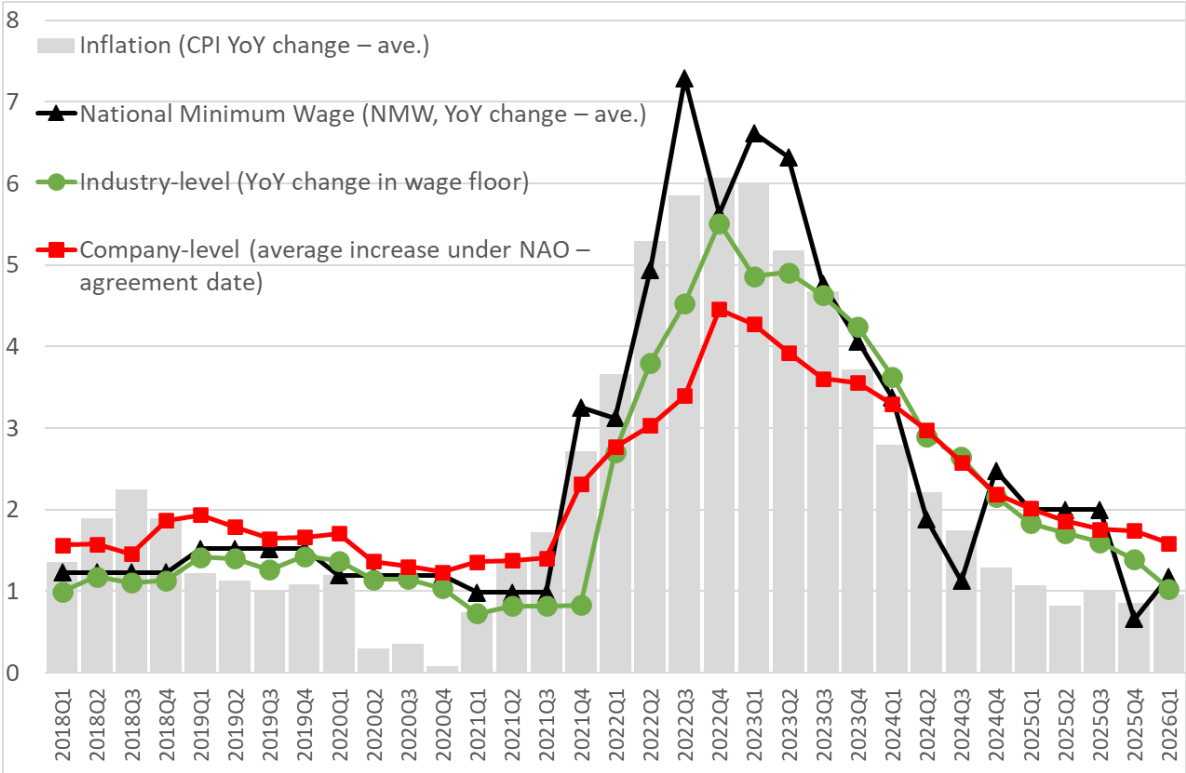


Negotiated wage increases for 2026: where do we stand?

By Laurent Baudry, [Erwan Gautier](#) and Sylvie Tarrieu

Since mid-2023, wage negotiations have managed to claw back purchasing power lost due to the inflationary shock of 2021-2022. In the wake of this catch-up phase, the agreements signed between 2025 and early 2026 (before the outbreak of the conflict in the Middle East) point to a normalised rate of wage growth, with a year-on-year increase of 1% in industry-level wage floors and 1.6% in base wages within companies.

Chart 1 Negotiated wage increases, changes in the national minimum wage and inflation



Sources: Légifrance – company-level agreements (20,000 wage agreements between 2018 and 2026), industry-level agreements (approx. 300 industries covering 14.5 million employees) – national minimum wage and CPI inflation from INSEE (year-on-year average, most recent values: Q1 2026 (provisional CPI in March)).

This blog post presents a snapshot of compulsory annual wage negotiations (NAOs) for 2026. These negotiations take place at industry level, where social partners negotiate minimum wage floors for employee pay; and at company level, where general or individual increases to the base wage are negotiated. For most industries and companies, these negotiations usually take place between October and March, resulting in wage

adjustments in the first quarter of the year. The analysis in this blog post is based on information taken from over 150 industry-level agreements signed between end 2025 and early 2026 and coming into effect in 2026 (covering approximately 8.5 million employees, or about 60% of all employees covered by a collective agreement) and around 1,700 company-level agreements (covering almost 700,000 employees across all market sectors).

While the rise in inflation that first began in late 2021 was passed through with a lag reflecting the time required for bargaining, since mid-2023, wage agreements have enabled an overall recovery in wage purchasing power (Chart 1). Between the end of 2020 and the end of 2025, industry-level wage floors will have risen on average by at least as much as prices, notably due to knock-on effects from the national minimum wage (NMW); the recovery in purchasing power has been somewhat slower in company-level agreements, which are generally negotiated in larger companies where wages are, on average, less sensitive to changes in the minimum wage. After this catch-up phase, the rate of wage growth normalised in early 2026: industry-level wage floors rose by an average of 1% year-on-year and average wage growth under company-level agreements was 1.6%, in the wake of moderate inflation when the agreements were signed (0.9% in 2025) and a national minimum wage increase limited to 1.2% in January 2026 (Chart 1).

Early 2026, increases in industry-level wage floors have continued to moderate

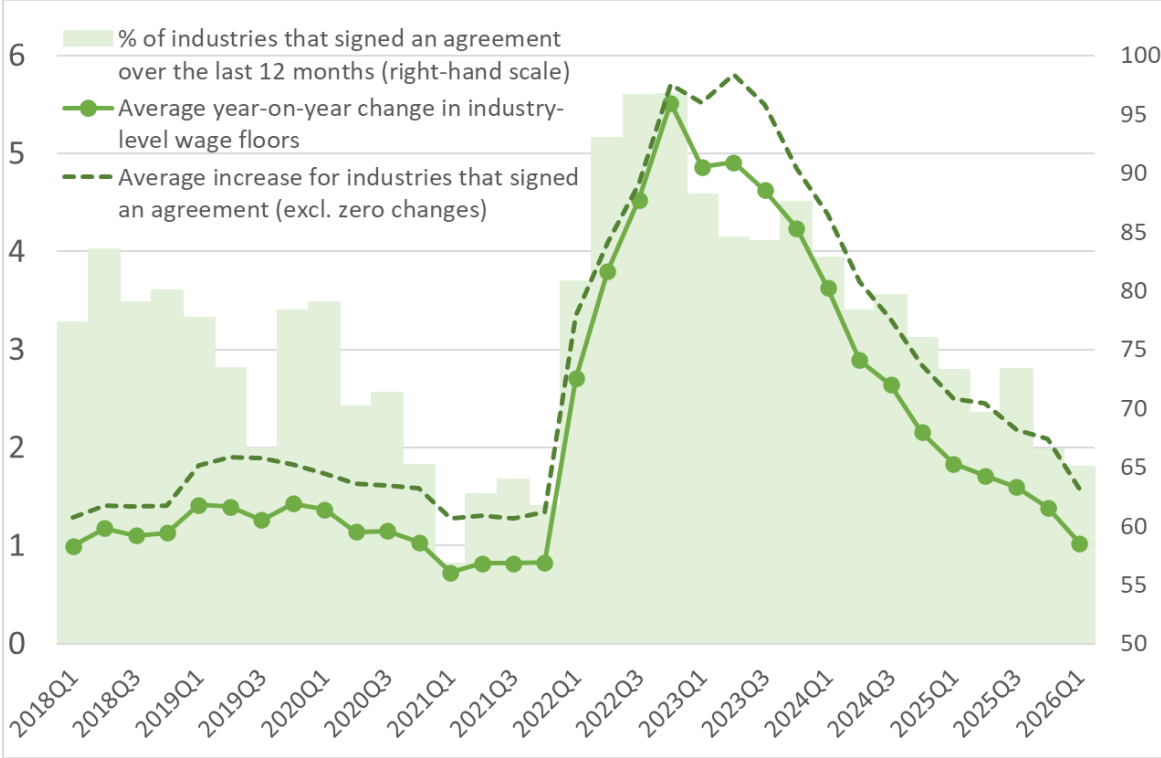
At industry level, wages negotiated early 2026 have grown by slightly less than in 2025. Based on the information contained in the agreements already signed, the year-on-year increase in industry-level wage floors is expected to average 1% in the first quarter of 2026, compared with 1.4% in the fourth quarter of 2025, and 1.8% one year ago (Chart 2 – solid line).

This more moderate growth in 2026 is primarily due to normalisation in the frequency of agreements. During the inflationary period 2021-2023, numerous agreements were signed: when inflation was at its peak, the proportion of industries that had increased their wage floors over the previous 12 months was close to 100% (Chart 2 – green bars). This proportion subsequently declined during the period of disinflation, to a current level of 65%, equivalent to that observed in 2021. Certain industries are finding it especially difficult to increase their wage floors every year because, at the time of negotiations, inflation at the end of 2025 was relatively low and the labour market was experiencing a slowdown. In early 2026, in the absence of an agreement, wage floors had not risen for at least a year in just over a third of industries, which is weighing on the overall growth of negotiated wages.

In industries that managed to reach an agreement, the average increase also slowed in early 2026 to 1.5%, compared with over 2% in 2025 (Chart 2 – dotted line). Among the factors accounting for this trend are the inflation rate when the agreements were signed between late 2025 and early 2026 (below 1%), as well as lower nominal growth in the

minimum wage (1.2% in 2026, compared with 2% in 2025), which has a knock-on effect on industry-level wage floors.

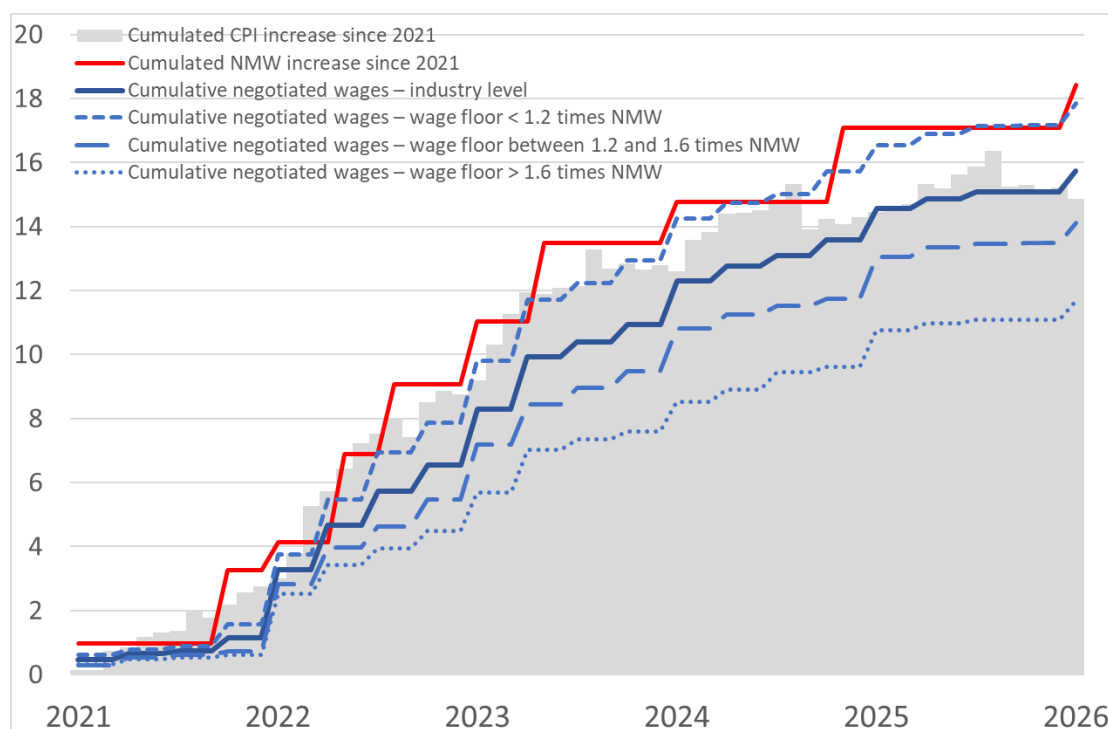
Chart 2: Changes in wage floor scales negotiated in annual industry-level agreements concluded between 2018 and 2026



Source: Industry-level agreements (Légifrance).
 Note: The green bars represent the percentage of industries that have signed an agreement over the last 12 months; the dotted line represents the increases negotiated in industries that have signed an agreement (excluding zero changes); the solid line represents the year-on-year change in industry-level wage floors (including zero changes).

These lower nominal increases in 2026 should be viewed in the context of the cumulative changes over the entire 2021-2025 inflationary period. Between December 2020 and February 2026, industry-level wage floors have risen by an average of nearly 16%, i.e. more than cumulative price increases over the same period (15% for the CPI) (Chart 3). Two-thirds of industries increased their wage floors by over 15% between 2020 and 2026, and one in five by more than 18%. However, trends vary depending on the wage floor level: wage floors that were close to the national minimum wage outpaced inflation (as did the national minimum wage), by around 18%, while higher floors rose by less than inflation, causing the spread of industry floors to compress ([Rapport Smic 2025](#)).

Chart 3: Cumulative change in industry-level wage floors and the national minimum wage compared with cumulative inflation since the fourth quarter of 2020 (%)



Sources: Industry-level agreements (Légifrance), national minimum wage (INSEE). Most recent value: Q1 2026.

Company-level wage agreements point to an average increase of 1.6% for 2026

While industry-level wage floors serve as an important benchmark for smaller businesses, company-level agreements are generally signed by large companies. The first 1,700 wage agreements signed between late 2025 and early 2026 as part of compulsory annual wage negotiations (NAOs) for the year 2026 stipulate an average increase of 1.6%.

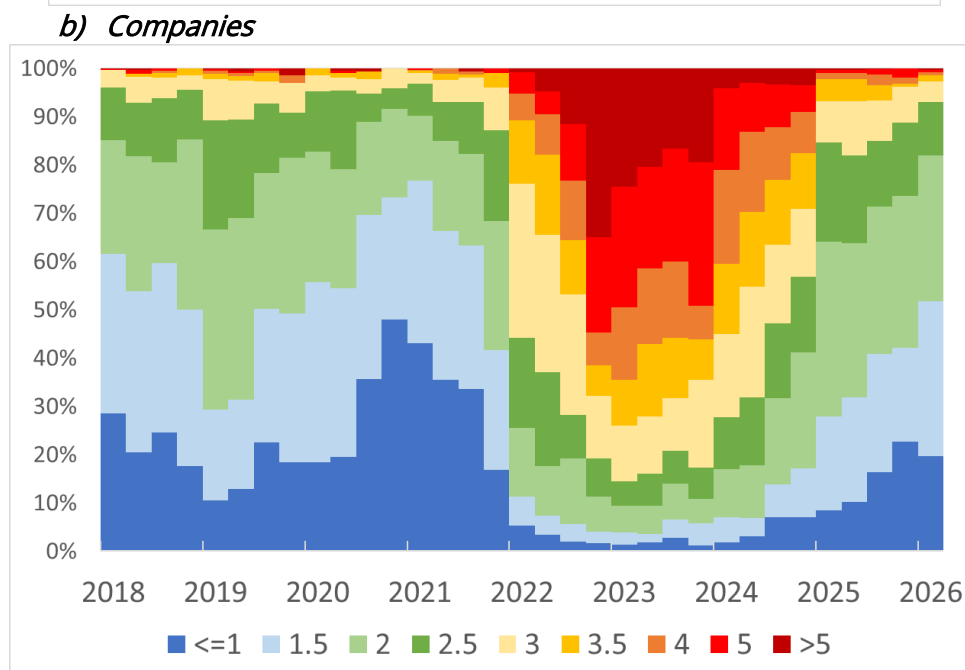
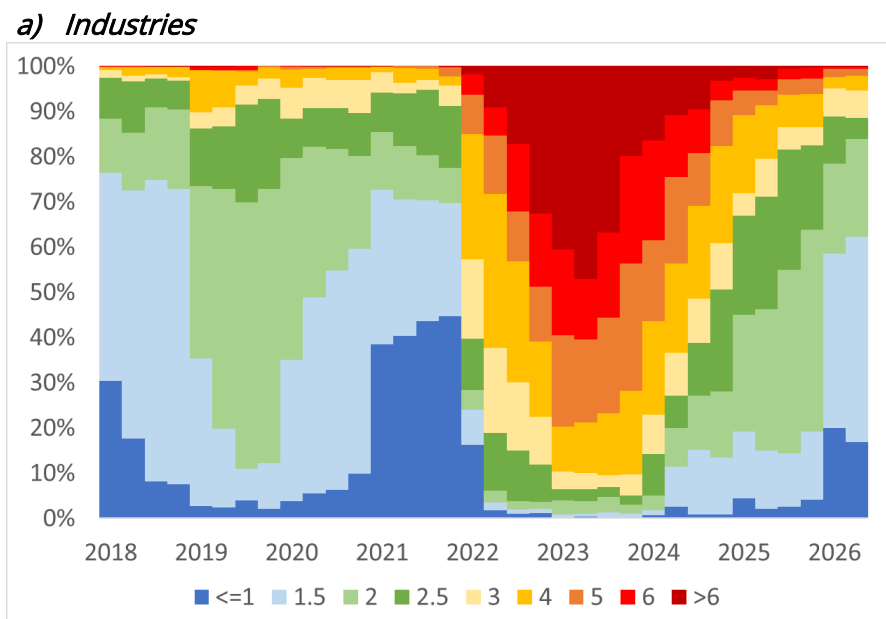
This average increase is slightly lower than in previous years: i.e. 2% at the start of 2025 and 3.3% at the start of 2024. The recovery of lost purchasing power is proceeding at a slightly slower pace in company-level than in industry-level agreements, as increases negotiated at company level are less sensitive to changes in the minimum wage, with wage levels higher on average in large companies.

The breakdown of wage growth between general increases and individual increases has also changed since the peak of the inflationary episode. In 2022–23, the share allocated

to general increases was close to 80%, making it possible to offset purchasing power losses. By early 2026, this share was close to 50% – below the pre-2021 average – underpinning a greater differentiation of performance-based pay increases in a context of low inflation at the time these agreements were signed.

The differences in negotiated pay increases between industries or between companies are relatively limited. At company level, half of all agreements provide for increases of less than 1.5%, whereas in industries, this figure rises to two-thirds (Chart 4).

Chart 4: Distribution of industry and company-level wage increases negotiated between 2018 and 2026



Source: Industry and company-level agreements (Légifrance).

Note: The chart shows the breakdown of pay increases across industry and company-level agreements coming into effect in a given quarter. In Q1 2018, 30% of increases were below 1%.

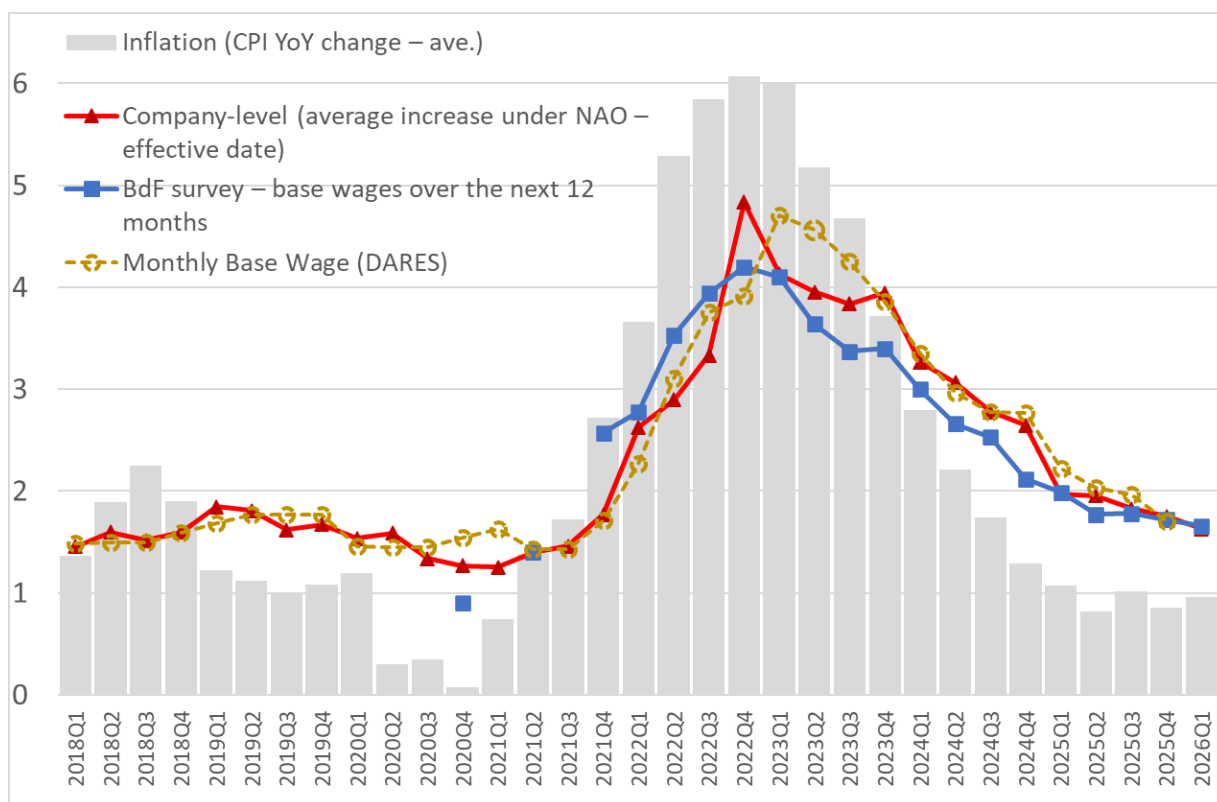
Finally, the proportion of NAOs mentioning payment of a value-sharing bonus ("*prime de partage de la valeur*") in 2025 was stable year-on-year at approximately 12%, after 24% in 2022 and 22% in 2023. The amounts forecast for end-2025–early 2026 are slightly below those mentioned in the agreements signed in late 2024–early 2025.

Business leaders expect base wages to rise by 1.7% over the next 12 months

Over the last few quarters, the slower growth in negotiated wage agreements has resulted in more moderate growth in base wages (excluding bonuses and overtime): they rose by 1.7% year-on-year in the fourth quarter of 2025 (compared with 2.8% at the end of 2024) (Chart 5). All in all, base wages have risen by nearly 15% between the end of 2020 and the end of 2025, which is roughly in line with consumer price inflation over the same period.

Every quarter, [a Banque de France survey](#) asks 1,700 business leaders about their expectations for inflation and base wage growth. When surveyed between late February and early March 2026, business leaders anticipate an increase in base wages of around 1.7% over the next 12 months (compared with 2% forecast at the start of 2025), with median responses of 1.5%, confirming the assessment on which the company-level wage agreements for the whole year were based.

Chart 5: Changes in base wages and expected changes in base wages



Sources: Company-level agreements (Légifrance), Monthly Base Wage (DARES, most recent value, Q4 2025), Inflation expectations survey (Banque de France) “Changes in base wages in your company over the next 12 months”, inflation (INSEE - most recent value: Q1 2026 (provisional data for March)).