

The Costing

Le Pen's €140 billion, line by line, and the rate the plan needs from the market

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In short

- **Why now: the budget vote.** From Monday 12 October the Assembly debates Lecornu's 2027 bill, and the RN holds the votes that decide it. The counter-budget the RN presented on 6 October is its negotiating hand for the next five weeks, not just a campaign brochure.
- **The headline is €140bn of net savings by 2032. The annex is narrower:** €141.7bn of net improvement in 2031, built from €244bn of gross measures set against €103bn of tax cuts and new spending.
- **Households are protected; the cost falls elsewhere.** On the annex's own figures, net compulsory levies rise by €7bn in 2027 and €28bn in 2031, mainly on large firms, energy and networks. The pension system is also expected to contribute €15bn of "repair", with no measure yet specified.
- **Thirteen lines carry the plan.** Take out what needs EU unanimity or fails legal tests, what has no effect on the deficit, and half of what has no mechanism, and those lines shrink from €128bn to €41bn. Even taking everything else at face value, the plan delivers about €55bn in 2031, not €142bn.
- **The plan needs the market to give back 93bp.** It assumes the OAT-Bund spread returns to 40–50bp within two years. It closed on 9 October at 138.0bp, within three basis points of the year's highest close. Adjusted for what the law and the market will allow, the 2031 deficit is 5.1–5.3% of GDP, close to where France is now.
- **For the budget fight, the landing zone is narrow.** The only measure in both books is a waiting period before some benefits are paid to foreigners. It is the RN's route to an abstention, and it is the most legally fragile item on either side.

1. Why the costing matters now

The shadow budgets matter now because they will be traded through the budget vote, before the election. The parliamentary calendar is fixed by the Assembly itself, and its first real test is the vote on 20 October.

Date	Event
12 → 19 October	Debate on the first part of the 2027 budget (revenue side)
20 October	Formal vote on the first part
20 → 26 October	Debate on the social security budget (PLFSS): the pensioner measures
27 October	Formal vote on the PLFSS; second part (spending) opens
17 November	Formal vote on the whole budget (may slip to 18 November)

Three positions frame the arithmetic. Lecornu has said he will not use 49.3 or ordinances unless there is obstruction, so the bill needs an actual majority. Le Pen has said there are "very good chances" the RN votes against, while also saying she prefers an imperfect budget to a special law, because a new president can amend an existing budget faster than write one. Those three statements cannot all hold. Something gives, and what gives will be drawn from the document the RN presented on 6 October. Every RN amendment over the next five weeks will be a line from that annex, so the annex tells us what the RN will offer, and whether Bercy can score it.

2. What the RN presented

The RN published two things on 6 October: a five-year trajectory for a Le Pen presidency, presented by Marine Le Pen, and a counter-budget for 2027, presented by Jordan Bardella and Jean-Philippe Tanguy. The architecture rests on a “golden rule” put to referendum: the deficit must stay below the level that stabilises debt, with a minimum adjustment of 0.5pt of GDP a year when it does not, and a three-fifths vote of Parliament to derogate. The numbers behind it are these.

RN costing as presented (€bn)	2027	2031
Gross savings and new revenue	140.8	244.4
Tax cuts	-53.2	-49.1
New spending	-16.1	-53.7
Net improvement in the balance	71.6	141.7
Public deficit shown (% GDP)	3.7%	2.3%
Public debt shown (% GDP)	119.3%	113.3%

The trajectory runs from a 5.4% deficit in 2026 to 3.7% in 2027 and 2.2% in 2032, with a primary surplus from 2028 and debt back to 112.1% of GDP in 2032. Two points stand out before any line is examined.

First, the first year. Taking the deficit from 5.4% to 3.7% is 1.7pt of GDP in a single year. A government with a working majority is in place only after the June legislative elections, so half of 2027 will have been spent under Lecornu’s budget, with a summer amending law the only tool left. That budget barely reaches 5% and already looks stretched: the 2026 deficit has slipped from the 5% voted to 5.4%, schools and public-sector unions are protesting, the pension reform review is still ahead, and with the 10y yield close to 5% buying social peace with public money is no longer an option. The RN’s 3.7% needs another 1.3pt of GDP on top of Lecornu’s 5%, about €40bn, from a government that arrives in the summer.

Second, where the money is booked. The largest items are not cuts to a named programme. They are levies, fraud recovery and efficiency gains. That is where the answer to the obvious question lies: how can €140bn be found alongside the commitment to no tax rises and no “social injustice” against working France?

3. Who bears the cost

The commitments protect households and smaller firms, and the plan places the cost elsewhere. Grouping the annex’s 125 measures by who bears them shows where. The figures below are the RN’s own; the grouping is the one published by the Institut de l’Entreprise, a French business think tank, in its note of 6 October.

Who bears it (€bn, + improves the balance)	2027	2031
Households: taxes	-24.7	-22.1
Households: benefits and new rights	+0.1	-19.1
All firms, SMEs included	-12.0	-11.1
Large firms	+13.1	+5.6
Immigration	+15.1	+29.0
European Union	+11.1	+19.5
Energy, networks, concessions	+20.6	+29.0
Fraud (VAT, public procurement)	+1.1	+23.8
Social security	+19.0	+53.1
State, operators, local government	+22.4	+29.0
Government measures retained	+3.6	+3.6
Total (recomputed line by line)	+69.3	+140.3

Read it from the top. Households receive €24.7bn of tax cuts in the first year and €41bn of tax cuts and new benefits by 2031. Firms as a whole gain nothing in 2027: what SMEs receive, large groups pay. The cost is concentrated in five areas: immigration-related measures, the EU contribution, energy and network operators, fraud recovery, and social security.

That last line is the largest. **Social security is the single largest contributor, at €53.1bn by 2031.** It contains undue spending, hospital costs, long-term illness, a biometric health card and €15bn of “repair” to the pension system with no measure described, a repair that funds the programme’s own pension reform, costed at €9.5bn in 2031. The plan therefore does draw savings from health and pensions, presented as fraud reduction and efficiency rather than as cuts. That is how the commitments and the savings are reconciled in the document.

The same applies to taxation. The commitment to no tax rises concerns households. The annex shows **net compulsory levies rising by €7bn in 2027 and by €28bn in 2031**, from a turnover-based corporate tax, a tax on share buybacks, and levies on banks, platforms, energy networks and concessions. In aggregate, the tax take rises; its composition shifts from households and SMEs towards large companies and the energy sector.

And the bill on large firms is not free. France already levies 43.6% of GDP in compulsory contributions (INSEE, 2025), and on the OECD’s comparison it ranked first of its 38 members in 2022. In that setting, €13bn more on large groups in the first year has a cost the annex does not count. The intention behind the transfer is understandable: SMEs are over-taxed, so lighten their load and lean on the larger, sturdier groups. In practice the burden is hard to confine. Large groups are the SMEs’ customers, and a levy on the group travels down the supply chain in tighter prices and longer payment terms, until it lands on the very firms it was meant to spare. Charges on French firms are already among the heaviest, so the extra yield has to come from profits, and profits are the most mobile base there is. A multinational can book its margin in the jurisdiction that suits it best and, where it can, move its headquarters abroad, taking investment and some of the tax base with it. The annex itself reflects this: the tax on share buybacks raises €11.35bn in 2027 and €0.34bn a year afterwards, so the base is assumed to vanish once it is taxed. The corporate tax on turnover is the RN’s answer to profit shifting, taxing sales where they are made rather than profits where they are booked. But a tax on turnover falls on thin-margin and loss-making firms alike, works like one more production tax, and runs into France’s tax treaties.

4. Thirteen lines carry the plan

Thirteen measures account for €127.8bn of the 2031 total, about nine-tenths of the net improvement shown. A bond market does not ask whether a measure is desirable. It asks two questions: who can say no, and is there a mechanism? I have applied that test to each line, with a haircut that is deliberately generous to the RN; the reasoning for each line is set out in the appendix.

Line (2031, €bn)	Shown	Constraint	Kept
VAT collected at source	18.0	Exceeds the Commission’s estimate of the whole gap	6.0
Pensions: repair of current system	15.0	No measure specified	7.5
Cut in EU contribution	13.1	Requires unanimity of all member states	0.0
Solidarity benefits after 5 years’ work	12.2	Equality principle, ECHR, Directive 2003/109/EC	0.0
Agencies and operators	10.1	Bodies not listed; include universities	5.05
Undue health spending	9.5	No mechanism specified	4.75
National electricity price	9.3	Recorded as a spending cut; no mechanism	4.65
Hospital costs and care pathways	8.3	No measures detailed	4.15
Energy-saving certificates rebudgeted	8.0	Neutral for the Maastricht deficit	0.0
Corporate tax on turnover	7.5	New tax base; treaty constraints	3.75
Family benefits: one French parent	5.9	Nationality condition; constitutional risk	0.0
Public procurement cartels	5.8	Yield not measurable in advance	2.9
State property	5.1	Unspecified; partly one-off	2.55
Total	127.8		41.3

Two lines deserve a word because the issue is arithmetic rather than judgement. **VAT:** the European Commission puts France's entire VAT compliance gap at €12bn in 2023, 6% of the tax due, fraud and insolvencies included. The RN expects €18bn from one measure, 1.5 times the full gap calculated by the European Commission. Even so, I assume half of the gap can be recouped, which is an ambitious assumption. **The EU:** the Cour des comptes expects France's levy for the EU budget to reach €31.2bn in 2027. A €13.1bn cut is 42% of it. The amount is set by the Own Resources Decision, adopted unanimously and ratified by every member state. There is no unilateral lever.

Carried through to the plan's own total, the €86.5bn the thirteen lines lose comes straight off the net improvement shown.

From shown to bankable, 2031 (€bn)	Amount
Net improvement shown by the RN	141.7
Lost on the thirteen lines (127.8 shown, 41.3 kept)	-86.5
Net improvement after the haircuts	55.2

The haircuts are deliberately generous. Everything outside the thirteen lines, €117bn of other measures, is taken at the RN's own figure, and all tax cuts and new spending are kept in full, since their cost is certain once voted. The point is the gap: about **€87bn of the 2031 improvement depends on things no French government controls**, or on things nobody has yet described.

5. The rate the plan needs

For a rates trader this is the most interesting part of the document, because the RN states its own market assumption. The dossier quotes the 10y OAT at 4.9% on 2 October, assumes an average refinancing rate of 4.0% from 2028, and expects the spread over Bunds to return to 40–50bp within two years through regained credibility alone.

At the close on 9 October the 10y OAT was at 4.85% and the Bund at 3.47%, a spread of 138.0bp. With Bunds unchanged, the plan needs about **93bp of compression**. The logic is circular: the plan is credible if the market gives the rate, and the market gives the rate if the plan is credible.



Source: TradingView generic 10y yields (TVC:FR10Y, TVC:DE10Y), daily closes to 9 October.

The shaded band is the spread the RN plan assumes within two years. The 2011 line is the closing peak on the same generic series.

What it costs if the market does not oblige is in the official numbers, and in the RN's own.

If rates stay higher (€bn)	Year 1	Year 5	Year 9
+100bp across the curve, State debt charge (AFT)	+3.2	+23.5	+33.5
Spread fails to compress by 93bp (scaled)	+3.0	+21.9	+31.2
RN's own variant: refinancing at 5% vs 4%		+14 (2031)	+19 (2032)

The same asymmetry runs through the growth assumptions. The RN expects its tax cuts and new spending, 2.9pt of GDP by 2031, to add 2.8pt of growth over the term: a multiplier of about one. It expects its gross spending cuts, 4.6pt of GDP, to cost only 0.5pt: a multiplier of about one-tenth. The IMF's benchmark is that a consolidation of one point of GDP lowers output by about half a point after two years. The dossier itself shows what is at stake: without any macroeconomic effect, debt would reach 118.0% of GDP in 2032, not 112.1%.

6. Putting it together

Put the two adjustments side by side. Nominal GDP in 2031 is about €3.55tn on the dossier's own figures, so each €10bn is roughly 0.3pt.

2031 deficit (% GDP)	Low	High
Shown by the RN	2.3%	2.3%
Measures not bankable (€86.5bn)	+2.4	+2.4
Spread stays near its current level (RN variant / AFT scaled)	+0.4	+0.6
Adjusted 2031 deficit	5.1%	5.3%
For reference: 2026 deficit expected by the government	5.4%	5.4%

That is before any correction to the growth assumptions, which would make it worse. **On the plan's own numbers, adjusted only for what the law and the market will allow, 2031 looks like 2026.** And the proposed golden rule would then require an extra 0.5pt of GDP of adjustment every year that the plan does not programme. That adjustment would have to come from the largest spending lines, which brings the question straight back to pensions.

7. What it means for the budget fight

Lecornu's bill freezes civil servants' pay and some pensions, and leaves the most sensitive pensioner measures to Parliament. Those come up in the PLFSS week, 20 to 27 October. That is where the RN's stated position on pensions meets the government's arithmetic. The protests raise the cost of that moment: older voters are a key part of the RN's electorate, and Jean-Luc Mélenchon, who supports the protests, is competing for a place in the run-off. An abstention on a budget that asks pensioners for an effort is harder to defend in that setting. Expect the RN to offer swaps from its annex: the EU contribution, benefits for foreigners, agencies. The test for each swap is whether Bercy and the fiscal council can score it. On the analysis above, the EU line cannot be scored, the benefit conditions are legally fragile, and the agencies have no list.

There is one overlap. Lecornu has already proposed a waiting period before some benefits are paid to foreigners, as a gesture to the RN. The RN's largest immigration line is the same idea, made broader. That is the landing zone for an RN abstention: narrow, and the item most exposed to the Constitutional Council. The pension detail Le Pen promised "in the coming weeks" will land in or near the same window.

Outcome	Route	OAT-Bund spread
Passes, RN abstains	Waiting period widened, pensioner freeze diluted	Tighter
Passes with the PS	Repeat of last year, more tax	Little changed to slightly wider
Rejected, special law	Rollover into January	Wider, on a known path
Censure	RN and the left vote together	Sharply wider; 2011's 190bp in view

Reference levels on the generic 10y spread: 55bp, the low of the year on 25 February; 140.6bp, the highest close of the year, on 1 October; 138.0bp at the close on 9 October; 190.2bp, the closing peak of 15 November 2011.

On 8 October, euro-area finance ministers and the ECB asked France to pass a 2027 budget, and made clear that no European institution stands ready to lower its borrowing costs. The ECB's instrument for disorderly markets is conditional on compliance with the EU fiscal framework: not being in an excessive deficit procedure, or not having been found to have failed to take effective action in one (ECB, 21 July 2022). France is in the procedure, and its path has drifted from the one agreed. With no backstop in prospect, the bond market remains the only constraint, which raises the price of a rejected budget or a censure.

8. What it changes for the trades

Nothing in the costing moves the levels. The two trades set out in the previous piece stay level-triggered and unchanged: the short France against Spain on a pullback of the France–Germany spread from its high, and the long France against Germany at France–Italy 30 and 45. What this paper adds is the calendar the triggers sit in. The first-part vote on 20 October, the PLFSS vote on 27 October and the pension detail the RN has promised are the political events around which those levels are most likely to be tested, and the social security deadline passing without a censure carried remains the signal for the long's second half.

Appendix: the thirteen lines, one by one

Each line is scored on the two questions of section 4: can someone outside the French government block it, and is there a described mechanism? Lines that can be blocked outside France, or that have no effect on the deficit, are scored at zero. Lines that are legally possible but have no described mechanism are kept at half. Everything outside these thirteen lines, and all tax cuts and new spending, is kept in full.

1. VAT collected at source: €18.0bn shown, €6.0bn kept. The European Commission puts France's entire VAT compliance gap at €12bn in 2023, fraud, errors and insolvencies included. No collection method can recover more than the whole gap, and insolvency losses are not recovered by changing how VAT is collected. Half the gap is an ambitious assumption. There is also a risk of double counting: the e-invoicing reform starting in 2026 targets the same fraud, so part of the gain may already sit in the government's baseline.

2. Pensions, repair of the current system: €15.0bn shown, €7.5bn kept. Legally possible, but no measure is described. The line funds the programme's own pension reform, costed at €9.5bn in 2031. If the repair does not materialise, that cost remains, so half is generous.

3. Cut in the EU contribution: €13.1bn shown, nothing kept. The amount follows from the Own Resources Decision, adopted unanimously and ratified by every member state. The Cour des comptes expects France's levy to reach €31.2bn in 2027, so the cut is 42% of it. Withholding it unilaterally would breach EU law. A rebate could be sought in the 2028–2034 budget negotiation, but that also requires unanimity.

4. Solidarity benefits after five years' work: €12.2bn shown, nothing kept. The condition runs into the constitutional principle of equality, the non-discrimination rule of the European Convention on Human Rights, and Directive 2003/109/EC on equal treatment of long-term residents. The government's own bill includes a waiting period for some benefits, which suggests a narrower version could survive; keeping 10–20% of the line would add €1–2.5bn.

5. Agencies and operators: €10.1bn shown, €5.05bn kept. No list of the bodies concerned is given, and the operators of the State include universities and research bodies. The RN phases the saving in from €3.4bn in 2027, which is realistic on timing; the full amount still depends on closing bodies that have not been named.

6. Undue health spending: €9.5bn shown, €4.75bn kept. Legal and within the government's control, but no mechanism is given. The government's bill already counts on about €2bn from sick-leave controls, so part of this ground is already taken.

7. National electricity price: €9.3bn shown, €4.65bn kept. Booked as a reduction in spending, without a described mechanism, and subject to EU electricity market rules. Without a mechanism, a lower administered price is as likely to cost the State money as to save it; scoring the line at zero would remove a further €4.65bn.

8. Hospital costs and care pathways: €8.3bn shown, €4.15bn kept. Efficiency savings within the government's control, but no measure is detailed.

9. Energy-saving certificates brought on budget: €8.0bn shown, nothing kept. The certificates are obligations placed on energy suppliers, outside the State budget. Bringing them on budget is neutral for the Maastricht deficit. It saves money only if the energy-renovation programmes they finance are cut, which the plan does not state; otherwise it amounts to a levy on energy bills.

10. Corporate tax on turnover: €7.5bn shown, €3.75bn kept. A new tax base. France's tax treaties allocate taxing rights on profits, not turnover, and the measure interacts with the OECD global minimum tax. It can be legislated, but the yield is uncertain and depends on how companies respond.

11. Family benefits conditional on one French parent: €5.9bn shown, nothing kept. A nationality condition, exposed to the same constitutional and EU-law objections as line 4, with no narrower precedent in the government's bill.

12. Public procurement cartels: €5.8bn shown, €2.9bn kept. The yield cannot be measured in advance. Competition fines are one-off; savings from cheaper public purchasing are real but slow to build.

13. State property: €5.1bn shown, €2.55bn kept. Unspecified. Sales of buildings reduce the deficit, but only in the year they take place; rental savings would recur.

On these rules the thirteen lines fall from €127.8bn to €41.3bn, and the bankable net improvement in 2031 is about €55bn. The two judgement calls with most room for debate, keeping part of line 4 or none of line 7, move the result by €1–5bn either way: roughly €50–58bn against €141.7bn shown.

Sources and method

RN press kit “Pour la Renaissance de la France : l’urgence de réparer les finances publiques”, 6 October 2026, slides 11, 19 and 24–26; line-item figures as transcribed, and grouped by contributor, by the Institut de l’Entreprise (note de contexte, 6 October 2026). The press kit itself had not been published online at the time of writing; its headline figures (€140bn of net savings by 2032, net of at least €30bn of tax cuts; debt at 112% of GDP in 2032; agencies at €3.4bn in 2027 rising above €10bn in 2031) match contemporaneous reports of the presentation. Classification and haircuts in section 4 are the author’s. Assemblée nationale, organisation de la discussion budgétaire (15 July 2026). European Commission, VAT Gap in Europe 2025 and France country fiche. Cour des comptes, note d’exécution budgétaire 2025, prélèvement sur recettes au profit de l’UE. Agence France Trésor rate sensitivity as reported in the Sénat report on the 2026 finance bill. IMF, World Economic Outlook, October 2010, chapter 3. Government of France, 2027 finance and social security bills (1 October 2026). INSEE, comptes nationaux des administrations publiques 2025. OECD, Revenue Statistics, France country note. ECB, press release on the Transmission Protection Instrument, 21 July 2022. Yields: TradingView generic 10y (TVC:FR10Y, TVC:DE10Y), daily closes to 9 October 2026.