

The **Sud-Provence-Alpes-Côte-D'Azur** in the world



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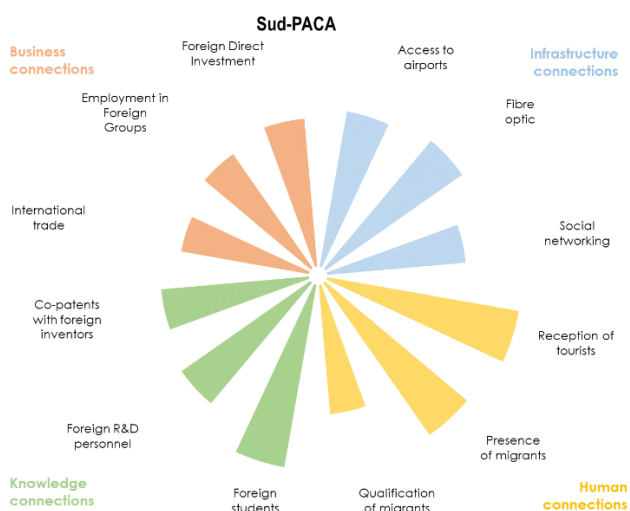
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Overview: The internationalisation and attractiveness profiles of the Sud/Provence-Alpes-Côte-D’Azur Région stand out for their multidimensional nature. In addition to a strong economic dynamism, the quality of public services, the significant cultural and natural capital, and its geographical position in the Mediterranean basin make the Region a powerful pole of attraction for talents, investors and visitors. The wide variety of these assets and the actors who mobilise them call for effective coordination mechanisms to make the most of this potential from the point of view of both international targets and the Region's inhabitants and businesses, including the non-urban territories in its hinterland.

Internationalisation and Attractiveness profile of Sud region

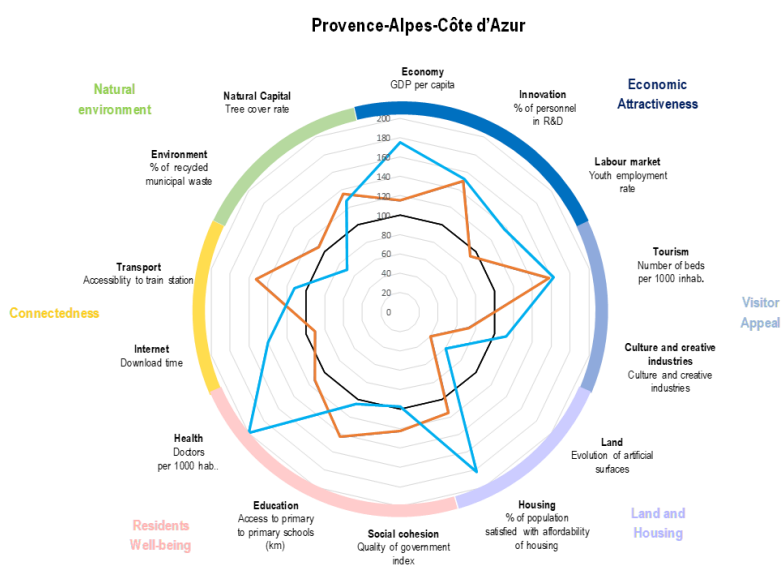
Figure 1. International profile



Source: OCDE, 2021

Overview of the Region’s internationalisation: OECD distinguishes between four families of international connections to position regions: business connections, human connections, knowledge connections and infrastructure. In the profile presented here, the length of the petal represents the position of the Southern Region among the French Regions according to the reference indicator: towards the end of the circle when it is first, and towards the centre of the circle when it is last for a given indicator. This profile shows the multidimensional character of the Region's internationalisation, and that knowledge and human connections, thanks to tourism and to the geographical position of the Region at the heart of the Mediterranean basin, highly contribute to its internationalisation.

Figure 2. Attractiveness profile



Source: OCDE, 2022

Overview of the region’s attractiveness: six areas of regional attractiveness, grouping together fourteen dimensions - based on the analysis of sixty indicators - such as the dynamism of the labour market and the quality of Internet access, have been identified by the OECD. The Region’s attractiveness profile, a "radar" comparing the region to the average of French regions (in blue) and to the European average (in orange), highlights the variety of levers available to attract visitors, but also talent and investors. Beyond the economic dimensions, those linked to the quality of life and regional well-being, such as education, health and transport, also contribute to the attractiveness of talent and visitors, particularly in comparison with other French regions. Sud is the second French region, after Ile-de-France, in terms of access to services (measured by access to fibre), and among the best in the OECD in terms of access to health. Indicators related to sustainable development, which are less effective, reveal the importance of this issue for a coastal region facing strong urbanisation and tourist traffic.

Internationalisation and attractiveness strategies of the Sud-Provence-Alpes-Côte-d'Azur Region can therefore build on a large number of levers. In fact, in 2020, 77 successful FDI projects representing 1,800 jobs have been identified in the Region, which also hosts more than 2,000 foreign companies. Tourism, which represents 13% of the regional GDP for a turnover of 18.6 billion euros, also demonstrates the attractiveness of the 2nd French Region - after Ile-de-France - in terms of tourist accommodation capacity. With more than 500 cultural facilities in the region and nearly 750 festivals with a total of 2 million spectators, culture is also a major lever for internationalisation and attractiveness. Thus, 35% of foreign tourists' stays in the region are linked to cultural activities. Finally, the Region is part of an innovation dynamic, essential to attracting investors and talent, and ranks fourth among French Regions for total expenditure on research and development (as a % of regional GDP). Major international centres are also located on its territory (e.g. ITER).

Communication: website analysis

The analysis of the Region's website underlines the importance given by the Region to training and innovation as levers for regional development. Transport issues, particularly rail, highlight French Regions' competences in this area and the challenge that this policy area represents in terms of connectivity and inclusion for the Region's territories. Similarly, culture is mentioned several times. The absence of any reference to tourism, unlike the neighbouring Italian Regions, may be surprising, but is probably explained by the existence of a website dedicated to this topic, run by the Regional Tourism Committee. The frequency of the word "Europe" - as in the majority of the other French and neighbouring Regions studied - contrasts with the more moderate dynamism of the INTERREG operational programmes of the EU cohesion policy in which the Region is involved. It is also remarkable to note that the Region's website is only available in French, just as that of the two neighbouring Italian Regions presented only available in Italian.

Figure 3. Text analysis of Regions' webpage



Note: The figures represent the frequency that each words appears (in the official language of the region – French or Italian) on the regions' official website.

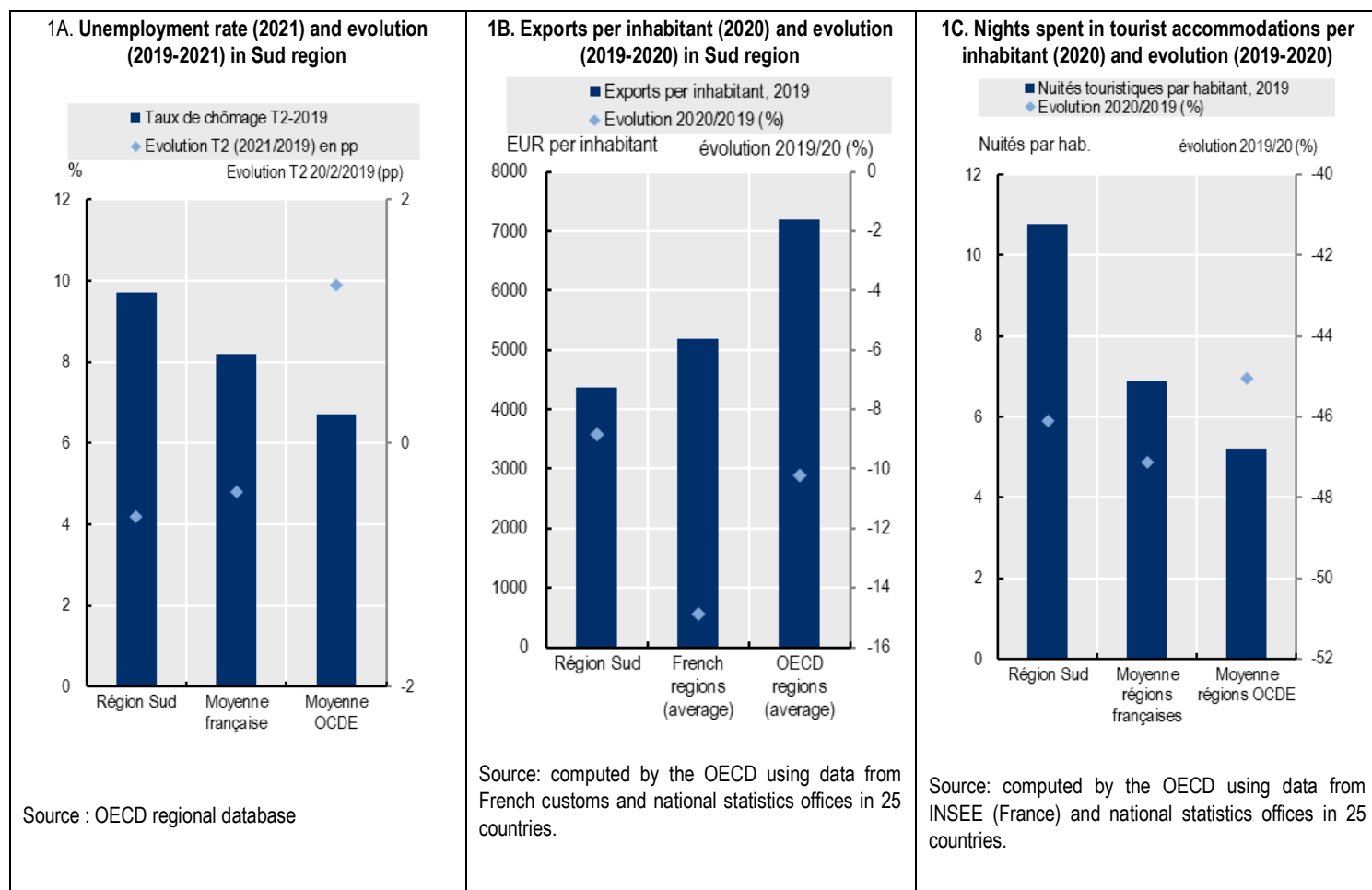
Source: (OECD, 2022)

From crisis to recovery in the new global environment

Despite the persistence of a regional unemployment rate above the OECD average in the second quarter of 2021, the Provence-Alpes-Côte-d'Azur region demonstrates a certain resilience to the crisis. In 2021, the regional unemployment rate fell by 0.6 percentage points while it increased on average for OECD regions. The contribution of exports to regional GDP in 2020 has decreased compared to 2019 (by 11 percentage points), but less strongly than in other French and OECD regions. This dynamic seems to be confirmed in 2021 with a recovery in exports of 2.4 percentage points in the first quarter of 2021 (compared to 2020). The resilience of the region's export activity can no doubt be explained in part by the effectiveness of several support measures, reinforced in the context of the recovery (see below). The impact of the crisis on tourist activity has been major and is around the average for OECD regions, with a drop in tourist nights of 47% between 2019 and 2020. However, given the weight of the sector in the region's economy - around 13% of regional GDP, and the 2nd

French Region in terms of the number of tourist nights per inhabitant - this shock and the uncertain context in terms of travel and groupings of people due to health constraints, invite us to change tourism models towards a more seasonally and territorially distributed frequentation, particularly domestic, that is more respectful of climate and biodiversity issues.

Figure 4. Recent evolution of three economic indicators in Sud/Provence-Alpes-Côte-d’Azur region



The Region has also set up various strategies to support the recovery in the short and longer term. The smooth functioning of the export support mechanisms (Team France Export and Parcours Sud Export) may explain the resilience of the Region in this area in the face of the crisis. The Region also supports industrial recovery within the framework of the State-Region recovery agreement, which provides for the setting up of an Industrial Participation and Reconquest Fund, the acceleration of *Territoires d'Industrie* projects and support in engineering, services and finance for relocation projects. The tourism sector, on the other hand, is experiencing a more complex recovery than the export-oriented sectors. The sector has to adapt to changes that are likely to be long-lasting, such as the evolution of international visitors' preferences towards local tourism (e.g. China, United States), or new forms of tourism (including in terms of the location of teleworking) that are more environmentally friendly. This issue was already present in the Region's tourism growth plan, and in the framework of several territorial marketing initiatives aimed at promoting the deployment of a more sustainable tourism offer. For example, the Region is working on better optimisation of tourist flows in the framework of a partnership with the Waze application.

Governance and attractiveness strategies of the Sud region

Good governance of attractiveness and internationalisation policies is essential to ensure that they contribute to inclusive, sustainable and resilient regional development. The OECD has identified various multi-level governance challenges that emerge when implementing regional attractiveness policies.

The Regional Council has adopted an approach aimed at strengthening the coordination between the actors of territorial attractiveness. The Region is also one of the first signatories of the Team France Invest charter, the deployment of which is part of a coordinated framework between the different levels of government and players in the field of attractiveness (see Box 2). However, the definition of the relevant scale of action remains an issue often mentioned by the players interviewed. Local authorities sometimes defend the interest of a local approach for a better understanding of specific territorial characteristics. However, attractiveness policies are often marked by competition between territories and the Region's action must be able to promote synergies within the framework of an overall vision and a better urban-rural balance. Specific actions can support this "win-win" logic, such as the reunion of the urban areas of Avignon - Nîmes - Arles (according to the concept of "diffuse metropolis") around the French Tech Grande Provence label, which, for example, enables these territories to position themselves - despite the absence of metropolises - as a major "metropolitan" pole. According to this same approach of "enlarged" metropolis, the Team Côte d'Azur agency works, beyond the Nice metropolis, for all the local territories even if they depend on different administrative entities.

Box 2. The governance of attractiveness: Team France Invest Région Sud

The Southern Region is one of the first signatories of the Team France Invest (TFI) charter. The purpose of this charter is to bring together the Region and other local authorities, the State (DIRECCTE) and its operators (Business France, Caisse des Dépôts, Bpifrance, Atout France), the regional/local development agencies, the regional Chamber of Commerce and Industry, the Regional Tourism Committee, the Foreign Trade Advisors, and the Club des investisseurs Méditerranée du Futur, to support the development of a shared regional attractiveness strategy.

The Southern Region TFI is steered by the Region, which ensures its articulation with the regional internationalisation strategy. The TFI is organised around two committees, led by the regional agency Rising SUD:

- The **Regional Attractiveness Committee** defines the strategic orientations related to attractiveness. This committee brings together once a year strategic representatives (Presidents/Vice-Presidents) of TFI members.
- The **Technical Committee on Attractiveness** is in charge of implementing the guidelines set, such as: prospecting, processing and monitoring projects, positioning on events, attracting talent, identifying opportunities, and sharing information on real estate. It brings together technical representatives from the different TFI members.

Source: (Southern Region, n.d.)

The Region has developed several tools to respond to the asymmetries of information between actors, in particular concerning the diagnosis of internationalisation and attractiveness and the monitoring of strategies implemented. Faced with the high demand for land resources, the Region has, for example, set up - with the regional CCI, the Regional Public Land Establishment, and the Regional Directorate for the Environment, Development, and Housing (DREAL) - a tool (which is part of the regional attractiveness strategy deployed by Team France Invest), "Sud Foncier ECO", which aims to bring together all the available data and enable the analysis of regional economic land. An initiative to identify sites eligible for the "turnkey sites" scheme has also been launched. The E-DRH platform aims to identify and connect employers and job seekers. Synergies between these different mechanisms have been identified (for example, between Sud Foncier ECO and E-DRH

to anticipate the evolution of housing demand in the region) and would benefit from being exploited more systematically. With regard to monitoring the strategies implemented, the Region has carried out annual monitoring of the actions undertaken within the framework of the SRDE-II 2014-2020 and its final evaluation. The Region has also initiated a process of monitoring and evaluating the projects implemented as part of its 2017-2022 tourism economy growth plan (PILOTE), in which actions to strengthen the capacity to analyse tourism supply, attendance and consumption have also been programmed. These elements will be extremely useful in the context of the crisis that the sector is experiencing.

Recommendations

The OECD study - see (OECD, 2022)] - makes the following recommendations:

Working better together

- Strengthen the multi-level and multi-actor governance of projects aimed at the attractiveness and internationalisation of the territory, by combining the different dimensions of attractiveness and internationalisation (internationalisation of companies, attractiveness of talents, tourism, etc.) and by mobilising the operational actors of the different stakeholders: local authorities concerned (target territory and Region), State services and agencies, established companies, university and research centres, citizens' associations, etc. Regular dialogue between the Region and these different stakeholders would facilitate the adoption and monitoring of common objectives in terms of internationalisation and attractiveness.
- Make better use of the national resources available to support regional internationalisation and attractiveness, and in particular the assistance provided by French Customs, over and above their role of control and statistical production.
- Support the learning and use of foreign languages, and in particular English, in measures aimed at strengthening regional attractiveness (websites, territorial marketing campaigns, measures to welcome foreign talent).
- Invite stakeholders in the Region's to systematically include the land dimension in their attractiveness strategies, and in particular by ensuring that the results of the Regional Development Plan (RDP) support the development of attractiveness strategies (tourism, exports, FDI, innovation, housing) at all territorial scales by making the necessary trade-offs between economic development, inclusion and sustainable development objectives.
- Strengthen cross-border links with neighbouring Regions to benefit from complementarities to be exploited in common attractiveness strategies and from the sharing of experience with territories presenting common challenges, within the framework of the setting up of a cross-border working group for attractiveness and internationalisation.

Use a common set of diagnostic indicators to select the priorities of attractiveness policies and monitor their implementation

- Feed the preparation of the new SRDEII with a dialogue between stakeholders around a shared set of attractiveness indicators selected from existing tools and the OECD's proposal.
- Select the indicators for diagnosing attractiveness and internationalisation proposed by the OECD to supplement the indicators monitored by the South Region, particularly in the context of the DATASUD platform (an "Internationalisation and attractiveness" category could be added, for example).
- Integrate indicators (including medium- and long-term impact indicators) which will enable the monitoring and evaluation of key policies for the Region's internationalisation and attractiveness, and in particular: land management, support for the development of a more environmentally-friendly tourism offer, strengthening logistics in relation to port activities, etc.

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