

THE ÜBERSICHT

FRENCH PRESIDENCY

OF THE COUNCIL
OF THE EUROPEAN
UNION

PREMIER APERÇU DE LA
PFUE POUR LES NON-
FRANCOPHONES

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www.erstelesung.de



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01

Foreword

Dear readers,

The concurrence of the French Presidency of the Council of the European Union (PFUE) and the presidential and legislative elections in France is an unprecedented event which is giving rise to curiosity and numerous questions within the institutions in Brussels and among European partners. Similar to the recent elections in Germany, this unique period and its highly political calendar will be scrutinised and commented on with great attention.

This will undoubtedly have an impact on the ambitions of the PFUE as well as on the rhythm of council, inter-institutional negotiations, and consultations which are expected to slow down in the run-up to the first round of the presidential election. And while this would not be a total novelty in the European history, it cannot be ruled out that this Presidency, too, could end with another person in charge than the President who will launch it.

The PFUE has an ambitious agenda and a large number of priorities. Among them, there is a more social Europe with the European minimum wage, the digital agenda and the advancement of negotiations on the Digital Markets and the Digital Services Act, the strategic autonomy of the European industry, i. e., sources of supply, health policy etc. The climate and defence agenda are also to be added – the latter being perhaps a French specificity. This PFUE will be key as well in terms of the leadership in Europe. With Brexit, the new German Chancellor and the deployment of the EU recovery plan, President Macron will strive to be seen as the European leader in order to benefit from this at the national level in view of the upcoming presidential election.

European affairs experts often call for more politics within the European Union. They should be pleased since, more than ever, this upcoming Presidency will be marked by the seal of politics. Will this also be a new trend for future presidencies and trios? I am not sure.

In this particular political period over the coming six months, our job as political consultants – the analysis, strategy building for and positioning of companies affected by regulations and political decisions – will continue to be decrypting the political landscape and dynamics that are shaping businesses and policies with an unprecedented impact.

Erste Lesung, with its new Paris office, is more than ever at the heart of the upcoming Presidency of the Council of the EU. Our company is eager to help you understand the PFUE and guide you through it, both in Brussels and Paris, while ensuring that your voice will be heard during the policymaking process and the election campaigns.

Have fun reading our little contribution to understanding the politics involved and please stay safe.

Yours faithfully,



ANTOINE LEFRANC
LEAD FRANCE



02

Context of the French EU Council Presidency



On 1 January 2022, France will take over the Presidency of the Council of the European Union in a context of national, European, and global challenges. With the French Presidential election taking place on 10 April (first round) and 24 April 2022 (second round), the six-month presidency will in reality only last for one trimester. The main priorities to be achieved before the election. Not only will the PFUE (how the French presidency is labelled among political enthusiasts) be a political presidency and align with President Macron's election campaign, but this coincidence will also put the European dimension at center stage in the presidential election. The French take over the presidency in a challenging political environment EU.

Inside the EU, conflict has once again sparked with rule of law violations in several Member States. Faced with the challenge of achieving the Union's climate goals, and the recent announcement to promote nuclear energy in France and beyond could also spark conflict. The Covid-19 crisis and the deployment of the recovery plan will also still be on the EU agenda under

the French presidency. Meanwhile, the geopolitical state in which France takes over the presidency is also challenging: The fisheries dispute between the EU and the UK has been a subject of heated debate in France, and the PFUE will have to address the protection of the EU's external borders as well as the dispute with Belarus.

Against this challenging background, the French have been developing a programme that will allow President Macron to demonstrate his European leadership. The PFUE is a challenge – and an opportunity to fill the void German chancellor Merkel has left. In a pro-European environment, France will work closely with partners in Germany (Olaf Scholz), Italy (Mario Draghi), or even the Netherlands (Mark Rutte). Macron has always been a defender of close European cooperation and European strategic autonomy in economic, digital and defence issues. With a record of successful initiatives like the Covid-19 Recovery Fund, the PFUE will work towards European "Recovery, Strength and Belonging".

If you want to know more about our German perspective on politics, have a look at our weekly bit "**In a Krautshell**".



DEMOGRAPHICS

POPULATION¹

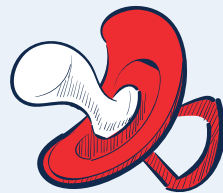
67.4 Million (2021)

LIFE EXPECTANCY²

82.9 years (average)

  85.9 years³
  79.9 years⁴
BIRTH RATE⁵

1.9 children (2020)


 **OFFICIAL LANGUAGE⁶**
FRENCH
MINORITY LANGUAGES⁷

Basque, Breton, Catalan, Corsican, German dialects of Alsace and Moselle (Alsatian and Francique Mosellan), West Flemish, Francoprovençal, Oïl languages (bourguignon-morvandiau, champenois, franc-comtois, gallo, lorrain, normand, picard, poitevin-saintongeais (poitevin, saintongeais), wallon), occitan or oc language (gascon, languedocien, provençal, auvergnat, limousin, vivaro-alpin), parlas liguriens

RELIGIONS⁸
47% CATHOLIC **33% NONE⁹**
4% MUSLIM / 2% PROTESTANT / 2% BUDDHIST
1% ORTHODOX / 1% JEWISH

ECONOMY

GDP¹⁰
€2,303
BILLION

ANNUAL GDP (2020)

 **-7.9%**

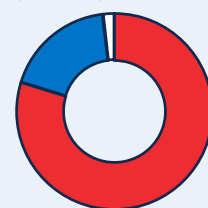
GDP GROWTH (2020)

€30,610
GDP PER CAPITA
(2020)¹¹
TRADE¹²
€427
BILLION

EXPORTS (9/2021)


€510
BILLION

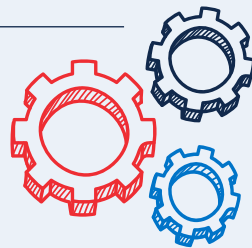
IMPORTS (9/2021)

MAIN TRADING PARTNERS¹³
**GERMANY, UNITED STATES,
ITALY, SPAIN,
UNITED KINGDOM**
ECONOMIC SECTORS BY REVENUE¹⁴
(2020)

- Services (71%)
- Industry (16.3%)
- Agriculture (1.7%)

MAIN INDUSTRIAL SECTORS¹⁵

Energy, Manufacturing and
Technology, Transport, Tourism
Food, Luxury Goods*



*while we don't have hard facts, these surely need to be mentioned

UNEMPLOYMENT RATE¹⁶
7.7% (20–64 year olds) (2020)

POLITICAL SYSTEM

SEMI-PRESIDENTIAL
DEMOCRATIC REPUBLIC

with a hybrid presidential/
parliamentary political system¹⁷

According to the French Constitution, the **President of the Republic** ensures that the Constitution is respected. The President is also the guarantor of national independence, territorial integrity, and respect for treaties. The **Prime Minister** directs government policies and exercises regulatory power.¹⁸

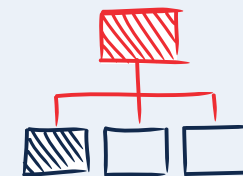
The parliament is **bicameral** and consists of the **National Assembly** and the **Senate**. The National Assembly is composed of 577 directly elected members for a five-year term and has the predominant role in the legislative procedure. It monitors the government and may vote it out of office. The Senate consists of 348 senators who represent the local bodies of the Republic. The senators are elected by an electoral college of representatives for a six-year term.¹⁹

THE HEAD OF GOVERNMENT²⁰

Prime Minister

Jean CastexTHE HEAD OF STATE²¹

President

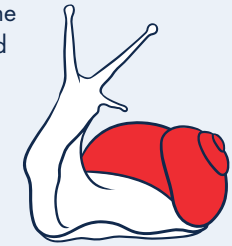
Emmanuel MacronMAIN POLITICAL PARTIES²²

- La République En Marche! (LREM)
- Mouvement démocrate (MoDem)
- Les Républicains (LR)
- Parti socialiste (PS)
- Union des démocrates et indépendants (UDI)
- La France Insoumise (LFI)
- Parti communiste français (PCF)
- Rassemblement national (RN)
- Parti de Gauche
- Europe Écologie Les Verts (EELV)



CULTURE & SCIENCE

The **Louvre Museum** in Paris is the **largest art museum** in the world and also the **most visited** in the world.



The French eat **30,000 tonne of snails** and drink over **11 million** glasses of wine each year.

France produces over **1,500 types of cheese**, amongst them 54 benefit from a "Protected Designation of Origin".²³

France is the **most popular tourist destination** in the world.²⁴

HISTORY

- 1789** ● Storming of the Bastille (14 July)
- 1804** ● Napoléon Bonaparte Becomes Emperor of the French
- 1871** ● Paris Commune Uprising
- 1914–1918** ● World War I
- 1939–1945** ● World War II
- 1944** ● Liberation of France by the Allied Forces, Women's Right to Vote
- 1957** ● Treaty of Rome
- 1958** ● Fifth Republic Established by Charles de Gaulle
- 1962** ● Peace Treaty with Algeria
- 1968** ● May '68 Protests
- 1998** ● France Wins the Football World Cup at home
- 2015** ● "Je suis Charlie"
- 2017** ● Election of Emmanuel Macron as President of the Republic

All footnotes are included on the last page of this #THEÜBERSICHT

04

Priorities of the Presidency

The French Council Presidency will aim to strengthen Europe with the objective of moving from a Europe of cooperation within its borders to a sovereign and free Europe outside its borders. France will focus on three main pillars: Ensuring a more sovereign Europe, defining a new European growth model, "Europe 2030", and running a Presidency with a human touch.



Recovery,
Power,
Belonging

French Presidency
Motto



Relance,
Puissance,
Appartenance

A MORE SOVEREIGN EUROPE

Border protection

The French Presidency is determined to contribute to a reform of the Schengen area. The Presidency also wants to create a mechanism of support at the borders in the event of a crisis by reinforcing solidarity between Member States. Furthermore, France aims to define a European migration package whereby Europe will collaborate with the countries of origin and transit to fight against human trafficking. Finally, the French Presidency will harmonise asylum and secondary migration rules.

Defence policy

France places particular emphasis on Europe's defence policy. In this respect, the Presidency will focus on developing a truly shared strategy and better operational coordination among Member States. To further advance Germany's initiative, France will ensure the finalisation of the "Strategic compass" in March 2022. This effort aims to define a new European strategic sovereignty and put in place a common organisation related to the maritime, cyber and spatial realms.

Stability and prosperity of the neighbouring countries

The future of the EU's neighbouring countries will be high on the French agenda. On 17 and 18 February, France will organise an EU-Africa summit with representatives of the African Union

in Brussels. The objective is to rebuild the relationship between Europe and Africa, particularly through the establishment of an economic new deal (support for African economies) and strong actions in the fields of health (transfer of technologies ensuring the production of vaccines in Africa), education, support in the climate transition, security and mobility. Agendas for these subject areas are still outstanding. The Western Balkans will also be a priority with the definition of a new policy of engagement and investment.

A NEW EUROPEAN GROWTH MODEL: EUROPE 2030

Focus on a production and solidarity model

France will organise a European summit on 10 and 11 March to rethink the European economy post-Covid to stimulate production, innovation and jobs. The Presidency will propose to create true European champions in key strategic sectors like battery cell, semi-conductor, and hydrogen production, as well as cloud, defence, and healthcare. France's aim here is to gain back European economic sovereignty through setting up industrial alliances and a new European investment plan. Last but not least, France will ask its European partners to work on new budget rules and define a new regulatory framework for a European financial and capital market.

Reconcile growth and climate ambition

The French Presidency will focus on the decarbonisation of the economy and will work to move forward on the legislative files following the adoption of the European Green Deal and in particular the Fit for 55 package. In that respect, France will aim to achieve the implementation of a border carbon adjustment mechanism, mirror clauses in trade agreements (environmental and social requirements) and make progress on a European instrument to fight against "imported deforestation" (banning importations of soy, beef, palm oil, coffee, cacao when their production contributes to deforestation).



Priorities of the Presidency

Make Europe a digital power

France has the ambition to create a truly integrated and single digital market with the willingness to attract talents and funding. The first priority under the French Presidency will be to adopt the DSA and DMA. Secondly, at the European level, France, at the ECOFIN meeting in spring, will aim to implement the OECD agreement on the taxation of multinational enterprises.

A new social Europe

The French Presidency wants to move forward on the social aspects of Europe by creating a framework for the “right jobs” and fight against social inequalities. To that end, France will work towards ensuring the adoption of the Directive on a minimum wage, the Directive on salary transparency, and equal pay for men and women. In the same vein, France will try to move forward on legislative provisions regarding “quotas” in European executive boards and due diligence.

France aims to lead a useful Presidency. This is why health policy, agriculture (pesticides), competition, and responsible finance will be also key topics.

A PRESIDENCY ON A HUMAN SCALE

The Presidency will also keep in view the European civil society. In May, the conclusive Conference on the Future of Europe will take place. Emphasis will be put on European values and respect for the rule of law. France will initiate the creation of a European fund for independent journalism, will move forward on new provisions regarding the fight against hate speech, especially on the web, and on combatting violence against women. Lastly, the French aim to create a European civic service.

05

Presidential Meetings of the PFUE

- 6–7 January 2022** *Paris*
Reception of the College of European Commissioners
- 19 January 2022** *Strasbourg*
Presentation of the priorities of the PFUE to the European Parliament
- 11 February 2022** *Brest*
“One Ocean” Summit
- 17–18 February 2022** *Brussels*
Leader summit of the European Union and African Union
- 10–11 March 2022** *France*
Summit of the 27 heads of state and government on the new European model for growth and investment
- 24–25 March 2022** *Brussels*
European Council
- May 2022**
Conclusion of the Conference on the Future of Europe
- June 2022**
Conference on the Western Balkans

Numerous meetings will also take place in Brussels and Luxembourg, such as European Councils meetings, formal Council meetings, as well as the Permanent Representatives Committee (COREPER) and the Political and Security Committee (COPS).

06

France's Power Over the Digital Markets Act: A New Era of Big-Tech Regulation?

It is a beacon of hope for many European companies and internet users in Europe: the Digital Markets Act (DMA). Proposed by the European Commission in December 2020, the regulation is meant to put an end to the harmful practices by big tech companies that have been left unchecked for years, leading to a winner-takes-all dynamic.

The new law is to impose restrictions on so-called gatekeepers – companies with significant online influence. But who falls within this definition? While the Commission initially planned to only target so-called core platforms, the European Parliament broadened the definition to include web browsers, virtual assistants and connected TVs. According to the lawmakers, the quantitative thresholds for a company to fall within the scope of the DMA should be €8 billion in annual turnover and a market capitalisation of €80 billion. These companies would – amongst other things – be prohibited from combining personal data from different sources. Meanwhile, users would be granted the right to remove pre-installed apps from their devices. The Parliament has demanded that the fines for systematic non-compliance should be at a minimum of 4 per cent of the annual turnover.

And how does the Council feel? Only eleven months after the Commission's presentation of the proposal, the Council adopted its negotiating position on the DMA as well, thereby paving the way for triologue negotiations. While the European Commission congratulated the Slovenian presidency on this success, it could be our French partners who hold the future of Big Tech regulation in their hands: the final version of the DMA text could be adopted as early as the first half of 2022 and might therefore fall within France's term of the EU presidency. While common ground must be found between all negotiating partners, the presidency typically plays a crucial role during triologue discussions: A presidency can function as an "agenda sharpener" that either pushes items forward, de-emphasises them or keeps issues from the agenda altogether. It acts as the Council's key representative in the Conciliation Committee and in trialogues and is responsible for writing up compromise texts that must reflect the often diverging positions of all 27 Member States.

So where do the French stand on the DMA and what can we expect? Will the DMA pass during the French presidency? The French government has stressed on multiple occasions that the DMA package will be a key priority during the country's presidency term. In fact, France is keen to secure the deal ahead of the country's presidential election in April. The French Secretary of State for the Digital Economy, Cédric O, called the law "potentially the most important in the history of digital regulation, both when it comes to the economic as well as the content side". Hence, it is likely that France will be putting its full efforts into taking home the success of securing such an important deal. Not only would this boost the country's reputation in Europe, it could also be a personal success for President Emmanuel Macron and his team, which could benefit him during the election.

An additional factor worth mentioning is the impact of Germany's recent election: While Germany is busy building a new government, Macron is seen as the most powerful man in Brussels, filling the power vacuum that Merkel leaves behind. France's ability to shape digital policies in Europe might now be even stronger than before – backed by Germany and the Netherlands, who have formed an alliance with France, the so-called Friends of an effective Digital Markets Act. The alliance is calling for the introduction of tailor-made remedies and a stronger role for national authorities in the enforcement of the DMA. In short, France has put itself in a good position, "owning" the topic from an early point on.

But will all this be enough to seal the deal by summer? Ultimately, only the upcoming triologue negotiations will be able to provide an answer to this question. The biggest point of contention will surely be the scope of application. While the Parliament is calling to broaden the scope, the Member States have mixed emotions, with France advocating for a rather narrow approach that would target the largest gatekeepers first and foremost. France will have the task to bridge this divergence – a difficult, but not impossible challenge.

MARIE ELIANE WALTERS
HEAD OF EU AFFAIRS, ERSTE LESUNG






07

Who is Who?*

EUROPEAN COUNCIL	
Chair	FR Representative
	 La République En Marche
CHARLES MICHEL President of the European Council	EMMANUEL MACRON President of France

Council Configurations

AGRIFISH	Agriculture and Fisheries
COMPET	Competitiveness
ECOFIN	Economic and Financial Affairs
ENVI	Environment
EPSCO	Employment, Social Policy, Health and Consumer Affairs
EYCS	Education, Youth, Culture and Sport
FAC	Foreign Affairs
GAC	General Affairs
JHA	Justice and Home Affairs
TTE	Transport, Telecommunications and Energy

FAC			
Chair	FR Representative	Trade	Defence
	 Territoires de progrès	 La République En Marche	 Territoires de progrès
JOSEP BORELL FONTELLES High Representative for Foreign Affairs and Security Policy	JEAN-YVES LE DRIAN Minister for Europe and Foreign Affairs	BRUNO LE MAIRE Minister of the Economy, Finance and Recovery	FLORENCE PARLY Minister for the Armed Forces

*French government in office until 13 May 2022








Who is Who?*



<h2>COMPET</h2>		<h2>AGRIFISH</h2>		<h2>ECOFIN</h2>
Internal Market / Industry	Research / Space	Agriculture and Fisheries	Fisheries	Finance
La République En Marche	Independent	Parti radical	La République En Marche	La République En Marche
				
BRUNO LE MAIRE	FRÉDÉRIQUE VIDAL	ANNICK GIRARDIN	JULIEN DENORMANDIE	BRUNO LE MAIRE
Minister of the Economy, Finance and Recovery	Minister for Higher Education, Research and Innovation	Minister of Marine Affairs	Minister of Agriculture and Food	Minister of the Economy, Finance and Recovery
<h2>EYCS</h2>		<h2>EPSO</h2>		
Education, Youth and Sport	Culture	Employment and Social Policy	Consumer Protection	Health
La République En Marche	Independent	La République En Marche	La République En Marche	Territoires de progrès
				
JEAN-MICHEL BLANQUER	ROSELYNE BACHELOT	ÉLISABETH BORNE	GÉRALD DARMANIN	OLIVIER VÉRAN
Minister of National Education, Youth and Sport	Minister of Culture	Minister of Labour, Employment and Economic Inclusion	Minister of the Interior	Minister for Solidarity and Health

*French government in office until 13 May 2022



Who is Who?*

JHA		TTE		GAC
Justice	Home Affairs	Transport and Energy	Tele-communications	Coordination
Independent	La République En Marche	La République En Marche	La République En Marche	Territoires de progrès
				
ÉRIC DUPOND-MORETTI	GÉRALD DARMANIN	BARBARA POMPILI	CÉDRIC O	CLÉMENT BEAUNE
Minister of Justice, Keeper of the Seals	Minister of the Interior	Minister for the Ecological Transition	Minister of State for the Digital Transition + Electronic Communication	Minister of State for European Affairs

ENVI	COREPER
Environment	Ambassador
La République En Marche	
	
BARBARA POMPILI	PHILIPPE LÉGLISE-COSTA
Minister for the Ecological Transition	Permanent Representative of France to the EU

*French government in office until 13 May 2022



08

Further Information

OFFICIAL WEBSITE OF THE COUNCIL PRESIDENCY

FRENCH CONNECTION: MACRON'S PLANS FOR EUROPE

European Council on Foreign Relations

THE EU WILL TRY TO WORK OUT WHAT

"STRATEGIC AUTONOMY" MEANS

The Economist

FRANCE TO THE FORE

Politico

HOW TO "EUROPEANISE" THE UPCOMING FRENCH EU PRESIDENCY?

EU Observer

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ERSTE LESUNG

**UNDERSTANDING POLITICS
ENVISIONING THE FUTURE
ANALYSIS, STRATEGY,
POSITIONING**