28 july 2026

Negotiated wages (excluding bonuses) in France
Private sector employees – Q2 2026

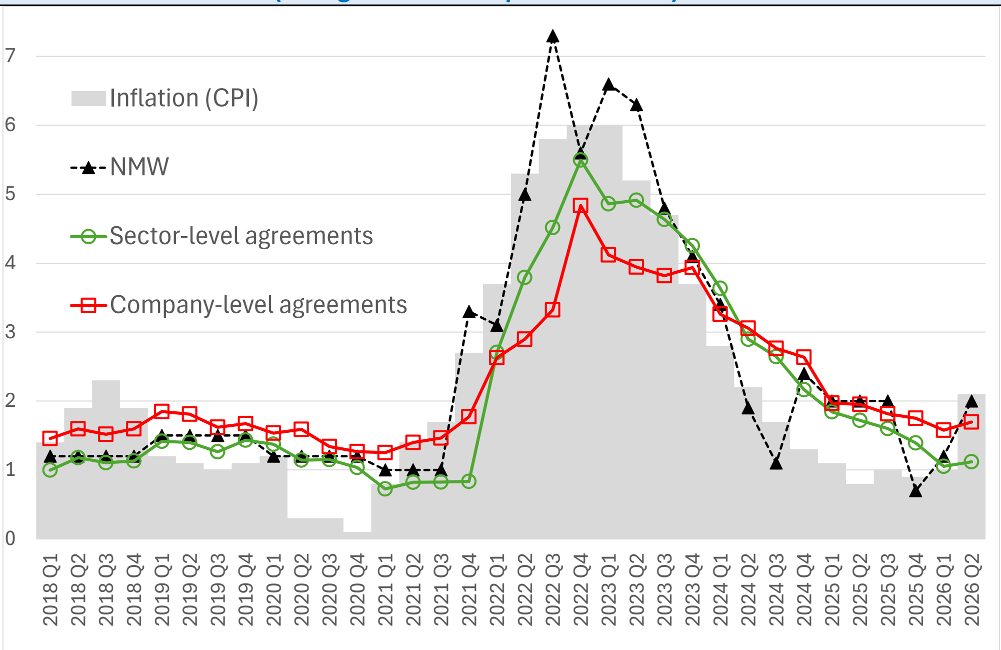
Stable evolution in Q2 2026

- In Q2 2026, sector-level wage floors increased by 1.1% (year-on-year over four quarters), unchanged from Q1. Within company-level agreements, the average negotiated wage increase reached 1.7% in Q2, a very slight rise compared with Q1, but overall remaining stable for several quarters (Table 1).
- During Q2 2026, following the conflict in the Middle East, inflation rebounded to an average of 2.1% (compared with 1.0% in Q1 2026). The French minimum wage (SMIC) was increased by 2.4% in June 2026, after a 1.2% increase in January 2026, bringing the average annual increase to 2.0% by the end of Q2.
- Given the time lags and the often annual schedule of sectoral and company wage negotiations, negotiated wages do not yet reflect these recent developments in inflation and the SMIC (Chart 1). The SMPT (Average Wage per Head, which measures actual compensation paid and takes bonuses and compositional effects into account) continued to grow at a moderate pace in early 2026: over one year, it increased by 1.9% in the first quarter of 2026, compared with 2.0% in early 2025.

Table 1 – Year-on-year change in negotiated wages in sectors and companies (changes over four quarters – in %)

	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Sector-level agreements	1.6	1.4	1.1	1.1
Company-level agreements	1.8	1.7	1.6	1.7
Minimum wage (Insee)	2.0	0.7	1.2	2.0
Compensation per employee (CPE) (Insee)	2.1	2.0	1.9	-
CPI inflation (Insee)	1.0	0.9	1.0	2.1

Figure 1: Year-on-year change in negotiated wages in sectors and companies (changes over four quarters – in %)



Distribution of negotiated wage increases

- Within sectors, negotiated increases were stronger in Q2 2026 for minimum wage levels closest to the SMIC (1.2% for minimum rates below 1.2 times the SMIC) than for higher minimum wage levels (0.9% for rates above 1.6 times the SMIC) (Chart 2). This contrasts with the previous disinflation period, during which differences in wage growth across minimum wage levels had generally narrowed.
- Across sectors, negotiated wage increases have recently become more concentrated around values of 2% or less: 69% of sector-level agreements provide for increases of between 1% and 2% (compared with 44% a year earlier, Chart 3). Meanwhile, the share of agreements providing for increases of 1% or less remained above 15% in Q2 2026 (compared with only 2% a year earlier).

Figure 2: One-year change in wages negotiated in sector-level agreements by wage level (%)

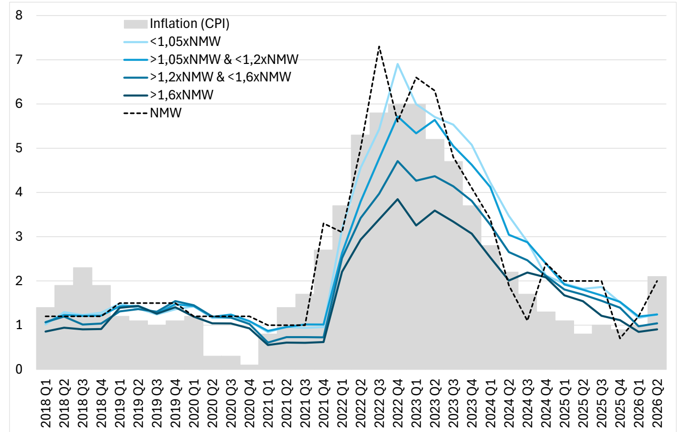
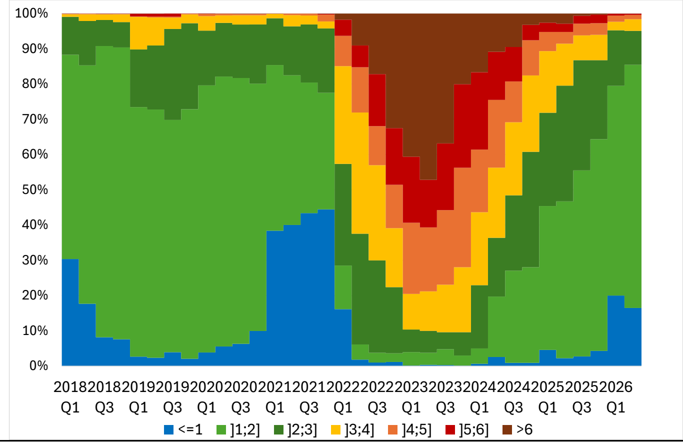
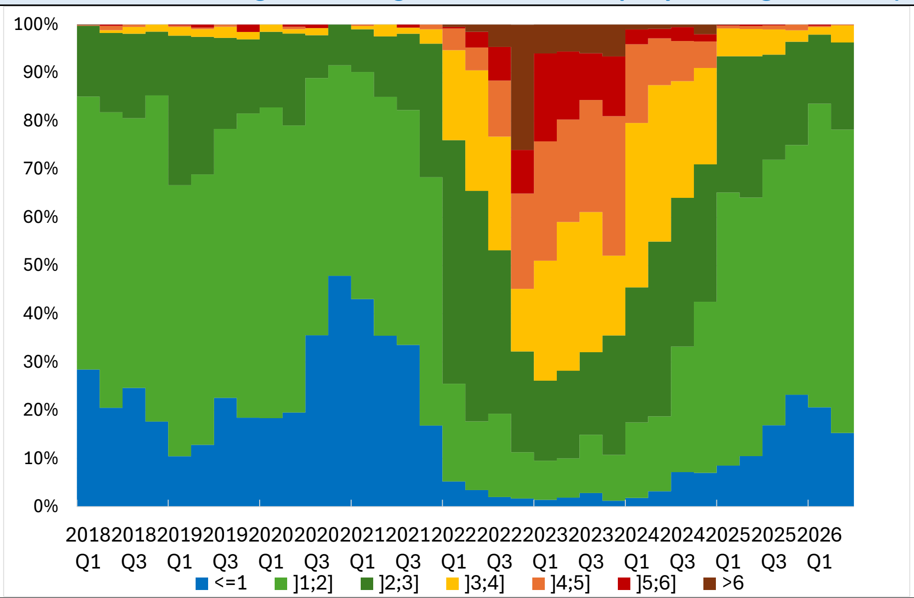


Figure 3: Distribution of negotiated wage increases in sector-level agreements (%)



- In Q2 2026, among agreements signed at the company level, the distribution of negotiated wage increases, as observed for sector-level agreements, became more concentrated around values of 2% or less (Chart 4). 63% of agreements provide for wage increases of between 1% and 2%, compared with 54% a year earlier, while 15% of agreements provide for wage increases of 1% or less, compared with 10% a year earlier.

Figure 4: Distribution of negotiated wage increases in company-level agreements (%)



Methodology

The negotiated wage indicators are constructed using wage agreements published on the Légifrance.fr website, which lists all agreements signed at both sector and company levels covering private-sector employees.

In the case of **sectors**, the average increase is calculated using data from agreements signed in more than 300 sectors over the period 2006–2025 (together covering nearly 15 million private-sector employees). It is obtained as follows. For a given sector, the average of the year-on-year changes in all minimum wages in that sector's pay scale is first calculated (weighted by the distribution of employees across wage levels within the sector). Minimum wages are those in force at the effective dates of the various sector agreements (for example, if an agreement is signed in January of year t providing for a new pay scale in July of the same year, the latter date is taken as the effective date for the new scale and for calculating changes). In the absence of a revision of minimum wages after one year, the year-on-year change is zero. The aggregate indicator for all sectors is then calculated as the average of these year-on-year changes across all sectors in the sample, weighted by their annual workforce. This aggregate indicator is also the one used for France in the ECB wage tracker and in the ECB negotiated wages series.

In the case of **companies**, the base wage increase (excluding bonuses) is that mentioned in the company agreement and measured at its effective date. Only what is explicitly stated in the agreement as a general increase and/or an envelope for individual increases is retained (these individual increases generally provide differentiated base wage increases at employee level based on annual evaluations). Changes in remuneration outside base wages, such as bonuses (attendance, seniority, etc.), are not taken into account. The increase considered in an agreement is the total base wage increase envelope (i.e. general increases plus individual increases). When the agreement provides for increases by employee category within the company, an average of these category-based increases is first calculated for that agreement. The aggregate indicator is then computed as a simple average of wage increases across all company agreements taking effect in a given quarter (in 2025, nearly 5,000 agreements signed by private-sector companies—covering around 2 million employees—were used to calculate the average and the distribution).

The indicators presented in this note relate to wages negotiated in sector-level and company-level agreements. Additional statistics on actual wage developments are published by the Ministry of Labour and INSEE (see Insee for a detailed presentation of the indicators available in France). In Table 1 and Figure 1, inflation is calculated as the average quarterly year-on-year change in the consumer price index (INSEE), and changes in the minimum wage (SMIC) are calculated as its average quarterly year-on-year change.

Definitions of wage indicators

- Statutory minimum wage (SMIC): the legal hourly minimum wage below which an employee cannot be paid. As of 1 January 2026, the gross hourly SMIC is set at €12.02.
- Wages negotiated in sector-level agreements: sector agreements most often concern revisions to grids of collectively agreed minimum wages. A collectively agreed minimum is the wage below which an employee cannot be paid, given their position in the job classification grid defined by the relevant collective agreement. These minima are set through collective agreements signed by social partners at sector level. If a collectively agreed minimum is below the SMIC, the SMIC applies to the corresponding positions (source: Directorate-General for Labour).
- Wages negotiated in company agreements: agreements negotiated at company level are mostly concluded during mandatory annual negotiations (NAO). They generally include increases in base wages (as well as some variable compensation elements, which are not included in the indicators presented here).
- Base monthly wage (SMB): gross wage before deduction of employee social contributions and before payment of social benefits. It excludes bonuses and overtime. Its amount generally corresponds to the first line on an employee's payslip (source: INSEE). It is freely set between employer and employee (usually via the employment contract), subject to the SMIC, collectively agreed minima, and any applicable company agreement.
- Average compensation per employee (CPE): measured by INSEE in national accounts as the ratio of the total gross wage bill paid by all employers to the total number of employees. The wage bill includes all elements of total gross remuneration (base wage, variable components such as bonuses and 13th-month payments, overtime, profit-sharing, and other elements that are not strictly wages, such as short-time work compensation). The SMPT therefore reflects changes in base wages, bonuses, overtime, and also changes in the structure of remuneration (linked to hiring and separations, job creation and destruction, career progression, etc.)