

French National report

1. A FEW ECONOMIC FIGURES

- the **performance of the French economy** in the first quarter of the year, already disappointing in the initial estimates published on 30 April 2026, **has been revised down further by the National Institute of Statistics and Economic Studies (INSEE)**. On Friday 29 May, growth was estimated at just -0.1%.
- This suggests that the “resilience” of the economy — repeatedly praised by politicians and economists since the Covid-19 pandemic — may be reaching its limits, especially as inflation continues to accelerate. According to INSEE, **inflation rose from 2.2% in April to 2.4% in May**, whereas it stood at only 1% in February, before the outbreak of the war in the Middle East.
- In our sector, rarely has the industrial climate been so contrasted, varying across sectors and regions. Some regions are seeing a significant decline in their order books. **The sectors affected** remain: the automotive industry, agricultural machinery, mechanical engineering, and alloys/metal products, whilst the aerospace sector is performing well.
- **The labor market is slowing down, but there is no sudden collapse.**
 - Early estimates show that 11,000 private-sector jobs were lost in Q1 2026;
 - In industry, around 20,000 jobs have been lost since Q1 2025, after gains of 106,000 jobs since early 2021.

2. COLLECTIVE AGREEMENTS IN THE MET INDUSTRIES

A. Company savings plan and value sharing schemes : conclusion of a set of agreements

On 20 February 2026, the UIMM and several trade unions signed a series of agreements aimed at promoting the rollout of company savings plans and value-sharing schemes in metal industry companies.

Discussions with social partners have resulted in the signing a set of five agreements, providing the metal industry with a comprehensive, attractive, easily accessible, and clear system to help SMEs in particular, notably through unilateral decisions, to set up value-sharing schemes.

The five agreements cover the following areas:

- **Profit-sharing and incentive schemes (so-called “participation et intéressement”)**: the collective agreement provides for simple, clear, and flexible formulas, with accessible threshold and distribution options; a framework in accordance with the law of November 29, 2023, which includes the possibility for companies with fewer than 50 employees to adopt an alternative profit-sharing formula departing from the statutory one.

Under the French Labour Code, the statutory profit-sharing scheme (“participation”) requires companies with at least 50 employees to redistribute a portion of their annual profits to employees. The rules are set out in French labour code and establish a statutory formula to calculate the amount to be shared. The sums allocated to employees are usually placed in a dedicated savings plan and are blocked for a fixed period (generally five years), unless specific early-release cases apply. This system aims to associate employees with the company’s financial performance while encouraging long-term savings.

- **PEI and PERECOI (inter-company savings plan and inter-company collective retirement savings plan)** : these are savings plans allowing medium- or long-term savings in a pooled and secure framework. As part of these savings plans, the social partners also wanted to offer a fund with a focus on “industry.”
- **Joint Monitoring Committee (CPS)**: a joint governance body will be responsible for analyzing changes in company subscriptions to these schemes, the financial and non-financial performance of the funds, the quality of service offered to companies and their employees, and proposing any changes deemed necessary.

The UIMM, CFE-CGC, and FO have signed all five agreements. The CFDT is a signatory to the PEI and PERECOI agreements and to the agreement on the Joint Monitoring Committee.

These agreements thus offer companies a comprehensive and simplified framework, designed as a toolkit that they can use, on a voluntary basis, to involve their employees in the results and value creation. They also enable employees to build up long-term savings, contributing to the financing of the productive economy.

B. Collective agreement on minimum wages:

As a reminder, the negotiations on minimum wages in the metal industry ended without success last year. As a result, the minimum wage scale applicable in 2024 continued to apply in 2025.

This year, negotiations ended on 20 February 2026 with an agreement signed by the UIMM and three trade unions, FO, CFE-CFC, and CFDT, (out of 4) providing for an average increase in the pay scale of 0.86%.

During these negotiations, the UIMM affirmed its willingness to establish a salary scale based on three fundamental principles:

- a moderate increase in the A1 level (the lowest level from the classification system) relative to the statutory minimum wage,
- differentiated increases according to job categories of the classification system,
- and respect for the overall balance of the pay scale established by the national collective agreement of the metal industry.

Some trade unions have expressed their incomprehension regarding the implementation of differentiated wage increases depending on job categories, while the CGT has expressed its opposition.

Some trade unions also expressed their desire to see the first level of the scale (A1) set at a level significantly higher than the statutory minimum wage.

All trade unions unanimously emphasized the need to enhance the attractiveness of the pay scale, both for blue and white collars (non-cadres) (first classification levels) and for managers and professionals (cadres), particularly young ones in classes F11 and F12, in order to remain competitive with other sectors.

Finally, the social partners agreed to the following minimum wages increases :

- For the first job categories from A1 to B3, the increases range from 1.14% to 1.29%, with an entry level A1 set at €21,980, i.e., €104 above the statutory minimum wage (as of 1st January 2026).
- Categories C5 and D7 are increased by 1.07% and 1.06%.
- Classes E9 to F12 are increased by between 0.80% and 0.86%.

Mid-May, the Government announced an early 2.4% increase in the statutory minimum wage, to take effect on 1st June. This increase is a result of the statutory inflation-linking mechanism. Consequently, the first two levels of our pay scale have fallen below the statutory minimum wage. The trade unions have the right to request renegotiation of wages, and they have done so. Negotiations will therefore be reopened.

C. Disabled workers

On 31 March 2026, UIMM and three out of four trade unions signed an agreement on the employment of people with disabilities.

- **Context** : the MET sector continues to make progress in inclusion, with a 4.5% employment rate of people with disabilities in 2024, above the industrial private sector average. However, disparities remain: large companies reach or exceed 6%, while companies with 20 to 49 employees stand at 3.6%, highlighting the need for further efforts.
- This agreement sets a specific target of a 5% employment rate in the metal sector by 2032. It focuses on practical steps to improve inclusion of workers with disabilities:
 - awareness-raising and communication initiatives;
 - strengthening measures to prevent disability and support the continued employment of disabled workers;
 - continue to develop tailored, individualised training programmes to take into account the specific needs of candidates with disabilities;
 - etc.

3. OTHER ITEMS

A. Restructuring trends in MET industries with a particular focus on automotive sector

Restructuring continues:

- In April 2026, Stellantis announced that the last car factory in the Île-de-France region (Poissy) would cease production of vehicles by 2028. The site will then produce replacement body parts.
- In April 2026, Renault announced that it would cut “15 to 20 per cent” of its global engineering workforce within “two years” in order to “remain competitive”. Of its 11,000 to 12,000 engineers worldwide, this equates to some 1,600 to 2,400 jobs. The group employs 100,000 people worldwide.

Restructuring and closures are also continuing among suppliers.

B. Collective bargaining as a tool to improve gender pay gap

- **Legal framework**

In companies **where there are representative trade unions**, there is a **statutory obligation to negotiate** periodically on **gender equality in the workplace**.

The frequency of these negotiations is set by agreement within a limit of **4 years**, and, in the absence of an agreement, they must take place **at least annually**.

Mandatory negotiations must cover:

- ✓ **Objectives and measures to achieve professional equality**, including:
 - elimination of pay gaps,
 - access to employment,
 - vocational training,
 - career development and promotion,
 - working and employment conditions, particularly for part-time employees,
 - gender diversity in the workforce.
- ✓ **Work-life balance** for employees;
- ✓ **Measures to combat discrimination** in recruitment, employment, and access to training;
- ✓ **Workers with disabilities**: integration, job retention, conditions for access to employment, training, and promotion, working conditions, and awareness-raising initiatives.
- ✓ Calculation of retirement contributions based on a full-time salary for part-time employees and the conditions under which the employer covers the additional contributions.

The obligation covers the **conduct of the negotiations** (convening meetings, holding sessions, providing information), not to the conclusion of an agreement.

Regardless of this obligation to negotiate, **all companies with at least 50 employees** must be covered by an **agreement or action plan** regarding professional equality; otherwise, they face a penalty of up to 1% of their total payroll (Article L 2242-8 of the Labor Code).

- **sectoral agreement on professional equality**

On 24 April 2024, UIMM and 3 trade unions out of 4 (CGT didn't sign the agreement) concluded a sectoral collective agreement on professional equality and the elimination of pay gaps between women and men. This agreement replaced the previous one signed in 2014.

Key points of this collective agreement:

- **Evaluation of equality in the sector :**
 - Continuation of the survey on pay gaps (every 2 years);
 - Introduction of a survey, in conjunction with the labour administration, on the Indexes obtained by companies (according to the French labour Code, companies with at least 50 employees have to calculate and publish a gender equality index), concluded collective agreements and action plans elaborated by them;
 - introduction of monitoring indicators at sectoral level (e.g. breakdown of workforce in the sector by gender and classification, review of the UIMM's communication initiatives, etc.);
 - Updating the 'Skills management' and 'Professional interview' guides jointly elaborated;
- **Attractiveness of jobs, career guidance and recruitment measures:**
 - Information of trade unions at sectoral level regarding communication actions regarding attractiveness of jobs in our sector;
 - An invitation to compensate the time and travel expenses of employees who take part in career guidance activities during their working hours;
 - An article of the agreement is dedicated to raising awareness of the need to combat sexist behaviour, harassment and stereotypes, in particular through information, prevention and awareness-raising initiatives for employees, and training for managers and HR staff;
 - Actions to promote the recruitment of women.
- **Career development and working-life balance :**
 - An encouragement to propose a professional interview on return from parental leave;
 - An invitation to part-time employees to pay contributions to old-age pension on a full time basis, and to companies to examine the possibility of covering the related employer contributions.
- **Social dialogue:**
 - Ensuring balanced representation on joint sectoral bodies;
 - Reminder of the role of the works council and the professional equality commission where applicable;
 - Reminder of the benefits of social dialogue with employees.

C. Emerging practices in collective bargaining (adapting to structural drivers) :

Nothing to report