COMPARING MACRON’S ‘FRANCE 2030’ INVESTMENT PLAN & BIDEN’S INFRASTRUCTURE PLAN

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On October 12th, President Macron formally announced the “France 2030” investment plan in a speech that lasted close to two hours. True to its title and confirming the original speculation from pundits, the plan allocates some 30 billion euros towards 10 specific national objectives—each one preparing France to best take on the world of 2030. Indeed, these “objectives” have attempted to isolate the key technologies, sectors and industries where France’s ambitions are not only to remain competitive on a worldwide stage but to take the lead.

On the other side of the Atlantic, President Biden and the Democrats have been attempting to pass a massive bipartisan investment plan that would inject the most public money into American infrastructure in close to a century. The White House has supported a 1.2 trillion Bipartisan Infrastructure Framework bill; however, progress has stalled as it has failed to pass the House. Progressive Democrats have refused to vote on it without the accompaniment of the second part of the federal investment, the $3.5 trillion Build Back Better plan, which would allocate money to social safety nets as well as climate and racial equality—areas traditionally seen as outside the scope of infrastructure.

However, while the bill has yet to pass into law, many of its provisions are known, making it possible to take a comparative look with “France 2030” - France’s investment plan. While the scope and strategies differ, the plans target many of the same sectors (notably energy, the climate and transportation) as well as both seek to renew and bolster the ties between innovation and industry.
❖ **Invested amounts** in “France 2030” and Biden’s Infrastructure plan (BIP):

The France 2030 plan commits 30 billion euros until 2030 to accomplish 10 key objectives □ 1.1% of 2020 GDP

Biden’s Bipartisan Infrastructure Framework bill will cost 1.2 trillion dollars □ 5.7% of 2020 GDP. However, the bill will only be passed if another 3.5 trillion-dollar bill, the Build Back Better Act, is voted on

❖ France 2030 and Biden’s Infrastructure Bill **target certain similar sectors**:  

**Energy**: French Investment to become leader in clean hydrogen and create greater small size nuclear reactors to supplement electric power grid, while U.S Infrastructure Plan will invest 65B$ in revamping power grid by building new power lines and sourcing renewable energy

**Transport**: France 2030 commits 4B€ to building electric vehicles and world first low carbon plane, BIF allocates 7.5B$ towards 500,000 charging ports for electric vehicles and 7.5B$ towards electric school buses

**Climate**: France 2030 objective of diminishing greenhouse gas emission by 35% relative to 2016, while U.S Infrastructure plan commits 21B$ to cleaning the environment (filling old oil and gas wells)

❖ However, Macron’s plan will also invest in **sectors not covered in the BIF** including: Production of **Biotech and Biomedicine**, Sustainable and clean **Food Products**, Production of **Cultural and Creative Content**, **Space Race**, **Seabed exploration**.

❖ Both FRA and U.S investment plans **emphasize importance of industry and manufacturing in supporting emerging technology** → preserving **local supply chains** allowing for increased economic sovereignty.
The American infrastructure bill is, without great surprise, focused on infrastructure, allocating over billions of dollars over the next decade towards modernizing highways, bridges, schools, and hospitals. While this is not the focus of the “France 2030” plan, there are in fact many areas of overlap:

**Transportation**

Both President Biden and Macron have put modernizing transportation centerstage, especially focusing on the production of electric vehicles:

Macron’s fourth objective (out of ten) is to produce 2 million electric and hybrid vehicles by 2030, as well as the world’s first low-carbon plane, accounting for 15% of the plan’s total spend. The U.S infrastructure bill plans on investing close to 15 billion dollars in the electric vehicle industry, working towards creating a national network of over 500 thousand EV chargers by 2030 as well as transitioning 20% of American school-buses to electric.

**Renewable energy**

Moreover, renewable energy and creating a more sustainable and efficient power grid as a whole is central to both investment plans.

Macron’s first three objectives all concern energy; laying out 8 of the 30 billion to 1) continue developing small nuclear reactors on French territory 2) become a leader in green hydrogen by building two electrolyzing mega factories 3) decarbonate industry by 35% relative to 2015.

The U.S infrastructure plan is also intensely focused on securing energy sources that will be sustainable in the long haul, allocating 65 billion in rebuilding the American power grid by
building new power lines, investing in renewable energy as well as cleaning up abandoned mine lands and gas wells.

Perhaps the most significant similarity between both investment plans comes in their ambition to renew the ties between industry and innovation.

In his speech, Macron stated that “France has long thought that it could deindustrialize while remaining a great nation of innovation and production. I think it has now been established that this is not true. When we deindustrialize, we lose the capacity to generate innovation (...). The opposition I still hear a lot in our public debates between startups and industry is a 20th century opposition. It is eminently false. Our country is going to be re-industrialized by technology startups and Deep Tech, not the contrary.”

Indeed, “France 2030”’s investment in emerging technologies hinges on France’s ability to support that transformation through its factories and industry, as well as its workforce. France 2030 is fundamentally a plan to regain economic sovereignty and independence. To do so, France will attempt to have greater control of its supply chain through increased production of key industrial materials and components, like semiconductors.

Similarly, the U.S infrastructure plan acknowledges the link between manufacturing, industry, and emerging technologies. Instead of continuing the opposition between automation, tech, and unionized manufacturing jobs, one of the key provisions of the plan is to re-industrialize the sector of R&D, as well as promote and protect domestic manufacturing supply chains through the creation of a new office at the Department of Commerce dedicated to monitoring domestic industrial capacity and funding investments to support production of critical goods.
Fundamentally, both plans seek to support industries working in the new technologies that will dictate the future economic landscape. Preserving each country’s respective industrial might is a necessary component in achieving that goal.

Both President Macron and President Biden have released their plans on the back of previous massive investment plans (respectively the “Plan de Relance” and “American Rescue Plan”) enacted during the covid-19 crisis. While these new proposed investments take into account lessons from the pandemic, they are at their core forward looking and ambitious, not reactionary. The way in which each country is seeking to accomplish that ambition, however, differs on account of their scope and approach.

As evidenced by the numbers proposed, Biden is seeking to stimulate the American economy through widespread ground-up investments destined to modernize the national physical and digital infrastructure. This will be done not only to create jobs, but give the American workforce, industry and emerging technology the foundation and tools to be successful and competitive for years to come. In fact, one of the biggest points of contention with Republican lawmakers has been just how far Biden has stretched the scope of “infrastructure”, with the proposed bill also addressing climate change, pollution, and inequality. Indeed, with price points ranging from one to three trillion dollars, this plan is fundamentally one of revamp, impacting a huge chunk of the American economy.

President Macron, on the other hand, by virtue of a much smaller budget, has chosen a more selective approach in his France 2030 investment plan. In his speech, the President warned against the dangers of investments that would be spread too thin and risk marginal or negligible returns. Instead, l’Elysée has decided to identify and pounce on a few key sectors that will crown “the technological champions of tomorrow”. Indeed, the 10
objectives proposed are not only focused on strategic sectors as a whole, but strategic sectors where France feels it has the capacities and savoir-faire to become world leaders. These include hydrogen and nuclear energy, aeronautics, transport, as well as biotech and healthcare.
For more information:
ZACHARY PASCAUD
Head of Public Affairs
zachary.pascaud@amchamfrance.org

To become a Member:
ZAHIRA BENABDALLAH
Business Development and Members Relations Manager
zahira.benabdallah@amchamfrance.org

77 rue de Miromesnil, 75008 Paris, France