



19th june 2025

Quarterly business survey of inflation expectations • 2nd quarter 2025

French business leaders' inflation expectations one year and three-five years ahead remained anchored at 2%

Business perception and expectations of inflation in France (consumer prices)

Our quarterly survey of inflation expectations (here defined as the increase in the consumer prices index – CPI), which is a module of the Banque de France's Business Survey, was carried out from 27 May to 4 June. In the second quarter 2025, the median of business leaders' perception of inflation reached 2.0%, while the rise in the consumer price index ([CPI](#)), stood at 0.7% in May, and the harmonised index of consumer prices ([HICP](#)), was at 0.6% in May. Their median one-year and medium-term (3-5 years) expectations also stood at 2%, in line with the price stability objective.

Table 1: Business perceptions and expectations of the annual inflation rate (median, %)

	2024-Q3	2024-Q4	2025-Q1	2025-Q2
Current Perceived Inflation	2.5	2.0	2	2.0
1-year forward inflation expectation	2.1	2.0	2	2.0
3-5 year forward inflation expectations	2.0	2.0	2	2.0

In the second quarter of 2025, median inflation as perceived by business leaders was stable compared with the previous quarter, as were expectations for one year ahead. Medium-term inflation expectations – three to five years ahead – have remained anchored for five quarters at 2%. The distribution of responses shifted towards lower inflation expectations than in the previous quarter: expectations of 1% or less rose by 4 pp (to 13% in the second quarter of 2025), while the "2%" category accounted for 43% of business leaders' responses (up 5 pp compared with the first quarter).

Chart 1: Change in annual inflation rate perceptions and expectations (median, %)

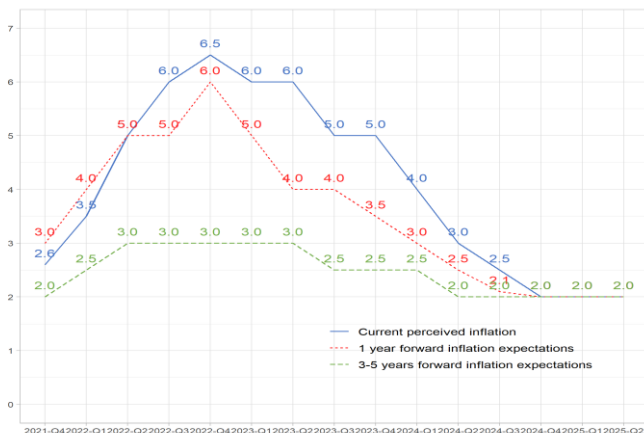
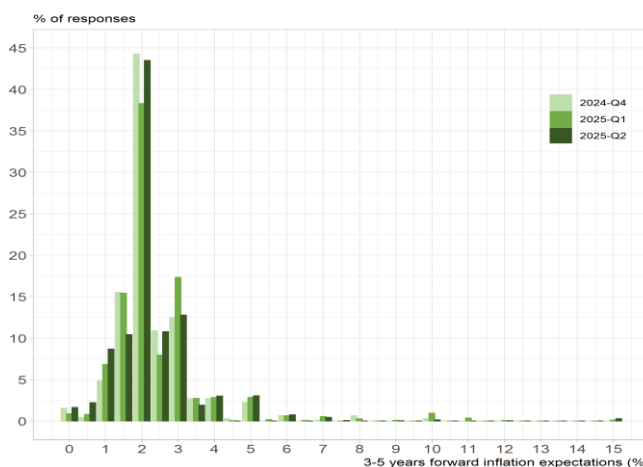


Chart 2: Distribution of three to five-year inflation expectations (%)





Business leaders expect base wages in their firms to grow by less than 2% over the next year

Business leaders expected base wages in their firms to grow by 2% (median), like in the three previous quarters. The distribution of responses shifted towards lower expectations: accordingly, expectations of less than or equal to 1% increased by 8 pp (29% compared with 21% in the previous quarter).

Chart 3: Change in one-year base wage expectation (median, %)

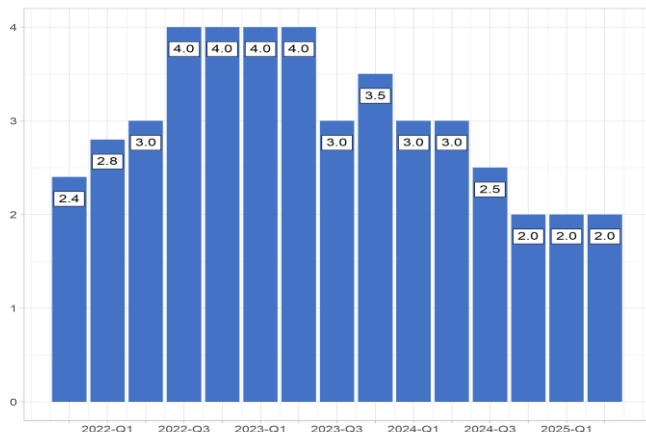
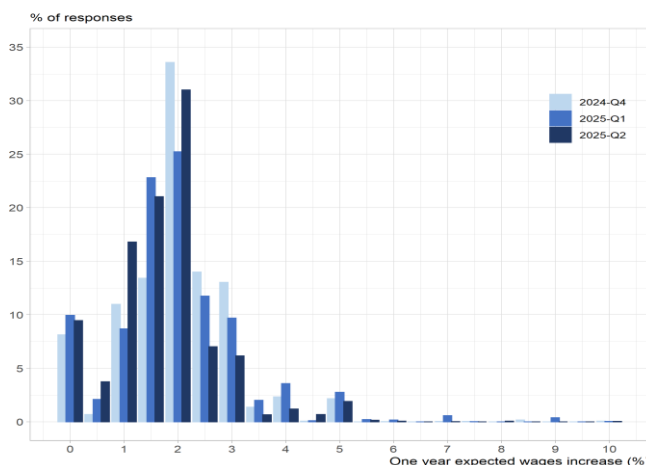


Chart 4 : Distribution of one-year expectations of base wage increases (%)



Methodology

This survey was carried out between 27 May to 4 June on a representative sample of 1,700 business leaders. The survey covers three major market sectors of the economy and firms of all sizes from every region of metropolitan France. The opinions of business leaders are obtained by telephone during the monthly interview conducted for the Monthly Business Survey and each business leader is questioned only once a year with regard to this module. Business leaders are asked four questions:

- 1 - As a percentage, what, in your opinion, is the actual rate of inflation in France?
- 2 - As a percentage, what, in your opinion, will the rate of inflation be in one year in France?
- 3 - As a percentage, what, in your opinion, will the rate of inflation be in three to five years in France?
- 4 - As a percentage, how, in your opinion, will the base wage (before tax, excluding bonuses) change in your firm over the coming 12 months?

Note that the base wage corresponds to gross salary before the deduction of social security contributions and payment of social security benefits. Bonuses and overtime are not included.

The data are trimmed at the 99th centile. To calculate the results, the replies are weighted based on the average number of employees and the relative importance of each firm within its sector, then by the respective weights of the professional branches in terms of value added at the aggregate level.

