

7th edition of the Choose France Summit.

Thank you so much for being here. I know you have gleams of excitement about the Olympic Games. I'm very happy to have you here for this new Choose France Summit. I hope you had a productive day in this unique place. Thank you to the Château de Versailles for allowing us to be here. We are in this Galerie des Batailles. And we will have dinner in a more peaceful place, Galerie des Glaces, normally where we sign different treaties, and where we had our European summit in March 2022.

I'm very happy to have you here, and I hope you had a very productive meeting. This is the objective, and I hope to see a lot of you for the opening ceremony and a maximum of different events of this Olympic and Paralympic Games in July and August. Some of the big events will be organized here in Versailles, in the castle, where the facilities are absolutely wonderful. Today, we are 180 CEOs attending this summit with indeed 15 billion euros of investment announced in the country. Thank you!

I would like to thank you for your trust, for your investment decisions. I want to thank Business France, the organizers of this event, and all those who work very actively with the ministers and your teams to prepare your announcements. This is a lot of work, and these projects bring more than just investment to our economy, in the healthcare sector with Pfizer, AstraZeneca and Novartis, in the AI sector with Microsoft, Amazon, Accenture, the decarbonization of our economies with Hunan Changyuan Lico and Skeleton. I will not mention all the investments, but this is absolutely unique. I'm delighted that in parallel, some international French companies will invest much more. Blue Solutions for example will finalize a new battery gigafactory in Mulhouse, Sanofi will invest 1 billion euros in bioproduction in Vitry, which is an incredible investment and announcement in this context. The batteries sector, healthcare and AI remain our top priority, and I want to thank you for that.

Before welcoming you for the Olympic Games in July, let me just say a few words about France and Europe. I will then be glad to take your questions and have an open debate.

This is the 5th year we are number one in terms of attractiveness. We have worked very hard to deliver and maintain our position. We still deliver, we have these investments, and this is for me the best evidence of your trust and the fact that our reforms and our agenda produce results.

First, we made a bunch of tax measures to attract investments. These measures reduced by 60 billion euros our taxes in order to bridge the gap and find our competitiveness again. We are still following this trend to reduce taxes on corporations even more. Tax incentives for R&D and green production have been as well maintained and improved.

The second pillar of our strategy is to continuously simplify France's business environment in order to accelerate. We passed a series of laws since 2017, and we recently announced 55 turnkey industrial sites. We have also passed a series of labor law reforms since 2017.

Third pillar is the talent development. Clearly, when I speak with a lot of leaders, talents and skills are one of the key elements today. And this is why we improve in the context of our labor-market reform, apprenticeship reform with training programs, education investment, training programs. We have modernized our professional education systems, and we are transforming the system across various educational institutions with a new bunch of reforms on universities, in order to improve the situation and correct the mismatches between our training programs and the needs and requirements of the industry.

Fourth pillar, public investment in industry, innovation, research and education. We passed a series of laws in order to increase investments in education, universities, research. We bridged the gap with our key competitors - the one we had in 2017. We launched right after Covid the France 2030 plan with 54 billion euros focused on the key innovation sectors and a lot of startups and companies present in this room benefited from this program from AI to quantum, hydrogen, and a lot of different fields.

Last point, energy transition. Indeed, we have a big advantage based on the fact that 75% of our electricity is produced by nuclear energy. We improved the situation by launching a strategy based on 3 pillars: energy efficiency, more renewables, and more nuclear energy. And as we are continuing the exploitation and amortization of the existing nuclear power plants with the best safety and security standards, we decided to launch additional reactors, and we will announce additional reactors again. In a few days, we will open the Flamanville plant and EPR. This will be a very important moment for the country as it will be the first time since decades, we open a new nuclear plant. We will follow up and strengthen this French advantage, low-carbon, competitive, and pilotable energy.

Thanks to all we have done, France has been number one in Europe in terms of attractivity during the past 5 years. And if you take growth and jobs creation, we are number one and two in Europe. We reduced the gap with Germany but we have to follow up because it's not yet done. Now, let me quickly clarify the reform agenda.

As you know, we never stopped reforming the country. And even during wartime, right after COVID, we passed reforms of our pension system and of our unemployment system. When you look at the map, when you compare, just very few countries implemented such unpopular reforms in this period of time. We did it. I don't take it just because it's unpopular, but it was a necessity. Now, on top of that, what is our agenda?

We will keep reforming for increased productivity and reindustrialization. Next week, we will announce a new reform of the unemployment benefit scheme to ensure best incentives for workforce participation because the situation isn't yet satisfactory.

We will continue to modernize the labor code: this autumn, we will have a second bunch of reforms comparable with the one we passed in 2017. This will mark the second stage.

Third, we will introduce a new bill in order to streamline bureaucracy, which was presented in April. It will arrive at the Parliament. The objective is to reduce administrative burdens, to facilitate industrial projects, rationalize public consultations, limit appeals against environmental and urban planning authorizations, and so on. Everything you know in all the different countries. But we took the best practice in the world. It's not a lot of innovation. It's just copying the best in class. It's very important for our EPR to come and for a lot of your projects.

Fourth, we will implement a new guarantee in 2025 to support industrial projects by providing state guarantees covering up to 50% of a project's debt.

Fifth, we will keep improving our financial appeal. A lot of you, a lot of banks, decided to adopt Paris as a financial hub, especially post-Brexit. We will pass a new law to improve our attractiveness in this field, multiple-vote share regime, dematerialized transferable securities, modernization of corporate governance regulations and so on, in order to strengthen the attractiveness of our banking and investment sectors. But also, to strengthen the fact that Paris is the second place in the world to list your companies, given the depth of our markets and given the size of our listed companies. This is why I always advocate for our big French champions, because I do believe that your decision to invest and the strength of our big companies is exactly the same battle.

In parallel to these reforms I just mentioned, we will follow up the transformation of our public services so they can be more efficient, especially our education and healthcare systems. We will continue the decarbonization for our industry with a lot of investments, maintaining a French and European approach. We will consolidate as well as what we did on security and justice for the country.

Now let me address, in order to end this speech, a few words about Europe.

We have good results for France. We are, I believe, now back in the race, with very competitive energy, quantum solutions, AI, and many fields such as healthcare and transport in which you invested. We delivered a lot of reforms to do so. You invested because of the trust generated by these reforms, and we will continue to reform with strength and commitment.

However, if I speak about Europe in comparison with China and the U.S., the situation is not so good. I try to express this concern and my ambition, in order to correct the situation, as I mentioned a few weeks ago at La Sorbonne. But when you look at the situation for the Europeans, our business model has to change. We had a business model based on cheap energy coming from Russia, a great market for our exports called China, an organization of production with the center of Europe with high value quality, and the rest of Europe with low-cost entities, and a geopolitical umbrella with the U.S. These pillars of the European model are over. This is why we have to change and build a new business model and a new growth model in order to be competitive in a world where everything goes faster and accelerated.

On top of what I mentioned, war is in Europe with a lot of uncertainties, WTO rules are not more respected by the two big guys in the room. Both China and the U.S. are not compliant with WTO given the level of subsidies they give to their industry. And it does not work to have a business model based on ancient rules and to be the only one to be compliant with global regulation. This is a wake-up call for the Europeans.

What we have to do is, I think, quite easy. First, on energy, we have to accelerate to produce at the European scale our energy based on renewables and nuclear. This is a big program, but we need to build an actual continent of electricity. We improved a little bit the situation, we passed an important directive. A lot of you are players of this game, but definitely the market is too much fragmented, and we are already over-regulating this market, if I just take the example of hydrogen, with RED II, RED III, and so on. Let's just maximize our capacity to produce low-carbon cheap electrons in Europe with renewables and nuclear, and let's make this market totally open. A free market for electrons and low-carbon electrons, it means neutrality in terms of technology, and we just have to favor production of low-carbon and the cheapest possible electrons on our soil. Just take this basis and deliver.

We have to simplify our regulation, we have to accelerate the investment, and we have to deliver an accelerated decarbonization agenda for Europe, especially based on this low-carbon sovereign electricity. More than that, if I take the decarbonization and the green agenda, we have a competitive advantage in the sense that we deliver the regulation, which is not yet the case for the US and not yet the case for all the others. We have now to give more flexibility to this regulation to be implemented, to not kill our competitiveness. This is the reassessment we have to make. But we have to invest much more because if you take the decarbonization agenda, which is the first pillar of this new business model, you cannot over-regulate and under-invest, which is exactly the situation of Europe in comparison with the U.S. So, we have to re-synchronize the U.S with Europe, and we have to simplify a little bit the regulation by keeping the key targets, because we have to decarbonize. We have to simplify the electrification of the European market, and we have to invest much more, both public and private, in order to deliver this agenda.

Today, if you take IRA, if you take the level of subsidies of the Chinese, especially for the clean tech, we are there yet. And the level of subsidies, the uncertainties, the complexities of subsidies we provide in Europe has nothing comparable with the tax credit in the U.S. This is a matter of fact. And let's be lucid. When you take steel, aluminum, chemical industry, a lot of these industries during the past two years, we had a big divestment from Europe and a lot of investment both in China and U.S. We have to address this issue.

The second point for me is single market. We have a big advantage: 450 million inhabitants. We are a huge market. We have to finalize its integration. Energy, telecommunications, finance, now have to address these sectors with the single market approach and we have to simplify, streamline our regulation in order to make the EU an actual single market. This means dealing with a lot of other regulations from all the different sectors mentioned, but it's very important.

Third, we must have an actual industrial policy. Five years ago, it was almost impossible to articulate these words. When I pronounced industrial policy, a lot of reactions all over Europe were like «Okay, French fantasy. ». I'm very happy to see that everybody adopted the strategic autonomy agenda. Everybody recognized post-Covid and war that geopolitics now are key in order to design and redesign geoeconomics. We do need an industrial policy in Europe. Meaning we have to decide to invest in some sectors like AI and quantum to decide which part of the value chain we want to protect, how to organize our diversification, and how not to be dependent on any part on our value chain in these key sectors. Having an industrial policy is just creating the conditions of your sovereignty. And this is true for all the sectors, from agriculture and raw materials to AI and computing capacities.

This is exactly the agenda we will follow and we have to increase at the European scale in order to be in the race. Meaning we have to adopt a new set of rules for European procurement in order to make the right assessment, and not be the only place in the world to be so open when the others don't play the rules of the game.

Which leads me to the fourth point. We need a robust commercial agenda with clear reciprocity rules. We are very open; much more than China and the U.S. This is a matter of fact. What we want is the same playing field level: reciprocity. It's impossible to remain open on a sector with a country that just imposed different rules to our businesses. It's impossible not to have mirror clauses when we decarbonize our industry if we open and import devices with a different standard of decarbonization. Because you will kill your producers, and at the end of the day, you can be the best in class in terms of decarbonization, climate, and biodiversity, but with a place of consumers without any producer. Mirror clauses and reciprocity are the new standards of this new commercial policy and this new trade approach.

Fifth, we need to double down on research and innovation, in particular, disruptive innovation. The Lisbon agenda with the 3 % is valid today, even more than yesterday. And if you take the comparison with the U.S during the past three decades, GDP per capita is double in the U.S in comparison with Europe. Why? Because of strong investment in innovation, and especially disruptive innovation, and diffusion of this innovation in all the different sectors of economy. We have to innovate much more, from public labs to our private companies. This is why we need aggressive innovation and development in Europe, both from the public and private sectors.

Finally, the European new business model based on the five pillars I just developed, is that we need much more investment. If you want to deal with your security, we have our war effort and investments in our defense industry. But decarbonization, competitiveness, innovation and investment for AI and quantum remains our innovation agenda.

Lastly, Europe needs much more public and private investment. This means we do need to double the European budget as we did during the post-Covid period. This is exactly what we decided with Chancellor MERKEL in May 2020 and, after that, during the July 2020 Summit. We have to do the same, not for Covid, but for defense, climate, AI. We have to double the budget so we don't create discrepancies and weaken the single market.

Also, we need much more private investment in Europe. And this is where capital market union is so important. We have to accelerate and deliver this reform. It is critical. And this is where we have to resynchronize the regulation of banks and insurance in Europe in comparison with the U.S. We cannot be the only place where 75 % of the financing of our economies goes through institutions while at the same time, we are the only ones to implement regulations like Solvency and Basel, killing the ability of these players to invest in equity. This is impossible. Therefore, this is why we need large European public investment, a capital market union, and a big reassessment and resynchronization of our financial institution's regulations between the United States and Europe.

I will end my speech here. I just wanted to send this call to action and share with you some of the key reforms that we will implement in France for the months to come and I will advocate for Europe in the weeks and months to come.

Thank you!