CHAPTER VII

Strategic Recommendations for France and Europe

The preceding chapters established that American AI protectionism creates a measurable structural competitive advantage (US/EU CACI ratio of 7 to 12:1), accelerated by the 2026 Trump tariffs and the concentration of compute in the United States (74% of global AI compute, $660–690 billion in annual capex from the five hyperscalers alone). This chapter formulates strategic recommendations structured around three time horizons and five key pillars, building on France's specific comparative advantages (nuclear energy, Mistral, regulation) and existing European instruments (AI Continent Action Plan, Chips Act, InvestAI).

7.1 Pillar 1 — Compute Infrastructure: Closing the Gap

7.1.1 Short term (2026–2027): Accelerating AI Factories

The starting point is the infrastructure gap. The EU has approximately 35 GW of data center IT capacity compared to 53.7 GW in the United States and 19.6 GW in China, with AI-specific compute estimated at 5% of the global total (versus 75% for the US). Three immediate measures are required.

First, accelerate the commissioning of the 13 European AI Factories already established across 17 member states (AI Continent Action Plan, April 2025), with a target of full operationality by end of 2027 instead of the currently planned 2028–2029 timeline.[1] Second, implement the Special Compute Zones proposed by the Centre for Future Generations — deregulated zones (expedited permits, reduced taxation, priority grid connection) for nationally significant AI data centers.[2] France has already initiated this approach with planned legislation designating data centers as "projects of major national interest." Third, secure long-term GPU contracts with Nvidia, AMD, and Intel through multilateral framework agreements (EU-Nvidia, EU-AMD) guaranteeing a minimum annual delivery volume.

7.1.2 Medium term (2027–2029): AI Gigafactories and Sovereign Cloud

The InvestAI program allocates €200 billion (€50 billion public, €150 billion private), including €20 billion for five AI Gigafactories that will enable the creation of "sovereign frontier models."[3] This program must be calibrated against the American benchmark: the $660–690 billion in 2026 capex from the five US hyperscalers alone represents more than three times the European envelope over five years. The investment gap is structural and will not be closed by public funds alone.[4]

France holds a distinctive advantage in this competition. The MGX-Bpifrance-Mistral-Nvidia AI campus, announced at the Choose France Summit 2025, plans 1.4 GW of nuclear-powered compute capacity, with exascale capabilities operational by 2028.[5] Mistral Compute, launched with

18,000 Nvidia Grace Blackwell superchips in a 40 MW data center in Essonne, constitutes the first credible European frontier compute offering without CLOUD Act exposure. Mistral's €1 billion capex for 2026, supplemented by the Borlänge data center (Sweden, €1.2 billion, green energy, opening 2027), demonstrates that a European champion can build an alternative infrastructure.[6]

Sovereign cloud is the necessary complement. ANSSI's SecNumCloud 3.2 certification and the S3NS joint venture (Thales-Google Cloud, SecNumCloud certified December 2025), the Bleu joint venture (Orange-Capgemini-Microsoft, milestone 1 reached November 2025), and the AWS European Sovereign Cloud (launched January 2026, separate German GmbH) are creating a gradually sovereign ecosystem.[7] The target should be 30–40% of sensitive AI workloads hosted on certified sovereign cloud by 2029.

7.2 Pillar 2 — Energy: Turning the Nuclear Advantage into Compute Superiority

7.2.1 France's Energy Advantage

France possesses a unique energy advantage in Europe: 70% low-carbon nuclear electricity, a fleet of 56 reactors (+ Flamanville 3 at full capacity), competitive electricity costs, and robust transmission infrastructure. EDF has identified four industrial sites totaling 2 GW (expandable to six sites by 2026), with direct grid connection, reducing interconnection delays.[8] EDF's "Nuclear for AI" initiative plans to connect 250 MW to AI chips by end of 2026, creating a new off-take market for nuclear energy.

This advantage is explicitly recognized by international investors. Investments announced at the AI Action Summit of February 2025 total €109 billion, including Brookfield/Data4 (€20 billion), UAE (€30–50 billion), and Fluidstack (€10 billion for a 1 GW nuclear-powered supercomputer, operational 2026).[9] France is the only European country capable of simultaneously offering abundant low-carbon electricity, baseload grid stability, and competitive pricing for AI data centers — a triptych that neither Germany (nuclear phase-out), the Netherlands (grid constraints), nor Ireland (energy saturation) can replicate.

7.2.2 Energy Recommendations

First, accelerate the EPR 2 program.

The six announced EPR 2 reactors (Penly, Bugey, 9,900 MW, construction starting 2027) must be explicitly integrated into data center energy planning. Confirmation of eight additional optional reactors should occur before 2028, to anticipate 2032–2035 demand.[10]

Second, support SMRs (Small Modular Reactors).

The France 2030 program allocates €1 billion to SMRs. NUWARD (EDF subsidiary, 340 MWe) remains the most advanced project. Three start-ups

(Newcleo, Stellaria, Jimmy Energy) submitted applications to ASN in late 2025–early 2026. The target should be the first commercial SMR dedicated to data centers by 2033–2035, with a pilot connected to an AI campus. However, uncertainty over SMR commercialization timelines dictates that this should not be the sole strategy.[11]

Third, plan AI-grid energy integration.

RTE projects an additional 10 GW requirement for data centers by 2030 in France. Integrating AI demand forecasts into national grid planning (in line with McKinsey's recommendation to align AI growth with sustainable energy expansion) is essential to avoid bottlenecks.[12]

7.3 Pillar 3 — Technology Alliances and Supply Chain Diversification

7.3.1 Consolidating Asymmetric Industrial Partnerships

Analysis from Chapters VI, VI bis, and VI ter reveals that France and Europe cannot realistically replicate the entire AI value chain by 2030, but must instead build targeted strategic alliances that reduce the most critical dependencies.

ASML-Mistral Alliance.

ASML's €1.3 billion investment in Mistral AI (September 2025, ASML becoming the largest shareholder at 11%) is the most significant European partnership, linking the global leader in lithography (a critical segment where Europe dominates) with the European AI champion.[13] This type of vertical coupling — "European hardware + European AI" — should be systematized.

TSMC-Europe Partnership.

TSMC's Dresden plant (€10 billion, production started 2027) manufactures chips on 28/16/12 nm nodes — insufficient for cutting-edge AI GPUs but critical for automotive and industrial IoT. Negotiating a second TSMC investment in Europe on more advanced nodes (7/5 nm) should be a diplomatic priority.

Japan-EU and Korea-EU Alliances.

Japan and Korea control critical segments of the value chain that the United States cannot substitute (SK hynix HBM memory, Tokyo Electron and Shin-Etsu equipment and materials). Bilateral EU-Japan and EU-Korea agreements on AI component supply security, structured outside the US-Japan-Korea trilateral framework, would strengthen European autonomy.

7.3.2 Reducing Protectionist Risk Exposure

The Biden-Trump experience shows that export controls and tariffs can be extended rapidly and unpredictably. Three risk reduction measures:

1. **Strategic GPU reserves.** Following the model of strategic petroleum reserves (90 days), establish a national/European stock of AI accelerators covering 6 to 12 months of projected needs.

2. **Hardware supplier diversification.** Accelerate the evaluation and deployment of Nvidia GPU alternatives: AMD MI300X/MI350X, Intel Gaudi 3, Graphcore (UK), and eventually SiPearl (European, Rhea processor for supercomputers). Fund a multi-vendor AI accelerator qualification program through the European Chips Act.

3. **Anti-weaponization clauses in trade agreements.** Integrate into the future EU-US trade agreement clauses preventing the unilateral use of export controls as a commercial competitiveness instrument, modeled on WTO non-discrimination clauses.

7.4 Pillar 4 — Regulation as Competitive Advantage

7.4.1 From the AI Act to the Apply AI Strategy

Mistral CEO Arthur Mensch summarized the European paradox: "You cannot regulate your way to computing supremacy."[14] The AI Act, progressively enforced since 2024, imposes obligations (transparency, risk assessments, compliance) that constitute both a burden for European companies and a differentiation advantage in global markets. The Apply AI Strategy (2025) complements the AI Act by adopting an "AI first" approach for the public sector and promoting "buy European," particularly for open-source solutions.[15]

The recommendation is to transform regulation into an offensive rather than defensive lever. Specifically:

a)

Require that AI Factories and AI Gigafactories funded by InvestAI prioritize European models (Mistral, Aleph Alpha, etc.) and certified clouds (SecNumCloud, EUCS high level).

b)

Leverage the Brussels Effect: companies worldwide complying with the AI Act to access the European market (450 million consumers) de facto adopt European standards, creating a normative advantage. Accelerate mutual recognition agreements with Japan, Brazil, and India.

c)

Create a European "CLOUD Act Shield": blocking legislation (modeled on the 1996 EU blocking regulation) preventing European companies from complying with extraterritorial American access requests without authorization from the competent national authority.

7.4.2 Regulation of Compute as a Strategic Asset

Comparative analysis (Chapters V and VI ter) shows that cutting-edge compute is now treated by the United States, China, Japan, India, and the Gulf States as a national strategic asset on par with energy or critical raw materials. Europe must formalize this recognition. Gartner forecasts that countries pursuing independent AI stacks will need to invest at least 1% of GDP in infrastructure by 2029.[16] For France, this would represent approximately €28 billion, an order of magnitude consistent with the €109 billion in announced investments (of which a significant portion comes from foreign capital).

7.5 Pillar 5 — Talent and Human Capital

Infrastructure without talent produces nothing. Europe is losing AI researchers to American laboratories (salaries, access to frontier compute, project scale). Two complementary measures:

First,

European AI fellowships and talent visas (McKinsey recommendation: launch before end of 2026) to attract world-class researchers.[17] France has an advantage with the Mistral/LightOn/Hugging Face ecosystem and grandes écoles (Polytechnique, ENS, CentraleSupélec), but must match GAFAM salary offerings (average gap of 2x to 4x for senior AI profiles).

Second,

Guarantee European researchers compute access equivalent to that of American laboratories. The deployment of 500,000 GPUs via Fluidstack (operational 2026), the 18,000 Mistral Compute superchips, and the EuroHPC AI Factories constitute the beginning of a response. The objective is that no European researcher leaves the continent for compute access reasons by 2028.

7.6 Summary: Recommendations Timeline Matrix

Horizon	Compute Pillar	Energy Pillar	Alliances Pillar
2026–2027	13 AI Factories operational Special Compute Zones FR Long-term GPU contracts	250 MW nuclear-AI (EDF) 6 EDF data center sites Fluidstack 1 GW operational	EU-Nvidia volume agreement Strategic GPU reserves AI talent visas
2027–2029	5 AI Gigafactories (€20B)	6 EPR 2 construction started	TSMC Europe 7/5 nm node

	30–40% sovereign workloads	AI integration in grid plan	EU-Japan/Korea HBM agreements
	MGX-Mistral campus 1.4 GW	8 optional EPRs confirmed	European CLOUD Act Shield
	40% local compute (vs 5%)	First SMR data center	Multi-vendor GPU qualified
2029–2032	Sovereign frontier models	+20 GW nuclear by 2035	AI export standards (Brussels Effect)
	SiPearl EU AI accelerator	Integrated AI energy mix	60% value chain autonomy

Table 17. *Timeline matrix of strategic recommendations by pillar (2026–2032). Source: author.*

7.7 Conditions for Success and Limitations

Several conditions will determine the effectiveness of these recommendations.

Condition 1: Mistral's competitiveness.

France's entire AI sovereignty strategy rests in part on Mistral's ability to maintain competitive performance against OpenAI, Anthropic, and Google DeepMind. If the capability gap widens, French infrastructure will serve compliance needs (sovereign hosting of US models) rather than genuine technological sovereignty.[18] The €1.7 billion fundraise (€11.7 billion valuation) and the establishment of Mistral Compute are positive signals, but the scale of competition (OpenAI: $20 billion ARR in 2025) remains overwhelming.

Condition 2: Industrial execution.

European AI infrastructure programs have historically suffered from delays (EuroHPC, Chips Act). The 13 AI Factories must be operational, not merely announced. Japan's experience (Rapidus 2 nm program) and India's (gap between $200+ billion in announcements and 1.4 GW installed capacity) illustrate the risks of disconnect between ambition and execution.

Condition 3: European coherence.

Intra-European fragmentation (27 energy regimes, divergent positions on nuclear energy, competing national sovereignty approaches) remains the main obstacle. Chapter V's Scenario C ("Western bloc") only works for Europe if it speaks with one voice in negotiations with Washington.

Condition 4: The time factor.

The energy tipping point identified in Chapter V (2028, EU compute + energy saturation) imposes a constrained timeline. If the AI Factories are not operational and EDF sites not connected by that date, the compute gap will solidify into irreversible structural dependency. The strategic window for action lies between 2026 and 2028 — after which positions crystallize.

7.8 Chapter Conclusion

France possesses a unique set of advantages in Europe for responding to American AI protectionism: an unmatched nuclear fleet (70% of electricity, being expanded), a competitive AI champion (Mistral, €11.7 billion valuation, proprietary compute infrastructure), a sovereign cloud ecosystem in formation (S3NS, Bleu, OVHcloud, Scaleway, OUTSCALE), and strong capacity to attract foreign investment (€109 billion in 2025).

But these advantages do not constitute a guarantee. The capex gap with the United States ($660–690 billion annually versus €200 billion over five years), the compute gap (CACI ratio 7–12:1), and structural dependency on American GPUs (Nvidia: 80% of the AI accelerator market) define the realistic scope of achievable autonomy. The objective is not technological autarky — which is impossible by 2030 — but sufficient strategic autonomy so that American protectionism does not translate into irreversible dependency.

The comparative lessons are clear. Japan is investing $550 billion in the United States to secure compute access, at the cost of co-financing American supremacy. India promises $200 billion but has only 1.4 GW installed. China, under maximum restrictions, is building a parallel ecosystem with a 2–3 generation GPU lag. Brazil hesitates between the two blocs and risks fragmentation. France, with its nuclear advantage and Mistral, has a credible middle path: neither total alignment (Japan), nor confrontation (China), nor hesitation (Brazil), but methodical construction of energy and compute autonomy that guarantees the capacity to choose. Time to act is measured: the 2026–2028 window is decisive.

Notes

[1] European Commission (April 2025), AI Continent Action Plan. 13 AI Factories across 17 member states, InvestAI program €200B. Apply AI Strategy (2025): "AI first" approach, "buy European."

[2] Centre for Future Generations (October 2025), "Special Compute Zones: Europe's Recipe." Deregulated zones to reduce data center installation timelines from 3–5 years to 12–18 months.

[3] Deloitte (November 2025), "A New Era of Self-Reliance." InvestAI: €20B for 5 AI Gigafactories, sovereign frontier models.

[4] Euronews (February 2026), "Will Big Tech's AI Spending Crush Europe's Data Sovereignty?" 2026 capex: Amazon $200B, Alphabet $185B, Microsoft $145B, Meta $135B, Oracle $50B. Total: $660–690B. European sovereign cloud spending: €10.6B in 2026.

[5] Global Data Center Hub (May 2025), "France's $8.5B AI Campus." MGX-Bpifrance-Mistral-Nvidia campus: 1.4 GW, exascale, operational 2028.

[6] Euronews, op. cit. Mistral Compute: 18,000 Grace Blackwell, 40 MW Essonne. Capex €1B (2026). Borlänge data center (Sweden): €1.2B, EcoDataCenter, green energy, opening 2027.

[7] Julien Simon, Medium (January 2026), "AI Sovereignty in Europe: A Decision Framework." S3NS: SecNumCloud December 2025. Bleu: milestone 1 November 2025. AWS European Sovereign Cloud: January 2026, Brandenburg GmbH.

[8] World Nuclear News (February 2025), "France Tempts AI Firms with Nuclear Electricity." EDF: 4 sites, 2 GW total, expression of interest call. Data4: 40 MW nuclear supplied by EDF.

[9] Introl Blog (2025), "France's AI Sovereignty Push." AI Action Summit: €109B. Bpifrance: €10B. Fluidstack: €10B, 500,000 GPUs, 1 GW, operational 2026.

[10] Enki AI (February 2026), "Top 10 Nuclear & SMR Projects in France." EPR 2: 6 reactors (Penly, Bugey), 9,900 MWe, construction 2027. Option for 8 additional reactors. 20 existing reactors: life extension (26 GW).

[11] Enki AI, op. cit. NUWARD: 340 MWe, EDF/Naval Group subsidiary. France 2030: €1B for SMRs. Newcleo, Stellaria, Jimmy Energy: ASN applications filed. Counterpoint: Beyond Nuclear International (January 2026) reports financial difficulties for some SMR start-ups.

[12] McKinsey (December 2025), "Accelerating Europe's AI Adoption: The Role of Sovereign AI." Recommendation: integrate AI demand forecasts into national energy planning. Productivity gains: up to 40% in "lighthouse factories."

[13] S&P Global (December 2025), "Geopolitics of Data Centers." ASML: €1.3B in Mistral (September 2025), 11% of capital. Mistral fundraise: €1.7B, valuation €11.7B.

[14] Euronews, op. cit. Arthur Mensch quote (2025): "US companies are building the equivalent of a new Apollo program every year" and "you cannot regulate your way to computing supremacy."

[15] European Commission (2025), Apply AI Strategy. "AI first" for the public sector, "buy European" for open-source solutions. AI Observatory for trend monitoring.

[16] Intelligent CIO Europe (February 2026). Gartner: 1/3 of enterprises will use localized AI platforms by 2027 (vs. 5% today). Minimum investment of 1% of GDP in AI infrastructure by 2029.

[17] McKinsey, op. cit. AI fellowships and talent visas to be launched before end of 2026. 44% of European tech leaders cite data security as a barrier to public cloud; 31% cite data localization.

[18] Introl Blog, op. cit. "If the capability gap widens, French infrastructure may serve compliance requirements without enabling competitive AI applications." OpenAI: $20B ARR 2025 (x3 in one year).