

France

Tourism in the economy

Tourism plays a major role in the French economy. Traditional tourism sectors such as accommodation and food services, account for approximately 6% of GDP, but tourism also acts as an engine of growth for many other sectors. Total internal tourism consumption, which combines tourism-related spending by both French residents and non-residents, represents over 7% of GDP, with two-thirds of the total impact of tourism is accounted for by French residents. Direct tourism employment accounts for 1.4 million jobs, and over 2 million when considering indirect jobs. Tourism contributes positively to the balance of payments, with the tourism balance typically contributing between EUR 14 - 17 billion annually. Travel exports accounted for 22.2% of total service exports in 2018.

Inbound tourism arrivals stood at just under 90 million in 2018, an increase of 3.0% from 2017. Thanks to heightened security measures and additional marketing efforts, visitor numbers have recovered from the drop that occurred in 2016 as a consequence of the 2015 terrorist attacks. In 2018, international tourism revenues were estimated at EUR 57 billion. EU countries account for 69% of all international arrivals, with the top three countries (United Kingdom, Germany and the Benelux countries) accounting for over 46%. A further 10% of visitors come from the Americas and 6.8% come from Asia.

Domestic tourism accounted for 897.6 million nights in 2018, up 0.2% over 2017. 268.2 million domestic trips were taken in the same year, of which 189.8 million were overnight.

Tourism governance and funding

Since 2014, responsibility for tourism policy is shared between the Ministry of Europe and Foreign Affairs, which promotes France abroad as a tourist destination, and the Ministry of the Economy and Finance, which is responsible for the regulatory framework.

An Inter-Ministerial Tourism Council meets twice a year under the chair of the Prime Minister, with the aim of encouraging ministries and departments working in tourism-related areas to move forward with priority projects. It is supported by a Steering Council chaired by the Minister for Europe and Foreign Affairs, which meets in the intervening period.

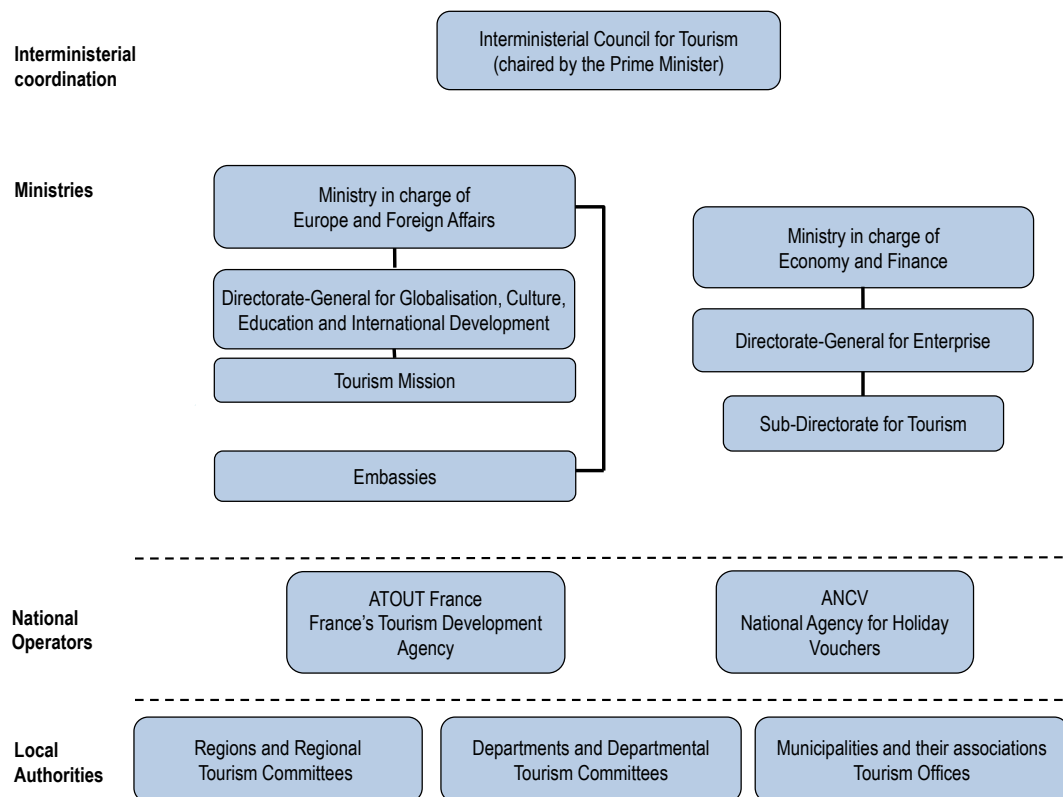
Policy implementation involves two agencies under state control. Atout France, which is responsible for promoting France abroad, has the legal form of a group of economic interests which brings additional flexibility to its mission and sourcing of funds. Its budget is typically between EUR 70 - 75 million, with around half of this figure being state subsidy. The National Agency for Holiday Vouchers is an agency responsible for broadening access to holidays.

At a territorial level, public governance of tourism concerns all levels. Each region is required to set up a Regional Tourism Committee, as well as preparing a regional tourism development plan setting out medium-term objectives and the terms governing policy implementation. Regions are also responsible for collecting tourism-related data, and for co-ordinating public and private initiatives in the fields of tourist information, development and promotion. Departmental tourism development schemes are prepared

based on the guidelines outlined in the plans produced by regions, and Departmental Tourism Committees must also be established. At local level, municipalities granted powers to act in tourism-related fields can set up tourist offices to provide tourist information and promote the tourism offering, and may also market tourist services.

To improve the co-ordination of tourism, a Strategic Tourism Committee was established as a framework for sharing information between sectors and for constructive collaboration on public policy (particularly as regards the mobility of employees in the sector). Stakeholders from all tourism-adjacent sectors are invited to join.

France: Organisational chart of tourism bodies



Source: OECD, adapted from the Directorate-General for Enterprise, 2020

Tourism benefits indirectly from state spending in other policy areas, including culture and heritage, transport infrastructure and environmental enhancement. Estimated total financial resources applied to tourism amounts to approximately EUR 5 billion.

Tourism policies and programmes

The pattern of increasing tourist flows represents a key challenge in terms of the sustainability of tourism and its public acceptance. A high proportion of international tourist travel is concentrated in three French regions - the greater Paris area, the French Riviera, and the ski resorts of the Alps. In addition, the majority of French residents go on holiday to coastal regions, while the country's mountain regions are seeking new areas of growth to mitigate the adverse impacts of global warming on winter pursuits. France's tourism offer must therefore be structured more effectively, with target markets made more aware of its diversity.

During the 2017 Inter-ministerial Tourism Council meeting (CIT), the roadmap for tourism development was set and the Government agreed to focus action on six key areas:

- Welcome and security - improvements in service standards have been achieved in particular through reduced visa waiting times and border crossing times at airports, while quality-related efforts are focused on modernising and promoting the Government's Tourism Quality label (*Qualité Tourisme*TM).
- Dispersal - in order to attract and disperse international tourists across France, including its overseas territories. Key elements include the destination contracts policy, which brings together all parties involved in delivering a local tourist offer.
- State support for investment - a major pillar of the Government's strategy for improving the quality of the tourist offer and promoting better connectivity. This is achieved through deployment of the France Tourism Development Fund (*France développement tourisme*).
- Training and employment - crucial in terms of service quality and playing a major role in combating unemployment given the number of jobs created by the industry.
- Supporting digitalisation and information – specifically to increase the global competitiveness of France's tourism industry. Key elements include development of the *DATAtourisme* portal, France NUMerique (Box 2.8), Tourisme Lab incubator network and economic intelligence observatory, *Veille Info Tourisme*.
- Broader access to holidays - in particular for people living with a disability, represents a social objective and a way to enhance the competitiveness of destinations;

The Inter-Ministerial Tourism Council meetings have subsequently be organised around these priority areas. At its January 2018 meeting, which covered topics relating to promotion and investment, the Council approved an increase in funding for the tourism industry from the government-backed guarantor agency, *Caisse des dépôts*, and public investment bank, *Bpifrance*, and agreed permanent arrangements for transferring a portion of visa revenues to *Atout France* to fund advertising targeted at international markets. The Council acknowledged at its meeting in July 2018 that progress had been made in the digital sector, and examined proposals for improving synergies between sport and tourism. The meeting held in May 2019 focused on employment and training and related governance issues. Topics discussed included schemes to help local authorities, including, organisational support for the development of tourism-related economic activities at heritage sites, a VAT refund scheme, and a new project aimed at simplifying the regulatory framework for tourism. A meeting scheduled for late 2019 will focus, in particular, on broadening access to holidays and sustainable tourism.

To bring forward co-ordinated action at the local level, destination contracts were formed in 2014 and are designed to encourage public-private partnerships around specific themes, with the aim of creating and promoting a clear and attractive offer for both national and international audiences. Each contract constitutes a commitment on the part of all interests to a shared tourism strategy, by means of actions which focus on the attractiveness of the offer and improved service quality. Destination contracts are a way of offsetting the disadvantages that arise from the very large number of public and private actors in the tourism industry and of bringing together local and national tourism strategies. While the investment of state funding is modest, this concept exercises considerable leverage. Twenty-three destination contracts were signed between 2015 and 2018, while a further eight were renewed in 2018.

France has responded to the development of digital platforms, which is particularly relevant to tourist accommodation. Accommodation in private homes has become a major component of the national offer, especially in cities, but does not always further the objectives of housing policy. In an effort to avoid obstructing the development of a dynamic new economy in furnished tourist rentals, while preserving housing market equilibrium, France has opted to take a regulatory approach, in particular through the adoption of the 2018 Law on Changes in Housing, Land Management and Digital Technology, or ELAN Law. Under this Law, in areas severely affected by rising housing prices, municipalities will be able to

impose restrictions on second-home rentals and limit the length of time for which a primary residence can be rented to 120 days per year (this 120-day limit is also imposed on platforms).

Statistical Profile

France: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	263 859	260 038	255 498	276 537	268 152
Overnight visitors (tourists)	196 232	191 644	187 942	191 636	189 755
Same-day visitors (excursionists)	67 627	68 394	67 555	84 901	78 397
Nights in all types of accommodation	989 828	961 651	938 608	895 659	897 591
Hotels and similar establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	206 599	203 302	203 042	207 274	211 998
Overnight visitors (tourists)	83 701	84 452	82 682	86 758	89 322
Same-day visitors (excursionists)	122 898	118 851	120 360	120 516	122 676
Top markets					
United Kingdom	11 751	12 236	12 019	12 698	13 008
Germany	12 909	11 478	11 753	12 256	12 272
Belgium	9 257	9 614	9 110	10 448	10 507
Italy	7 358	7 594	6 992	6 601	6 963
Switzerland	6 480	6 010	6 353	7 013	6 772
Nights in all types of accommodation	571 651	577 211	561 037	582 100	596 784
Hotels and similar establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	31 942	30 608	29 636	44 265	44 474
Overnight visitors (tourists)	27 919	26 648	26 483	29 055	26 914
Same-day visitors (excursionists)	4 023	3 960	3 153	15 209	17 560
Top destinations					
Spain	4 182	4 430	4 206	4 429	4 526
Italy	2 948	3 175	3 027	3 192	3 311
Great Britain	1 965	1 668	1 813	1 989	1 804
Belgium	1 824	1 822	1 613	1 660	1 727
Portugal	1 140	1 243	1 397	1 555	1 627
TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR					
Inbound tourism					
Total international receipts	50 518	59 901	57 266	59 805	62 030
International travel receipts	43 769	52 584	49 834	52 097	55 450
International passenger transport receipts	6 749	7 317	7 432	7 708	6 580
Outbound tourism					
Total international expenditure	43 996	43 011	44 241	46 307	49 130
International travel expenditure	36 701	35 627	36 476	37 867	40 527
International passenger transport expenditure	7 295	7 384	7 765	8 440	8 603

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Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076761>

France: Enterprises and employment in tourism

	Number of establishments ¹	Number of persons employed ²				
	2017	2014	2015	2016	2017	2018
Total	..	1 266 421	1 282 702	1 318 006	1 361 019	1 382 831
Tourism industries	298 414	1 251 408	1 268 217	1 303 487	1 344 350	1 367 134
Accommodation services for visitors	50 123	211 126	210 805	212 122	214 866	216 623
Hotels and similar establishments	23 222	170 996	170 424	171 100	173 445	176 046
Food and beverage serving industry	196 032	611 070	628 151	658 636	691 794	710 313
Passenger transport	4 660	272 474	270 406	271 535	271 747	274 683
Air passenger transport	575	63 669	61 331	60 577	60 867	60 809
Railways passenger transport	19	166 167	164 864	165 589	165 708	167 493
Road passenger transport	3 192	32 718	34 318	35 349	35 461	36 202
Water passenger transport	874	9 920	9 893	10 020	9 711	10 179
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	6 420	13 540	13 838	13 949	14 197	14 518
Travel agencies and other reservation services industry	8 539	45 865	45 469	44 958	45 210	45 549
Cultural industry	780	12 660	12 907	12 933	12 904	13 000
Sports and recreation industry	31 860	84 673	86 641	89 354	93 632	92 448
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	15 013	14 485	14 519	16 669	15 697

.. Not available

1. Data refer to number of enterprises.

2. Data refer to number of employees.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076780>

France: Internal tourism consumption

Million EUR

	2018		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	89 277	64 059	173 299
Consumption products	82 446	62 661	165 070
Tourism characteristic products	56 548	46 427	122 938
Accommodation services for visitors	13 904	19 823	53 690
Food and beverage serving services	8 110	9 200	17 310
Passenger transport services	19 402	11 308	30 710
Air passenger transport services	10 265	7 891	18 155
Railways passenger transport services	7 179	1 309	8 488
Road passenger transport services	1 582	1 589	3 171
Water passenger transport services	376	520	896
Passenger transport supporting services	..	..	..
Transport equipment rental services	1 663	1 014	2 677
Travel agencies and other reservation services industry	7 402	1 230	8 632
Cultural services	1 226	1 399	2 625
Sports and recreation services	4 842	2 452	7 295
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	25 898	16 234	42 132
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products	6 831	1 399	8 229

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076799>



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