



FRANCE 2030 INVESTMENT PLAN

November 2021



INTRODUCTION

"The France of tomorrow begins today"

"France 2030" is a plan meant to respond to the major challenges of our time, particularly the environmental and digital transitions. This will be done through massive state investment that seeks to develop future technological champions while supporting the ecological transformation of some of France's traditional sectors of excellence: **energy, automotive, aeronautics and space.**

The plan aims to make France take genuine steps towards becoming a leader in key strategic sectors— enabling the country to regain its environmental, industrial, technological, health and cultural independence.

Concretely, the plan will allocate more than 30 billion euros over 5 years specifically to bolster the competitiveness of France's industrial and emerging technology sectors. To this end the investment will be spread over 10 industry-specific objectives. The allocation of specific funds to various objectives and sectors has not been finalized and is subject to change.

PROJECTED TIMELINE

The official details of the France 2030 Plan regarding investment, strategy, structure, and timeline will be finalized by the end of the year and released publicly in January 2022.

On Wednesday the 3rd of November, the National Assembly submitted amendments to the 2022 budget that would allocate 3.5 billion euros towards the plan for next year.

10 OBJECTIVES OF FRANCE 2030

8 billion euros to create a French Energy Sector that is both Decarbonated and Resilient

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Nuclear Reactors

- **The France 2030 Plan seeks to promote the emergence, from now until 2030, of innovative small- to medium-sized nuclear reactors with better waste management.** Energy production is a priority to France. In order to produce energy - and particularly electricity - France aims to rely on what it has done best historically: nuclear energy production.
- The nuclear component of the France 2030 Investment Plan is currently being developed by ministers and other stakeholders and will be published in the following weeks.
- **1 billion euros will be allocated with two key objectives in mind: lowering costs and increasing safety and waste management.** France is among the leading countries in Europe for the fewest tons of Co2 emission per unit of electricity generation. The country will need to continue to invest in innovation in the nuclear sector in order to stay at the frontier of developing low-emission technologies.
- President Macron is counting on the support of major industrial companies as well as startups and SMEs in the effort towards innovation and transformation.

10 OBJECTIVES OF FRANCE 2030

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Green Hydrogen

- **The France 2030 Plan seeks to build two hydrogen giga-factories** in order to prioritize the national production of hydrogen and avoid importing renewable energy from other countries.
- **340 million euros will be spent in 2022 towards this objective.**
- The plan will rely on strong industrial groups like Air Liquide, but also on start-ups, equipment manufacturers, entrepreneurs, and innovators.
- **The second objective also allocates 500 million euros towards other forms of renewable energy; in particular onshore and offshore wind and photovoltaics.**
- France 2030 leans on a triptych of nuclear, hydrogen and renewable energies through heavy investments in areas where France already has significant strengths.

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Decarbonation of Industry

- **The France 2030 Plan has the goal of lowering industrial greenhouse gases by 35% in 2030 compared to 2015. In 2021, industrial greenhouse gases were lowered by just 4%.**
- Allocation of heavy public funds will be invested in **decarbonating industry through technological advancement, innovation, robotization, and digitalization.**
- This will be done in conjunction with the EU, aided by France soon taking the presidency of the Union.

10 OBJECTIVES OF FRANCE 2030

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Decarbonation of Industry

- Reducing the total output of greenhouse gases will not lead to the closure of factories or steel, cement, chemical production plants. Macron has argued that this would go against France 2030's stated objective of reinforcing economic sovereignty. **Instead, the plan aims to invest 100+ million euro in major industrial sites to preserve employment while delocalization to other countries.**
- **Plan has a strong stated goal of aligning industry and tech in order to solve certain challenges**, but Macron's plan is still unclear as to how exactly it will decarbonate at such a rapid rate without hurting the competitiveness of the industrial sector.

4 billion euros towards "Transportation of the Future"

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Hybrid and Electric Vehicles

- **The plan has the goal of producing 2 million electric or hybrid vehicles to avoid reliance on green vehicles from other countries and reverse the downward trajectory in French automobile industry.**
- **Continuing current progress on the three giga factories currently being built in France.**
- Specifics on the amount and strategy of the capital and infrastructure investment of this objective will be released at the beginning of next month after consulting with the different stakeholders.

10 OBJECTIVES OF FRANCE 2030

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First Low Carbon Plane

- Placing an emphasis on aeronautics, **the France 2030 plan dedicates significant investment towards the construction of the world's first low carbon plane.**
- Experts are sceptical whether this will be possible before 2035, but President Macron believes the combination of France's aeronautics expertise, strong public investment, and European cooperation makes it feasible within the 2030 timeline.
- **The size of the budget which will be allocated to this objective has not yet been published.**

2 billion euros invested in Healthy, Durable and Traceable Food Production

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Food production

- **The France 2030 Plan invests in French farming, agriculture, and food production in order for the sector to remain competitive while also lowering Co2 emissions.** Moreover, France is aiming for its food production to be healthy, durable, and traceable.
- **To this end, the 2 billion euro investments will go towards robotic, digital, and genetic transformations in the food production sector.**

10 OBJECTIVES OF FRANCE 2030

3 billion euros towards Healthcare

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Bio-medication and healthcare structures

- **The France 2030 Plan will act as a continuation of “Santé Innovation 2030”, a previous investment plan.** France 2030 plans to put French healthcare back on the map by developing 20 biomedications against cancer, emerging illnesses and chronic illnesses by 2030.
- **660 million euros have been allocated towards this objective for the year 2022.**

Cultural Domain

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Production of cultural and creative content

- **The Plan has the objective of protecting France’s cultural heritage by investing in its modernization.** There are currently no exact figures on how large this investment will be, nor on the strategy. **However, the president did announce during his speech detailing the Plan that France must take part in the transformation of the cultural sector (streaming sites, entertainment studios, tv shows) to continue protecting the 640 000 jobs in the industry, as well as preserving France’s cultural influence.**

10 OBJECTIVES OF FRANCE 2030

2 billion euros towards Sea Bed and Space Exploration

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Space exploration

- Looking to new frontiers, the France 2030 Plan wants to ensure that France is playing a leading role in space exploration, as many new state actors have emerged in this field in the last few years. **President Macron used the example of the US model, which uses federal money to support emerging technologies in the private sector, as is the case with SpaceX.**
- **Military considerations are important as well, in continuation with the newly established space command, which is located in the French air force.**
- France 2030 has a few smaller, more concrete objectives in space, such as **the creation of reusable mini-launchers by 2026, as well as micro-satellites.**

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Investing in Sea beds

- **France 2030's 10th objective is dedicated to exploring the planet's sea beds and deep seas, as this is an area where much can still be discovered.**

5 CONDITIONS FOR SUCCESS



Following the layout of the 10 objectives of France 2030, President Macron also laid out five conditions that must be met for the plan to succeed.

Raw Resources

The first condition of success for accomplishing the objectives of France 2030 is guaranteed continued access to key raw materials. The pandemic has highlighted both how scarce some materials can become, and the necessity of securing supply chains.

Specifically, the France 2030 Plan contains measures designed to:

- **Accelerate the supply of plastics and metals**
- **Increase investment in recycling in order to move closer to a circular economy and protect fragile supply chains**
- **Consolidate the wood supply chain, as well as focus on recycling the materials that must be imported from specific areas such as titanium, nickel, or lithium. This will also include the construction of factories focused on recycling of these raw metals**
- **The overarching goal of these measures is to reduce the dependence of France's industry and production on foreign actors**

Key electronic parts

In his plan, President Macron, emphasizes the importance of scarce electric parts that are essential across all industries, notably **semiconductors**, which are used for making cars, phones, etc.

The scarcity of electronic and medical parts have led Europe into a new crisis, as it has had to relinquish a huge chunk of the electronic part market share (Europe currently only accounts for 10%).

Therefore, the France 2030 Plan allocates 6 billion euros towards bolstering national production of electric and physical parts, with the ultimate aim of doubling production. Moreover, the plan aims to reduce, wherever possible, France's reliance on other countries by way of technological advancements. **260 million euros will already be spent towards this objective in 2022 alone.**

5 CONDITIONS FOR SUCCESS

Control over Sovereign and Safe Tech

The France 2030 Plan calls for greater investment in artificial intelligence, cybersecurity, cloud and quantum computing, with one of the primary goals being a French national cloud system by 2030.

Continued investment in this sector is crucial in order to reduce the already growing dependency on other countries, especially concerning highly sensitive information and data.

Talent

The France 2030 Plan will invest 2.5 billion euros in 'talent development' in order to supply the industries in question, including 350 million in 2022.

This investment will allow France to keep strengthening the ties between schools, universities, research organizations, and industry and allow for a more substantial and forward-looking strategy on talent development.

Capital

The last condition that must be met for success on the 10 objectives is the proper allocation of capital. President Macron reaffirmed the success of the recent changes in tax structure that have helped France attract more investments in 2020 than any other European country.

However, the area in which the country still lags behind, is the investment in the industrialization of emerging and disruptive innovation.

The France 2030 Plan seeks to address this. Industrializing key technological and emerging sectors is crucial in order to avoid a growing market gap and capital flight. To do so, there must be a concerted investment allocation specifically in deep tech and industrial start-ups. The goal of the plan is to have 100 industrial sites emerging from the deep tech sector by 2030. In order to make this happen, 5 billion euros will be invested in industrializing innovation, including 840 million in 2020.

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