

Design and interactivity

Sustainable mobility and new energies including fuel cells

Lighting

Possible opportunities

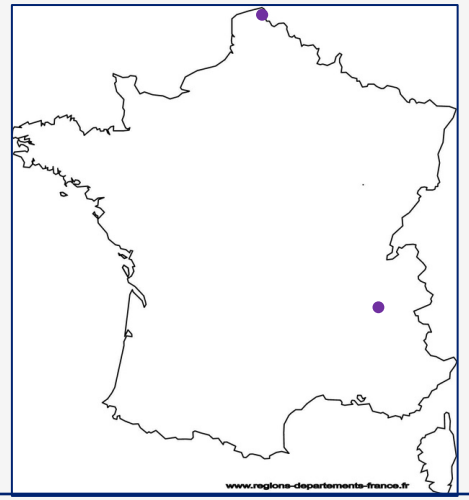
Use of AI for autonomous mobility and onboard software

New materials

Improved plastic recycling

Improved hydrogen storage or fuel cell systems

Verkor



Overview

Company focused on building **lithium-ion cell** production to support the European EV market. Gigafactor planned in Dunkirk. Key investors in Verkor include **Schneider Electric**, **EIT InnoEnergy**, and **the Group IDEC**.

2023 Funds raised : over €2b

Key strategies

Digitalization for smart manufacturing

Reducing carbon footprint in battery production

Recycling efforts

Possible opportunities

European-sourced raw materials (including NMC cathodes and precursors, electolytes, graphite, salts, binders, etc.)

Partnerships in battery module design and assembly

Improved recycling of manufacturing scrap

Digitalization solutions for smart manufacturing

Conclusions

The French Automotive and Off-Road Sectors offer significant opportunities for Finnish players, especially in the areas of

- **Sustainability**
- **Digital Transformation**
- **New Materials**

By engaging the French ecosystem and providing solutions for unmet needs, Finnish companies can thrive in this promising market

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