

Informations Rapides

25 juin 2015 - n° 155



■ Basic monthly wage – France-Germany comparison in 2014

In 2014, the basic monthly wage continued to increase more in Germany than in France

• Comparison of the variation of the basic monthly wage index

In 2014, in France, the basic monthly wage* (BMW) for the non-agricultural market sector excluding household services increased by 1.4% in nominal terms and in annual variation, at a lower pace than the year before (+1.7%). In Germany, the BMW was more dynamic and accelerated: +2.9% in 2014 after +2.6% in 2013.

In France, the high level of unemployment restricted employee bargaining power. Furthermore, the minimum wage increased less in 2014 (+1.1%) than in 2013 (+1.3% in annual variation), as a result of past low inflation and no additional appreciation. There were fewer collective agreements. The BMW increased by +0.6% in the first quarter of 2014, more than in following quarters (respectively +0.4%, +0.3% and +0.1%), notably because the minimum wage is usually upgraded on the 1st of January.

In Germany, the economic situation improved in 2014, as the result of a dynamic domestic demand. The unemployment level – much lower than in France, continued to drop, which sustained the rise of salary claims. All in all, the basic monthly wage, which is ruled by collective bargaining, slightly accelerated in 2014 (+2.9% after +2.6%).

In 2014, inflation declined in both countries but remained slightly higher in Germany than in France (+0.8% versus +0.6% in France). In real terms (deflated by the harmonized consumer prices index), the basic monthly wage accelerated slightly in France (+0.8% after +0.7% in 2013) and more significantly in Germany (+2.1% after +1.0% in 2013).

* This index is computed by keeping the structure constant. It includes neither bonuses nor overtime payments.

French basic monthly wage

	Annual variation (%)			
	2011	2012	2013	2014
<i>Mining and quarrying</i>	2.0	2.3	1.8	1.7
<i>Manufacturing</i>	2.5	2.4	1.9	1.7
<i>Electricity, gas, steam and air conditioning supply</i>	1.3	2.1	1.1	0.7
<i>Water supply; sewerage, waste management and remediation activities</i>	2.1	2.2	1.6	1.5
<i>Construction</i>	2.1	2.0	1.7	1.6
<i>Wholesale and retail trade; repair of motor vehicles and motorcycles</i>	2.1	2.2	1.7	1.3
<i>Transportation and storage</i>	2.1	1.9	1.8	1.1
<i>Accommodation and food service activities</i>	2.5	2.4	1.7	1.4
<i>Information and communication</i>	2.0	2.0	1.6	1.6
<i>Financial and insurance activities</i>	2.2	2.0	1.5	1.6
<i>Real estate activities</i>	2.2	2.1	1.8	1.6
<i>Professional, scientific and technical activities</i>	2.5	2.0	1.7	1.5
<i>Administrative and support service activities</i>	2.0	2.1	1.8	1.3
TOTAL	2.2	2.1	1.7	1.4
Harmonized consumer prices	2.3	2.2	1.0	0.6
TOTAL deflated	-0.1	-0.1	0.7	0.8

Sources: France: Acemo, DARES and harmonized consumption prices, INSEE

German basic monthly wage

	Annual variation (%)			
	2011	2012	2013	2014
<i>Mining and quarrying</i>	2.4	2.1	2.6	1.8
<i>Manufacturing</i>	2.2	3.2	2.9	3.0
<i>Electricity, gas, steam and air conditioning supply</i>	2.4	2.5	2.6	2.4
<i>Water supply; sewerage, waste management and remediation activities</i>	1.1	3.2	2.6	3.3
<i>Construction</i>	2.0	2.4	2.7	2.5
<i>Wholesale and retail trade; repair of motor vehicles and motorcycles</i>	2.3	2.6	2.3	3.1
<i>Transportation and storage</i>	1.2	3.0	2.2	2.7
<i>Accommodation and food service activities</i>	1.9	1.8	1.8	1.5
<i>Information and communication</i>	1.7	2.2	2.2	2.6
<i>Financial and insurance activities</i>	1.5	1.8	2.7	2.3
<i>Real estate activities</i>	3.0	1.5	3.3	2.7
<i>Professional, scientific and technical activities</i>	1.7	3.1	2.6	3.1
<i>Administrative and support service activities</i>	3.4	2.1	1.5	2.8
TOTAL	2.0	2.8	2.6	2.9
Harmonized consumer prices	2.5	2.1	1.6	0.8
TOTAL deflated	-0.5	0.7	1.0	2.1

Sources: Germany: DESTATIS

- **Analysis by sector**

In France

In 2014, in France, the nominal basic monthly wage slowed down in all activities excepted information and communication and financial and insurance activities. However, it went up faster than inflation in all activities.

In manufacturing, the basic monthly wage slowed down moderately (+ 1.7% in nominal terms, after +1.9% in 2013). This slowdown applied to all industrial activities. The nominal BMW slowed in particular in the manufacture of transport equipment (+1.7% after +1.8%), in the fabrication of rubber and plastic products (+1.8% after +2.1%) as well as in metallurgy (+1.7% after +1.9% in 2013).

In electricity, gas, steam and air conditioning supply activity, the basic monthly wage significantly slowed down (+0.7% after +1.1% in 2013).

In construction, the basic monthly wage continued to slow in 2014 (+1.6% after +1.7% in 2013 and 2.0% in 2012).

In wholesale and retail trade, repair of motor vehicles and motorcycles activities, the basic monthly wage slowed down again in 2014 (+1.3% after +1.7%). In particular, it slowed significantly in the retail trade (+1.2% after +1.7%) and slightly in the wholesale trade (+1.6% after +1.7%) as well as in the trade and repair of motor vehicles (+1.4% in 2014 after +1.5%).

In accommodation and food service activities as a whole, the basic monthly wage slowed down (+1.4% in current euros in 2014 after +1.7% in 2013): it decelerated in food services (+1.2% after +1.7%) whereas it accelerated slightly in accommodation service activities. In other service activities (+2.0% after +1.9%), the basic monthly wage also slowed down, particularly in administrative and support service activities (+1.3% after +1.8%).

In 2014, by major industry, the nominal basic monthly wage slightly accelerated only in financial and insurance activities (+1.6% after +1.5%).

In Germany

In 2014, in Germany, the nominal basic monthly wage accelerated in many activities. The strongest accelerations were reported in water supply, sewerage, waste management and remediation activities (+3.3% after +2.6% in 2013) as well as in trade (+3.1% after 2.3% in 2013). In professional, scientific and technical activities, the basic monthly wage regained the pace of 2012 (+3.1% after +2.6% in 2013), increasing particularly in advertising and market research (+2.3% after +1.7%) and in scientific research and development (+3.3% after +2.5% in 2013).

As well, the basic monthly wage accelerated again in information and communication activities (+2.6% in 2014 after +2.2%).

It continued to increase significantly in 2014 in manufacturing, slightly faster than in 2013 (+3.0% after +2.9%).


It remained dynamic in electricity, gas, steam and air conditioning supply activities, despite a moderate slowdown (+2.4% after +2.6%).

In financial and insurance activities, the basic monthly wage slightly slowed down after a substantial increase in 2013 (+2.3% after +2.7%), following wage increases agreed between unions and employers. Moreover, in insurance activities, wages increased by 2.2% on the 1st of October 2014, as the result of the collective agreements concluded in June of 2013.

In construction, the basic monthly wage slowed slightly (+2.5% after +2.7% in 2013), despite a collective agreement that upgraded wages by more than 3% in June of 2014.

The basic monthly wage slowed down in real estate but remained dynamic (+2.7% after +3.3% in 2013).

Learn more:

- Supplementary data (methodology) are available on the HTML web page : <http://www.insee.fr/fr/themes/info-rapide.asp?id=109>
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Next publication : June 2016