

French Election Monitor #5

Macron on track to win majority

Emmanuel Macron's party *La République en marche* (LREM) scored a resounding victory in the first round of the parliamentary election for the National Assembly on 11 June. Macron had got off to good start to his presidency already, gaining popularity at home with his confident attitude towards foreign leaders such as Angela Merkel and Donald Trump. Furthermore, his push to include political newcomers as deputies seems to have found voters' approval, giving him the benefit of the doubt as a new and fresh political force in France.

LREM gained 28.2% of the votes in the first round, ahead of the Republicans at 15.8%. According to projections from pollsters, this should translate into a clear majority for Macron after the second round run-off to be held next Sunday, which Macron needs to implement his policy proposals (see below). On the other hand, abstention at 51.3% was also at a record high, indicating the widespread voter disillusion and political fragmentation in the country and making Macron vulnerable to criticism from the opposition about the lack of a popular mandate for pushing through his reform agenda. The high abstention rate has also affected the Front National adversely, which underperformed relative to polls and might even fall short of the 15 seats needed to form a parliamentary group that would grant the party more speaking time and financial rewards. The biggest loser of the election was the Socialist party as expected, which has been weighed down by internal divisions and several defections to LREM and is projected to lose the majority of its seats.

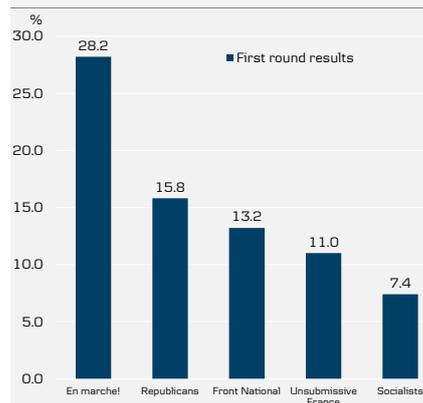
Only a very small share of deputies are elected directly in the first round. Hence, the final composition of the National Assembly will only be known after the second round on 18 June. So far, Macron's chances of acquiring a big majority look very favourable and a strong record on domestic reform implementation, not least the labour market, will also be important for him to build credibility and support in Germany for his planned reforms of the EU.

Macron will need parliamentary majority to implement campaign pledges

Economic policy	<ul style="list-style-type: none"> Tax cuts of EUR20bn, corporate tax rate cut to 25% Stimulus package of EUR50bn Reform labour market Keep 35h working week Keep current pensions intact and retirement age at 62-63
Fiscal policy	<ul style="list-style-type: none"> Cut up to 120,000 public sector jobs Cut public spending by EUR60bn by 2022 Keep budget deficit below 3% of GDP
Europe	<ul style="list-style-type: none"> Pro-EU stance, further EU integration Negotiate a eurozone budget
Foreign policy	<ul style="list-style-type: none"> Closer cooperation with EU partners Goal: 'To kill Isis'
Immigration	<ul style="list-style-type: none"> Pro immigration Reinforce controls at external borders Common EU asylum policy

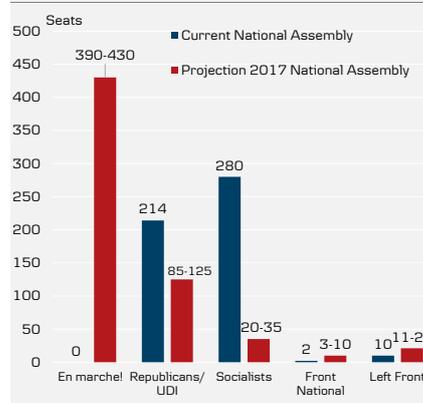
Source: Financial Times, Danske Bank

Macron's party is clear first round winner



Source: France Interior Ministry, Danske Bank

LREM expected to obtain majority in 577 member National Assembly



Source: Ipsos, Danske Bank

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Expected updates

None.

Date of first publication

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