

Wages

In Q1 2024, the average wage per capita (SMPT) in the non-agricultural market branches increased by 0.9%, a similar pace to that at the end of 2023 (► [Figure 1](#)). Meanwhile, the basic monthly wage (SMB¹) accelerated (+1.1%, after +0.5% at the end of 2023), driven by the automatic increase in the minimum wage on 1st January 2024 (+1.1%) and the implementation of several branch and company agreements, especially in industry. The fact that the SMPT is less dynamic than the SMB is mainly due to the drop in value-sharing bonus payouts (PPV²), as this scheme has lost some of its tax and social advantages since January 2024 (subject to corporate social contributions and income tax for some beneficiaries); thus employers paid out less than €0.5 billion in PPV in Q1 2024, compared with €2.6 billion in the previous quarter and €1.2 billion one year earlier. Year-on-year, increases in the SMPT have gradually become slightly greater than increases in prices, with the result that the real SMPT increased at the beginning of 2024 (+0.3%, after -0.6% in Q4 2023; ► [Figures 1 and 2](#)).

In Q2 2024, wages are expected to slow, in the wake of the decline in inflation, then their pace of increase should be maintained into the following quarter: +0.5% forecast per quarter for the SMPT and for the SMB. In Q4 2024, they are likely to accelerate slightly (+0.6% forecast for both the SMPT and the SMB), driven by an automatic increase in the minimum wage expected in the autumn (provided the legislation remains unchanged) and, for the SMPT, by an upturn in PPV payments expected at the end of the year (although these are decreasing year-on-year). All in all, at the end of 2024, wages are likely to continue to increase more than inflation: in real terms, the SMPT is expected to increase by +0.6% year-on-year and the SMB by +1.0%.

As an annual average, nominal wages are expected to decelerate in 2024: +2.9% forecast for the SMB (after +4.3% in 2023) and +2.7% for the SMPT (after +4.1%), the latter being penalised by the drop in PPV payouts compared to 2023. This pace of change in wages is consistent with the results from the latest business tendency surveys: the expectations of business leaders around wage prospects are much lower than those observed one year earlier (► [Figure 3](#)).

Thus the slowdown in wages in 2024 is expected to be a little less pronounced than that in prices, so that real wages can start to rise again slightly: across the year, the real SMPT is likely to increase by 0.5% on average, and the real SMB by +0.6%. In this first year of real wage recovery, the gains in purchasing power anticipated for 2024 will by no means make up for the losses suffered in 2022 (-1.9% on average for the real SMB) and 2023 (-0.6%).

In general government, the nominal SMPT increased in 2023 (+4.1% on average), driven by the revision of the index point by 1.5% on 1st July, the one-off purchasing power bonus at the end of the year and the category-specific measures in favour of teachers. However, this momentum was still less than that in prices, and the real wages of government personnel declined in 2023, at a similar pace to wages in the private sector (-0.7% as an annual average). In 2024, nominal wages in general government are expected to slow significantly (+2.1%), despite various wage revision measures (increase in index-based wage for all government employees at the start of the year, bonuses paid for those deployed during the Olympic Games). ●

¹ The SMB corresponds to the core component of the SMPT, alongside the short-term component which was affected mainly by value sharing bonus payouts.

² The PPV scheme allows employers to pay, under certain conditions, €6,000 in bonuses per employee, per year, exempt from social security contributions (► [Focus](#) "Value-sharing bonus: massive payouts at the end of 2022, with potential windfall effects", *Economic outlook*, March 2023).

► 1. Variation in the average wage per capita (SMPT) and the basic monthly wage (SMB)

(changes in %, seasonally adjusted data)

	Quarterly growth rates								Annual growth rates								Average annual change		
	2023				2024				2023				2024						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2022	2023	2024
Average wage per capita (SMPT) in non-agricultural market branches	1.0	0.8	0.4	0.8	0.9	0.5	0.5	0.6	4.7	4.6	3.9	3.1	3.1	2.7	2.7	2.5	5.4	4.1	2.7
SMPT adjusted for short-time working* in non-agricultural market sectors	1.0	0.8	0.4	0.8	0.9	0.5	0.5	0.6	4.4	4.5	3.9	3.1	3.1	2.7	2.7	2.5	3.2	3.9	2.7
Basic monthly wage (SMB)	1.6	0.9	0.8	0.5	1.1	0.5	0.5	0.6	4.6	4.5	4.2	3.8	3.3	2.9	2.7	2.8	3.2	4.3	2.9
SMPT in general government																	4.3	4.1	2.1
Real SMPT* in the non-agricultural market branches	-0.4	-0.2	-0.3	0.3	0.5	0.0	-0.3	0.6	-1.2	-0.5	-0.8	-0.6	0.3	0.5	0.6	0.8	0.2	-0.8	0.5
SMPT adjusted for real** short-time working in non-agricultural market sectors	-0.4	-0.2	-0.3	0.3	0.5	0.0	-0.3	0.6	-1.5	-0.6	-0.8	-0.6	0.3	0.5	0.6	0.8	-1.9	-0.9	0.5
Real SMB*	0.2	-0.1	0.0	0.0	0.6	0.1	-0.2	0.6	-1.3	-0.6	-0.5	0.1	0.5	0.7	0.5	1.2	-1.9	-0.6	0.7
Real SMPT* in general government																	-0.9	-0.7	-0.1

■ Forecast

* in the sense of the household consumption price (quarterly national accounts).

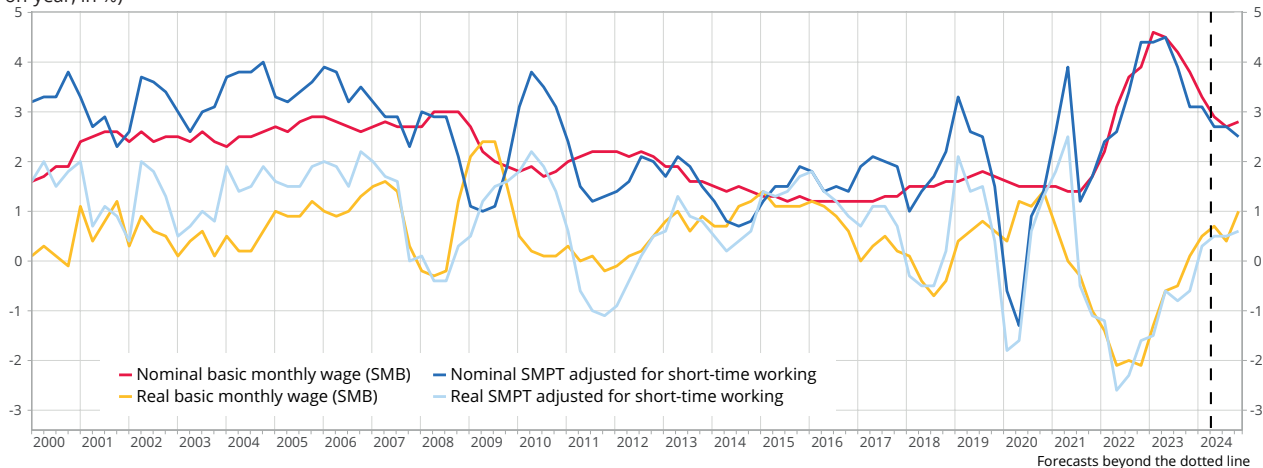
** in the sense of the CPI - household consumption price index.

How to read it: in Q4 2024, the basic monthly wage (SMB) would grow by 0.6% compared to the previous quarter.

Source: DARES, INSEE.

► 2. Nominal and real changes* in average wage per capita (SMPT) adjusted for the effect of short-term working, and in basic monthly wage (SMB)

(year-on-year, in %)



* in the sense of the CPI - household consumption price index.

Note: here, the SMPT is adjusted for short-term working; these payments are not counted as wages and therefore led to some very wide variations when the SMPT was not adjusted during the health crisis ► [blog post on wage indicator \(in French\)](#).

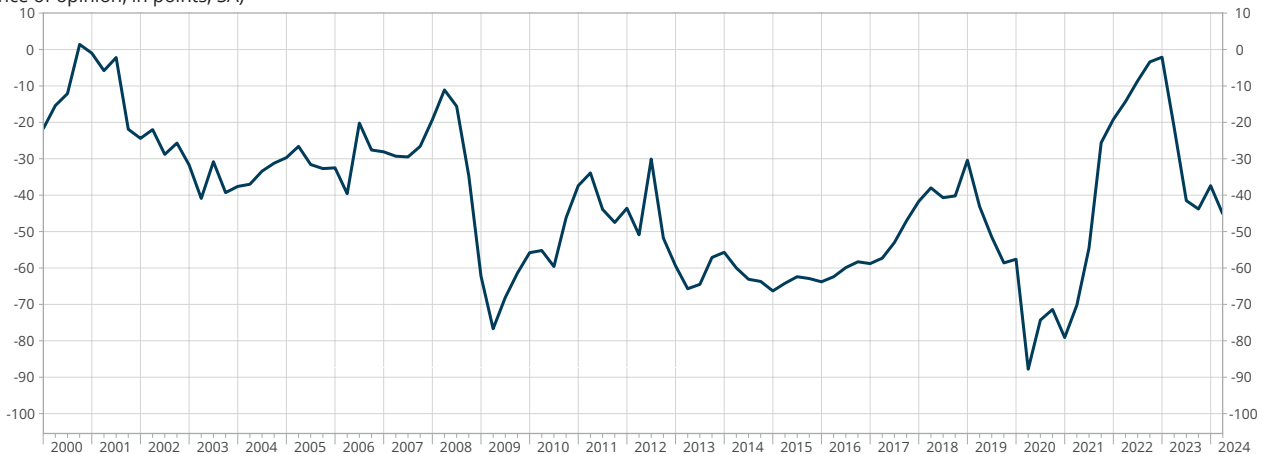
How to read it: in Q4 2024, year-on-year growth in nominal SMB would be 2.8%.

Scope: non-agricultural market sector.

Source: DARES, INSEE.

► 3. Balance of opinion on general expectations for wages in industry since 2000

(balance of opinion, in points, SA)



Last point: Q2 2024.

How to read it: in Q2 2024, the balance of opinion on general expectations for wages in industry stood at -45 points.

Source: quarterly business survey in industry, INSEE.