

# France

## Tourism in the economy

Tourism plays a major role in the French economy. The accommodation and food services sector, representing the largest part of the tourism sector, accounts for between 2.5% and 3% of GDP while the knock-on effects of tourism are also felt in other sectors, such as transport and leisure. Consequently, the total amount of internal tourism consumption, which combines tourism-related spending by both French residents and non-residents, represents around 7.5% of GDP (5% for residents, 2.5% for non-residents).

Direct and indirect employment related to tourism together account for over 2 million jobs. Tourism is one of the largest contributors to the balance of payments. However, between 2015 and 2016, the difference between spending by foreign tourists in France and spending by French tourists abroad fell from EUR 5 billion to EUR 1.8 billion. This unusual and disappointing result can be explained by the negative fallout from the terrorist incidents in 2015 and 2016.

Occupancy levels have also been temporarily affected by the terrorist attacks that took place both in France and in neighbouring countries. Occupancy rates of commercial group accommodation in mainland France fell by 1.3%. The decline was particularly marked among foreign visitors (down 5.1% in 2016), with the strongest negative impact on some Asian markets. This decline was partially offset by domestic travel: resident overnight stays rose by 0.5% between 2015 and 2016.

International arrivals to metropolitan France fell by 2.2% to 82.6 million in 2016, following several years of steady growth. However, in terms of tourist inflows, France remains the world's leading destination. Around 40% of international arrivals come from the United Kingdom, Germany and Belgium.

2017 is expected to be a year of solid recovery for the tourism industry in France. Occupancy statistics for the first three quarters of 2017 have been very positive.

## Tourism governance and funding

Since 2014, responsibility for the government's tourism strategy has been shared between the Ministry for Europe and Foreign Affairs, which promotes France abroad as a tourist destination, and the Ministry for the Economy and Finance, responsible for regulatory framework and access to holidays. The public administrations in charge are: the Directorate-General for Globalisation, Culture, Education and International Development, and the Directorate-General for Enterprise (DGE). Since July 2016, an Inter-ministerial Tourism Committee (CIT) has met regularly under the authority of the Prime Minister.

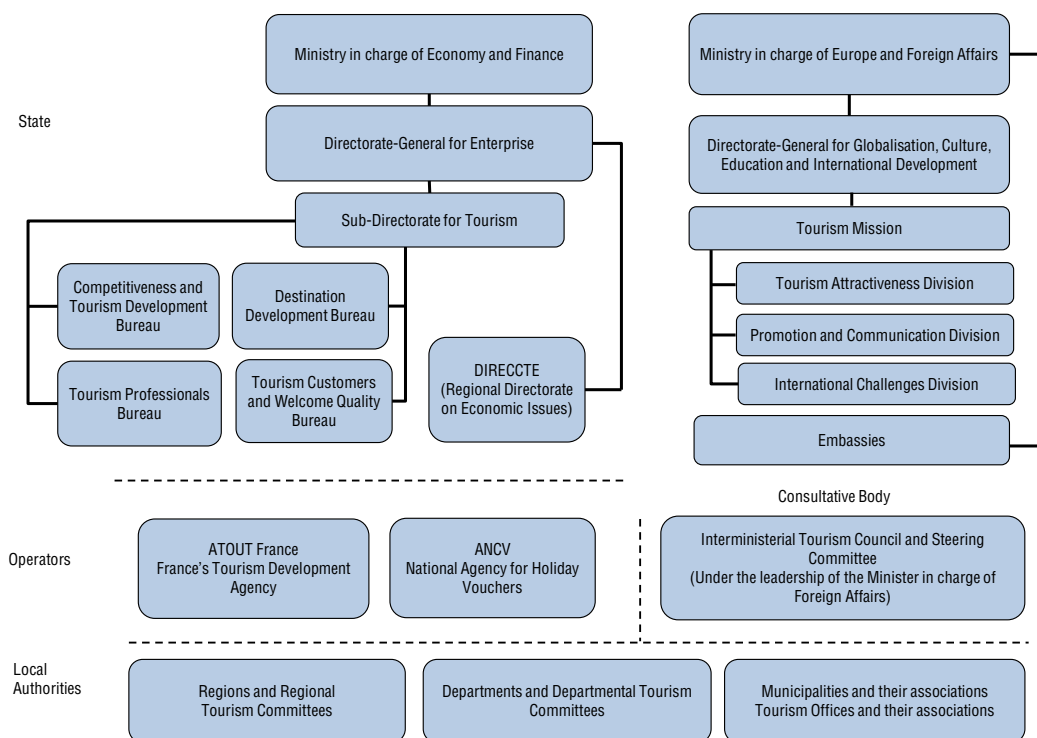
Policy implementation also involves two agencies under State control. *Atout France*, which is in charge of developing tourism sector and promoting France abroad, was set up

as an Economic Interest Group to give additional flexibility to its missions and sourcing of funds. Its budget is over EUR 70 million, around half of which consists of a State subsidy paid by the Ministry for Foreign Affairs since 2015. The National Agency for Holiday Vouchers (ANVC) is responsible for broadening access to holidays.

Several layers of regional and local government share the responsibility of boosting tourism. Each region draws up a regional scheme for the development of leisure and tourism (*Schéma Régional de Développement du Tourisme et des Loisirs* (SRDTL) hat sets medium-term objectives for regional tourism development and determines the terms and conditions governing policy implementation (Box 1.2).

Tourism benefits indirectly from State spending in other policy areas, including culture and heritage (museums, renovation of historic monuments, etc.), transport infrastructure, and the environment. The total financial resources committed to tourism-related policies amounts to around EUR 2 billion (estimated and presented in a cross-cutting tourism policy document, appended to the annual draft budget bill).

### France: Organisational chart of tourism bodies



Source: OECD, adapted from the Directorate-General for Enterprise, 2018.

### Tourism policies and programmes

France, despite its natural and cultural resources and reputation for vibrant, artistic creativity, is subject to increasing competition from other destinations. A high proportion of international tourists travel to only three French regions which enjoy particularly high visibility abroad: the greater Paris area, the French Riviera, and the ski resorts of the Rhone-Alps region. There is a need to shape the French tourist offer and to promote its diversity. At the CIT meeting in July 2017, the government stated its intention to focus action on six key areas:

- Service quality and site security to ensure tourist satisfaction and destination loyalty. Key elements will include speedier visa delivery and modernising and promoting the government’s *Qualité Tourisme*<sup>TM</sup> label.
- Coordinating the tourist offer in order to attract a greater number of tourists across France, including its overseas territories. Key elements will include restructuring segments and niches, such as waterways tourism, and continuing the “destination contracts” policy which brings together all parties involved in delivering a local unique offer.
- State support through investment in order to improve quality of offer, and encourage better connectivity. This will require better deployment of the “*France développement tourisme*” fund.
- Training and employment, crucial to the quality of the service offer and a major factor in combating unemployment.
- Supporting digitalisation and information sharing to increase the global competitiveness of the tourism industry. Key elements include development of the *DATA*tourisme project for open data, support for the *France Tourisme Lab* incubator network and modernisation of the economic intelligence observatory, *Veille Info Tourisme*.
- Promoting access to holidays, especially for families, seniors and those people living with a disability, represents both a social objective and a factor in enhancing the competitiveness of destinations. Increasing accessibility will require modernisation and revamping of the brands *Tourisme et Handicap* and *Destination pour tous* (Box 1.17).

Several priority projects were launched at this meeting, including the aim to deliver visas within 48 hours for ten new countries by June 2018; cutting clearance times for airport border control to 30 minutes for EU nationals and 45 minutes for all other arrivals as of 1 January 2018; and establishing a maintenance programme for motorways between airports in the greater Paris area and the capital.

CIT also agreed on a new form of governance, setting out a method for inter-ministerial coordination. Regular meetings are to be scheduled over several years, with pre-defined agenda items, such as the rehabilitation of leisure properties and financing of promotion activities. These high-level discussions will allow in-depth preparatory work to be carried out by the administrations concerned, leading to implementation of concrete measures.

Three different steps taken by government illustrate the priority given to tourism.

- Following the recent terrorist attacks the Minister for Foreign Affairs called two emergency meetings for tourism (July and September 2016), which allowed industry professionals to present their concerns and voice their expectations. After the second meeting, the government unlocked EUR 10 million of special funding to step up the promotional activities of *Atout France* – who were asked to match approximately the same amount through other sources. This emergency plan was established by the end of 2016 and implemented during 2017, and these efforts partly explain the recovery experienced in 2017.
- An innovative form of State intervention, in the form of “destination contracts”, which are designed to rally public and private stakeholders in a given territory around inspiring themes, with the aim of creating and promoting an attractive, intelligible offer for national and international audiences. Each destination contract sets out the commitment of public authorities, institutional and private tourism stakeholders to a shared tourism strategy, by means of actions which focus on the attractiveness of the offer, service quality and

promotion to target international markets. The destination contract brings together local and national tourism strategies. The investment of State money is modest, but has a positive ripple effect on other actors' contributions, creating therefore a considerable leverage. Twenty-two destination contracts were selected following calls for projects in October 2014 and June 2015.

- Developing appropriate regulatory responses to the increased use of digital platforms, and in particular those affecting tourist accommodation. Accommodation in private homes has become a major share of the national offer, especially in cities. In an effort to avoid obstructing the development of a dynamic new economy in furnished tourist rentals, whilst protecting fair competition with the hotel sector, and increasing the accountability of digital platforms, France has opted to take a regulatory approach. Two measures, Article 51 of the Law of 7 October 2016 for a Digital Republic, and the decree of 28 April 2017 on the registration of certain furnished rentals in areas where housing is scarce, aim to strike a balance between the various interests at play and clarify the tax and social obligations of players in the sharing economy for furnished rentals.

#### **Diversifying the tourism offer in France with a focus on niche markets**

The state, by activating niche networks, and with limited financial investment, can help structure and diversify the tourism offer. For instance, the expansion of bicycle tourism was supported by the development of the national website [www.francevelotourisme.com](http://www.francevelotourisme.com), and the *Accueil Vélo* brand, awarded to accommodation providers, tourist offices, bicycle rental companies and visitor sites that cater to cyclists and meet precise criteria. Wine tourism is also recognised as having the potential to make a significant contribution to the development of rural tourism in France. Tourist activities around the wine routes are diversifying. The *Vignobles & Découvertes* brand, initiated by the ministers in charge of tourism and agriculture, labels territories structured around the discovery of a remarkable vineyards, with the aim of bringing more accessibility to customers and more visibility to the destination. To date, 67 destinations have received the label. Atout France has created an information website dedicated to wine tourism ([www.visitfrenchwine.com](http://www.visitfrenchwine.com)).

## Statistical profile

Table 1. France: Domestic, inbound and outbound tourism

	2012	2013	2014	2015	2016
<b>TOURISM FLOWS, THOUSAND</b>					
<b>Domestic tourism</b>					
Total domestic trips	268 673	265 182	263 859	260 038	255 498
Overnight visitors (tourists)	198 466	197 242	196 232	191 644	187 942
Same-day visitors (excursionists)	70 207	67 940	67 627	68 394	67 555
Nights in all types of accommodation	997 476	997 984	989 828	961 651	938 608
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
<b>Inbound tourism</b>					
Total international arrivals	197 522	204 410	206 599	203 302	202 930
Overnight visitors (tourists)	81 980	83 634	83 701	84 452	82 570
Same-day visitors (excursionists)	115 543	120 776	122 898	118 851	120 360
<b>Top markets</b>					
United Kingdom	12 134	12 549	11 751	12 236	11 938
Germany	12 564	13 393	12 909	11 478	11 389
Belgium	10 365	9 320	9 257	9 614	9 487
Italy	7 388	7 171	7 358	7 594	6 731
Switzerland	6 092	6 499	6 480	6 010	6 035
Nights in all types of accommodation	560 817	586 682	571 651	577 211	561 886
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
<b>Outbound tourism</b>					
Total international departures	29 642	30 457	31 942	30 608	29 636
Overnight visitors (tourists)	25 317	26 062	27 919	26 648	26 483
Same-day visitors (excursionists)	4 325	4 395	4 023	3 960	3 153
<b>Top destinations<sup>1</sup></b>					
Spain	3 796	3 776	4 182	4 430	4 206
Italy	2 505	2 693	2 948	3 175	3 027
Belgium	1 410	1 589	1 824	1 822	1 613
Great Britain	1 595	1 678	1 965	1 668	1 813
Portugal	..	..	1 140	1 243	1 397
<b>TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR</b>					
<b>Inbound tourism</b>					
Total international receipts	..	49 822	50 522	48 706	38 301 p
International travel receipts	..	42 591	43 769	41 387	38 301 p
International passenger transport receipts	..	7 231	6 753	7 319	..
<b>Outbound tourism</b>					
Total international expenditure	..	39 517	43 957	42 229	36 464 p
International travel expenditure	..	31 788	36 677	34 628	36 464 p
International passenger transport expenditure	..	7 729	7 280	7 601	..

.. Not available; p Provisional data

1. Belgium, including Luxembourg. United Kingdom, including Ireland.

Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933640044>

Table 2. France: Enterprises and employment in tourism

	Number of establishments <sup>1</sup>	Number of persons employed <sup>2</sup>				
		2012	2013	2014	2015	2016
<b>Total</b>	..	<b>1 251 620</b>	<b>1 246 515</b>	<b>1 254 401</b>	<b>1 270 100</b>	<b>1 301 399</b>
<b>Tourism industries</b>	<b>276 280</b>	<b>1 242 016</b>	<b>1 236 710</b>	<b>1 244 527</b>	<b>1 260 515</b>	<b>1 292 274</b>
Accommodation services for visitors	51 319	213 906	211 040	212 172	212 246	213 200
Hotels and similar establishments	23 823	172 982	170 231	171 813	171 774	172 274
Food and beverage serving industry	179 642	602 692	603 085	610 663	627 177	656 105
Passenger transport	5 158	276 760	274 680	273 557	271 703	270 578
Air passenger transport	543	67 922	65 298	63 691	61 376	60 695
Railways passenger transport	21	168 187	167 082	166 149	165 017	163 384
Road passenger transport	3 746	31 022	32 466	33 695	35 286	36 529
Water passenger transport	848	9 629	9 834	10 022	10 024	9 970
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	5 709	13 503	13 250	13 135	13 347	13 422
Travel agencies and other reservation services industry	7 791	47 247	46 635	45 749	45 471	44 903
Cultural industry	781	12 366	12 575	12 615	12 834	12 879
Sports and recreation industry	25 880	75 542	75 445	76 636	77 737	81 187
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
<b>Other industries</b>	..	<b>9 604</b>	<b>9 805</b>	<b>9 874</b>	<b>9 585</b>	<b>9 125</b>

.. Not available

1. Data refer to number of enterprises.

2. Data refer to number of employees.

Source: OECD Tourism Statistics (Database).


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Table 3. France: Internal tourism consumption

Million EUR

	2015		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
<b>Total</b>	<b>89 973 p</b>	<b>49 725 p</b>	<b>158 606 p</b>
<b>Consumption products</b>	<b>84 238 p</b>	<b>48 519 p</b>	<b>151 665 p</b>
Tourism characteristic products	59 566 p	33 638 p	112 112 p
Accommodation services for visitors	14 236 p	10 093 p	43 237 p
Food and beverage serving services	13 586 p	6 892 p	20 478 p
Passenger transport services	17 896 p	10 494 p	28 391 p
Air passenger transport services	9 688 p	7 544 p	17 232 p
Railways passenger transport services	6 438 p	1 484 p	7 922 p
Road passenger transport services	1 364 p	1 367 p	2 732 p
Water passenger transport services	406 p	99 p	505 p
Passenger transport supporting services	..	..	..
Transport equipment rental services	1 356 p	758 p	2 113 p
Travel agencies and other reservation services industry	6 524 p	1 044 p	7 568 p
Cultural services	1 149 p	1 242 p	2 391 p
Sports and recreation services	4 820 p	3 116 p	7 936 p
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	24 672 p	14 881 p	39 553 p
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
<b>Non-consumption products</b>	<b>5 735 p</b>	<b>1 206 p</b>	<b>6 941 p</b>

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).

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