

Wages

In 2017, nominal wages in the market sectors accelerated slightly: +1.4% as an annual average after +1.2% in 2016 for the basic monthly wage and +1.6% after +1.3% for the average wage per capita.

Due to a rebound in energy prices, household consumer prices are likely to increase by 1.0% in 2017 after remaining virtually stable in 2016 (-0.1%). As a result, the average wage per capita looks set to slow considerably in real terms (+0.5% after +1.4%).

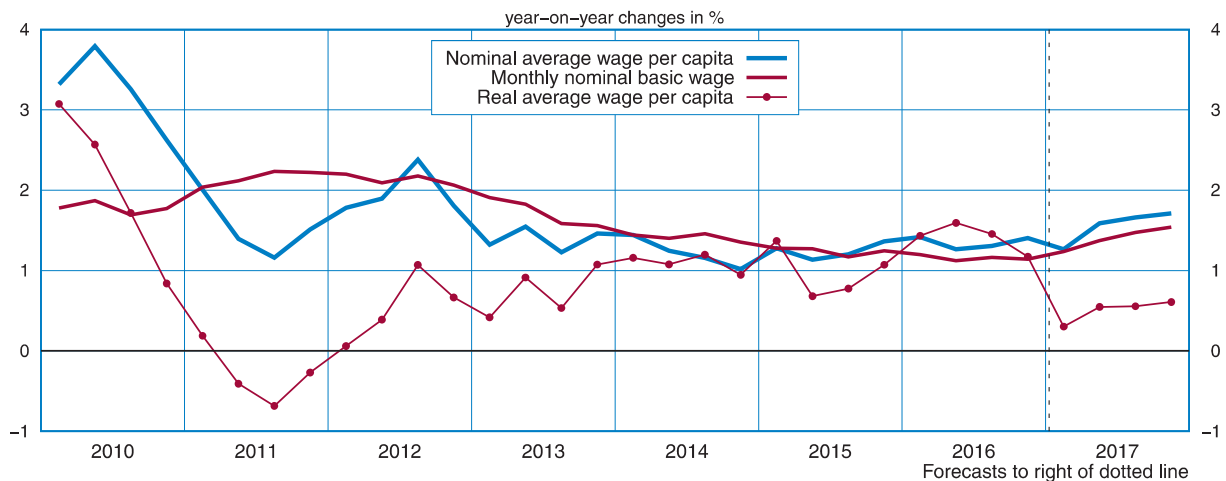
In general government, the nominal average wage per capita should accelerate substantially in 2017 (+2.5% on average over the year after +0.8% in 2016) with the effect of statutory measures and increases in the index point in July 2016 and February 2017. It is likely to accelerate in real terms too (+1.4% after +0.9%).

In the market sectors, nominal wages are set to accelerate slightly in 2017

In early 2017, the minimum wage was increased a little more (+0.9%) than the previous year (+0.6%) and unemployment decreased (-0.6 points over the year); in particular, inflation has risen since the end of 2016. These three factors are the reason for a slight acceleration in the nominal basic monthly wage¹ in the non-agricultural market sectors in 2017: it looks set to rise by 1.4% as an annual average, after +1.2% in 2016 (*Graph* and *Table*). The average wage per capita, which covers a wider range of remunerations (bonuses, profit-sharing and overtime payments), is also likely to accelerate and again increase a little faster than the basic monthly wage (+1.6% as an annual average after +1.3% in 2016). This increase is likely to be a little more pronounced in H2 2017 (+0.9% half-year on half-year after +0.8% in H1 2017 and H2 2016).

1. For a definition of *basic monthly wage* and *nominal average wage per capita*, see the "Definitions" section on the website www.insee.fr

Change in the nominal and real average wage per capita and basic wage



Scope: non-agricultural market sector
Sources: INSEE, Dares

French developments

In 2017, real wages are likely to slow

After virtual stability in 2016 (−0.1%), household consumer prices² are likely to accelerate in 2017, to +1.0%, mainly due to a rebound in energy prices from the end of 2016. As a result, real wages look set to slow considerably as an annual average: +0.4% in 2017 after +1.2% in 2016 for the basic monthly wage and +0.5% after +1.4% for the average wage per capita. In the course of the year, the purchasing power of the average wage per capita is likely to be stable in Q1 2017, then increase slightly.

2. Inflation is measured here by the variation in household consumer prices, provided by the quarterly national accounts.

In the civil service, nominal wages are likely to accelerate in 2017

In general government, the index point was raised in February 2017 (+0.6%), after a previous increase in July 2016 (+0.6%), the first for six years. In addition, some category-based measures have been introduced in 2017 and the agreement on “professional career paths, careers and remunerations” has resulted in an increase in gross wages. However, the individual purchasing power guarantee scheme, renewed in 2017, is likely to yield less because of the index thaw and the agreement on “professional career paths, careers and remunerations”, which began in 2016. As an annual average, the average wage per capita in general government looks set to accelerate substantially in nominal terms: +2.5% in 2017 after +0.8% in 2016. Given the expected rise in prices, the real average wage per capita should accelerate a little less strongly (+1.4% after +0.9%). ■

Variation in the basic monthly wage and the average wage per capita in the non-farm market branches and in general government

in %

| | Quarterly growth rates | | | | | | | | Half-yearly rates | | | | Annual averages | | |
|--|------------------------|-----|-----|-----|------|-----|-----|-----|-------------------|------------|------------|------------|-----------------|------|------|
| | 2016 | | | | 2017 | | | | 2016 H1 | 2016 H2 | 2017 H1 | 2017 H2 | 2015 | 2016 | 2017 |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | | | | | |
| Basic monthly wage | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 1.2 | 1.2 | 1.4 |
| Average wage per capita in the non-farm market branches | 0.5 | 0.1 | 0.3 | 0.5 | 0.4 | 0.4 | 0.4 | 0.5 | 0.6 | 0.8 | 0.8 | 0.9 | 1.2 | 1.3 | 1.6 |
| Average wage per capita in general government (GG) | | | | | | | | | | | | | 0.9 | 0.8 | 2.5 |
| Household consumer price index (quarterly national accounts) | −0.2 | 0.0 | 0.1 | 0.3 | 0.5 | 0.1 | 0.2 | 0.3 | −0.2 | 0.4 | 0.6 | 0.5 | 0.3 | −0.1 | 1.0 |
| Real basic monthly wage | 0.5 | 0.2 | 0.2 | 0.0 | −0.2 | 0.3 | 0.2 | 0.1 | 0.7 | 0.2 | 0.1 | 0.3 | 1.0 | 1.2 | 0.4 |
| Real average wage per capita (non-farm market branches) | 0.8 | 0.1 | 0.2 | 0.1 | −0.1 | 0.3 | 0.2 | 0.2 | 0.8 | 0.3 | 0.2 | 0.4 | 1.0 | 1.4 | 0.5 |
| Real average wage per capita (GG) | | | | | | | | | | | | | 0.6 | 0.9 | 1.4 |

Forecast

Sources: INSEE, Dares