

## French National report

### 1. A FEW ECONOMIC FIGURES

- After +0.3% in the first quarter of 2024, French GDP rose by 0.2% in volume terms in the second quarter, according to the second estimate released by Insee (French national institute for statistics) end of August. It should advance by around 0.5% in the third quarter, thanks in part to the Olympic and Paralympic Games, but should suffer a setback at the end of the year (- 0.1%). All in all, **economic growth is expected to average around 1% in France in 2024, the same as in 2023.**
- **The political uncertainties arising from the results of the parliamentary elections have clearly eroded business confidence:** the overall business climate index fell by 5 points in July, before partially recovering in August (by 3 points), according to the latest Insee surveys.
- Production volumes in the metal industries sectors have fallen in recent months, particularly in the automotive sector. In fact, only 3 of the 14 main manufacturing sectors have increased production since January 2024: food processing, refining, and wood and paper. It should be noted, however, that overall value added has improved thanks to greater efficiency in the use of inputs.
- **For the economy as a whole, the labour market is less dynamic**, undoubtedly because of the need to boost productivity, which had fallen significantly from 2020 for a number of reasons: massive recruitment of apprentices, retention of labour in the face of recruitment difficulties, lower production in the electricity sector, etc. The labour market is also less dynamic than in the past. Indeed, recruitment in the metal industries is now declining, although it remains high by historical standards.
- Labour turnover has increased in recent years. In our sectors, however, it remains slightly lower than elsewhere in industry and even more so in services.

### 2. COLLECTIVE AGREEMENTS IN THE MET INDUSTRIES

- **Employee savings schemes**

Sectoral negotiations on employee savings schemes are still currently ongoing. These negotiations are related to the cross sectoral agreement that was concluded last year (see our report of April 2023). These negotiations take time because of their technical nature.

- **Minimum wages**

Negotiations on sectoral minimum wages will start this autumn. This is the first time that we will be reviewing our new pay scale. Trade unions are calling for a uniform percentage of increase for all

the levels of the pay scale but we are not in favour of this option. An agreement could be reached at the end of the year.

- **Employment, training and disabled workers**

Our Joint Sectoral Observatory's study of skills needs in the metalworking industry for the period 2030-2035 was presented to the unions in September 2024. The study looks at different economic scenarios. It shows that the industry will need to recruit between 170,000 and 236,000 people per year by 2035. This study will be used as the basis for our employment and training policy at industry level. Negotiations on employment, training and people with disabilities will start this autumn.

### **3. COLLECTIVE BARGAINING AT CROSS INDUSTRY LEVEL**

As mentioned on our previous report, on 8 April 2024, after three and a half months of discussions, the social partners failed to reach an agreement on the employment of senior workers, the universal time savings account and the professional fatigue and retraining. The very next day, the U2P (which represents craft trades) took the initiative to resume discussions on the universal time savings account, on professional retraining and the pooling of severance payments in case of incapacity of work. These negotiations resulted in two agreements. These agreements were not extended by the Ministry of Labour but this put a strain on relations within the employers' organisations.

The dissolution of the National Assembly and the general elections that followed brought the country to a standstill.

Finally a new Prime Minister (Michel Barnier) was appointed in September. In his general policy speech at the beginning of October, he announced that he wanted to give the social partners back control over certain issues :

- unemployment insurance;
- employment of senior workers;
- changes to the latest pension reform;
- such as gradual retirement, professional fatigue and equality between men and women when it comes to retirement.

### **4. OTHER ITEMS**

#### **a) AI management in the workplace**

The following initiatives can be mentioned as regards AI in our sector:

The skills industry observatory has launched a study on the impact of AI on managerial staff and the joint observatory of the metal industry is also working on a study regarding AI. The following axes will be studied :

- Defining of industrial AI and drawing up a map of AI companies producing solutions (belonging to the metal sector and beyond);

- Defining the frameworks for use (use cases and regulations) and the impact of AI for companies, employees and training organisations by clearly identifying the use cases for this technology;
- Defining the impact of AI (in particular generative AI) on the professions and associated skills in the value chain of mainly industrial SMEs;
- Analysing the types of AI training that already exist and comparing them with the needs expressed.

These studies are still in progress.

#### **b) Remote work and right to disconnect**

No new developments in France as regards **telework**. At the end of the period of lockdown due to coronavirus outbreak, social partners at cross-industry level concluded an agreement on November 26<sup>th</sup>, 2020. It completes the French legal framework. Many companies have negotiated agreements on telework. 4 years after covid, some companies will have to renegotiate their agreement on telework. Although Amazon's recent decision to end teleworking has generated a lot of headlines in the newspapers, there does not seem to be a trend towards a reduction in the number of teleworking days in companies but the conditions for teleworking could be tightened in certain companies.

The **right to disconnect** is recognised in French labour law :

- It is a subject on which companies with a trade union representative must negotiate. In the event of no agreement being reached, the employer must establish a charter after consulting the works council. The right to disconnect is not defined in the labour code. It is up to the social partners or the employer to determine the terms and conditions of the right to disconnect.
- The collective agreement providing for a fixed number of working days (so-called convention de forfait jours) must determine the terms and conditions under which employees may exercise their right to disconnect. Our sectoral collective agreement in the metal industry provides for very general provisions. Practical modalities of right to disconnect have to be decided by the employer at company level. Our sectoral collective agreement also includes provisions on the right to disconnect for the classification levels corresponding to professional and managerial staff. For example, disconnecting during rest periods and holidays is not a punishable fault. The employer must take steps to prevent the risks associated with digital tools and ensure that the workload does not make it impossible to exercise the right to disconnect.
- The cross-industrial agreement on telework dd. 2020 give a definition of the right to disconnect : the right of every employee not to be connected to a professional digital tool outside working hours.