

18th december 2025

Quarterly business survey

of inflation expectations • 4th quarter 2025

Business leaders expect the rate of inflation to hold at 2% over the three to five-year horizon but to fall back to 1.8% over the one-year horizon

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 November to 3 December. In the fourth quarter of 2025, median inflation as perceived by business leaders stood at 1.6%, significantly higher than the consumer price index (CPI) and the harmonised index of consumer prices (HICP) (0.9% and 0.8%, respectively, in November). Their median one-year expectation came out at 1.8%, while their medium-term (three to five-year) expectation stood at 2%.

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

	2025-Q1	2025-Q2	2025-Q3	2025-Q4
Current Perceived Inflation	2.0	2.0	2.0	1.6
1-year forward inflation expectation	2.0	2.0	2.0	1.8
3-5 year forward inflation expectations	2.0	2.0	2.0	2.0

In the fourth quarter of 2025, the median of perceived and expected one-year inflation fell by 0.4 percentage point and 0.2 percentage point (pp), respectively, compared with the previous quarter. The median medium-term inflation expectation (three to five-year) was stable at 2%, although the distribution of responses shifted slightly towards an expectation of lower inflation, with responses strictly higher than the “2%” inflation option falling by 13 pp in the fourth quarter (24% compared with 37% in the third quarter of 2025).

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

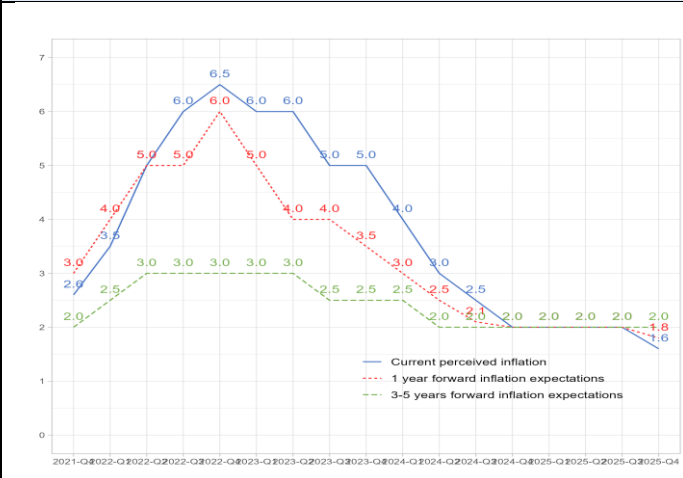
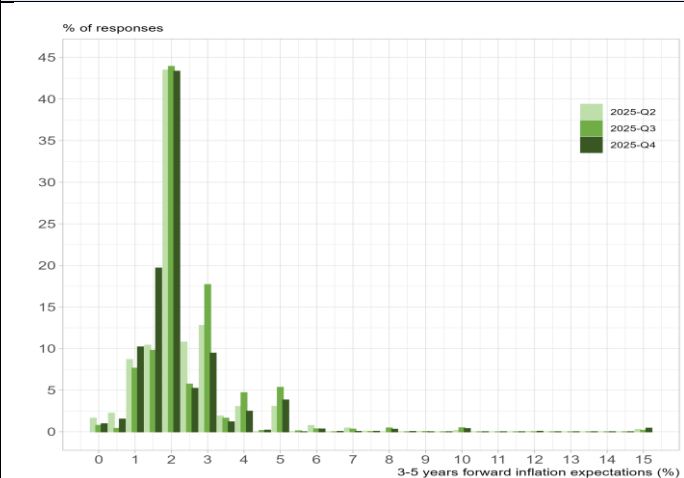


Chart 2: Distribution of three to five-year inflation expectations (%)





Base wage growth expected by business leaders

Business leaders expect base wages in their firms to grow by a median of 1.7% over the next year, down 0.3 pp for the first time in five quarters. The share of respondents anticipating wage increases of greater than or equal to 3% declined by 5 pp in the fourth quarter (8% compared with 13% in the previous quarter).

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

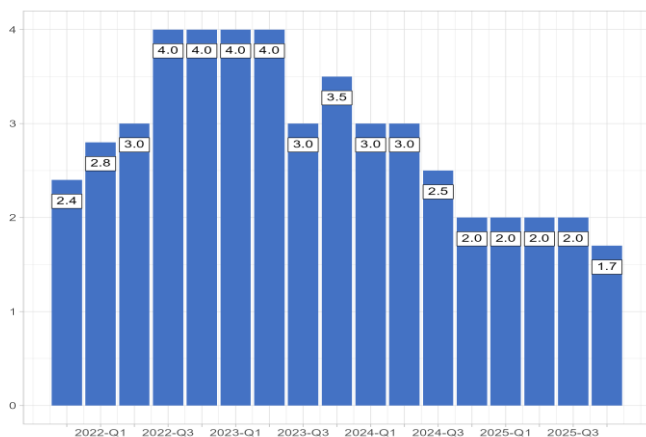
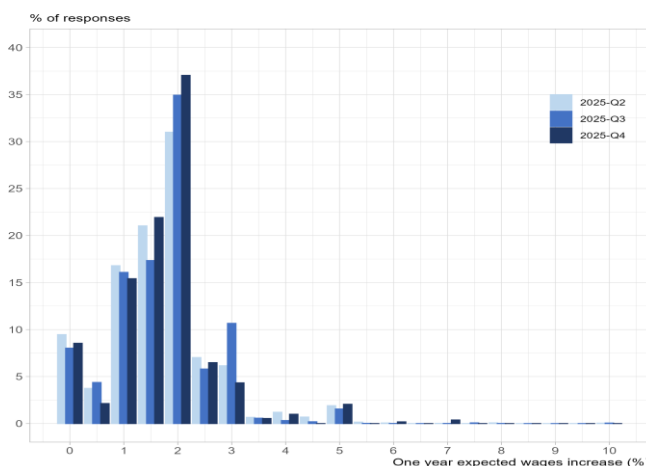


Chart 4 : Distribution of one-year expectations of base wage increases (%)



Methodology

This survey was carried out between 27 November to 3 December 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.

