

With hiring back on the agenda in 2021, France's post-pandemic recovery is undoubtedly underway. As one of the countries most affected by COVID-19, however, this will be a tough year again for many firms. Yet, business confidence is improving, with some analysts suggesting France's consumer industry, in particular, will outperform that of other European nations.

A moderate decline in employment towards the end of 2020 was welcome, given forecasts indicating a much larger fall. Reduced business activity – expected given COVID-19 related restrictions – was symbolically offset by the return of employment growth in January 2021. This was the first time in 12 months that French employment figures have increased. A sign that we could see momentum in our economic recovery later this year.

How this plays-out is contingent on various factors, including the speed of vaccination delivery, as well as how and when the Government chooses to withdraw its financial support. The short-time working scheme, introduced at the start of the pandemic, has certainly helped employers avoid significant job losses. An overall reduction of 1.8% in private-sector jobs in 2020 is noteworthy, given the 8.3% fall in GDP.

While GDP is expected to increase by 5% in 2021, ahead of predicted Eurozone growth of 4.2%, employment rates may falter as the short-time working scheme is wound down. France's economic recovery in 2022 will likely be followed by pre-pandemic employment levels in 2023.

Leading the economic recovery, however, will be the consumer sector, particularly in areas such as retail, food, drinks, clothing and personal hygiene. These are categories that performed well in 2020 and will continue doing so as consumers relinquish pent up savings over the year. Consumer confidence is improving, and trends magnified by COVID-19, such as a shift to online shopping and greater demand for ethical brands, will underpin 'new normal' business strategies.

French consumer companies with strong ecommerce, digital-first and D2C platforms will doubtless reap the awards of their investment in the short-term. With employers desperate to cling to their best people, however, together with candidates less willing to move amidst market uncertainty, finding good talent remains difficult.

Furthermore, the Government is encouraging firms to allow employees to work from home if possible, as this is essential in maintaining low infection levels while vaccines are deployed. We expect flexible and agile working patterns to remain a feature of professional life. Companies that fail to acknowledge and adapt to these trends will be at a disadvantage in the post-pandemic environment.

We hope you enjoy reading our 2021 France Consumer Sector Salaries Report. Should you have further questions, please do not hesitate to contact a member of our team who would be more than happy to discuss any of the roles presented.