

Tourism consumption in France rose by 0.9% in 2015

Internal tourism consumption in France rose by 0.9% in 2015, reaching €158.6 billion, or 7.3% of the country's GDP. Although the year started off on a positive note, foreign tourist consumption was particularly hard-hit by the terrorist attacks of 13 November. As in previous years, French residents accounted for two-thirds of tourism consumption, with foreigners making up the remaining third. The increase was greatest in spending on commercial tourist accommodation, especially on campsites, as well as on non-urban transport services (airport transport in particular). The sharpest drop in spending was on fuel (due to falling oil prices) and on food and beverages (excluding restaurants).

Table 1: Changes in tourism consumption

	2010	2011	2012	2013	2014	2015
Internal tourism consumption (in billions of euros at current prices)	140.7	150.9	153.6	154.9	157.3	158.6
French visitors	97.1	103.1	103.4	104.5	105.9	106.8
Foreign visitors	43.7	47.8	50.2	50.4	51.4	51.8
Change (in %)	1.0	7.2	1.8	0.8	1.5	0.9
French visitors	0.5	6.2	0.3	1.1	1.3	0.8
Foreign visitors	0.6	9.4	5.1	0.3	2.0	0.9
Share of change (in percentage points)	1.0	7.2	1.8	0.8	1.5	0.9
French visitors	0.4	4.3	0.2	0.7	0.9	0.6
Foreign visitors	0.5	2.9	1.6	0.1	0.6	0.3

How to read this table: in 2015, tourism consumption by foreign visitors totalled €51.8 billion, a 0.9% increase over 2014. In 2015, foreign visitors accounted for 0.3 points of growth in internal tourism consumption, with French visitors contributing 0.6 points. Source: DGE, Tourism Satellite Account, base 2010; INSEE, National Accounts, base 2010.

Internal tourism consumption (see box) by French and foreign tourists and same-day visitors totalled €158.6 billion in France in 2015 (Table 1). French residents accounted for two-thirds of internal tourism consumption at €106.8 billion, while non-residents represented one-third at €51.8 billion.

Internal tourism consumption stood at 7.3% of GDP in France in 2015 (Table 2), compared with 7.0% in 2010. This increase reflects tourism's growing contribution to the French economy. Nevertheless, in 2015, tourism's share of GDP remained basically unchanged from 2014. Tourism was slightly less robust than the rest of the economy, particularly due to the terrorist attacks of 13 November, which had an impact on the fourth quarter results.

Equivalent increases in spending by French and foreign tourists in 2015

Internal tourism consumption rose 0.9% in value compared with 2014 (Chart 1), driven by a slight increase in prices (+0.3 %) and volumes (+0.5%). What set 2015 apart from previous years was a more moderate rise in prices. Behind the overall increase in internal tourism consumption are widely varying fluctuations, depending on the category. The sharpest rises were in the areas of commercial tourist accommodation, particularly campsites, and in non-urban transport services, notably airport transport. The

steepest drops had to do with spending on fuel, driven by falling oil prices, and on food and beverages, excluding restaurants. Tourism consumption for French and foreign tourists experienced nearly identical growth rates. Notwithstanding, growth slowed for both foreign visitors (+0.9%, against 2.0% in 2014) and French tourists (+0.8%, compared with 1.3%).

The line item «Travels» in the Banque de France's balance of payments shows that average spending per overnight by foreign tourists fell in comparison with 2014. The positive growth figure can be attributed to an increase in the number of both visits and overnight stays (some 1%), particularly in commercial accommodation, and to increased spending on non-urban transport services.

Tourism is a vital element of the French economy, and travels by French citizens in their own country is a mainstay of this. French residents make 90% of their trips within France. Tourism consumption accounts for 9.2% of final consumption by households in 2015, or 5% of GDP. In addition, a larger share of French tourists spent their holidays in France rather than abroad due to the euro's unfavourable exchange rate and safety concerns in certain countries.

France remains the world's number one destination in terms of the number of international tourist arrivals, with 84.5 million arrivals in 2015. Tourism consumption by foreigners, at 2.4% of

GDP, alone made up nearly one-third of total tourism consumption.

A marked upswing in spending by French tourists on hotels and campsites

Spending on commercial accommodation in 2015 rose 2.7% in total: 0.9% in real terms, with a 1.8% increase in prices. This increase is primarily attributable to French tourists (+3.7% in value), as spending by foreign visitors rose only slightly (+1.2%). All categories combined, there was a notable upswing in spending on campsites in 2015 (+5.8% in value).

French residents spent more in 2015 on hotels and campsites, with sharp increases in real terms: +5.4% on hotels and +5.7% on campsites. This growth rate was higher than that in the number of overnight stays (+2.2% in hotels and +5.1% in campsites). French tourists preferred hotels and campsites with higher ratings. This trend has been noticeable for several years now (Chart 2), but it accelerated in 2015 (growth in the number of overnight stays in hotels with two-star ratings or higher and campsites with three-star ratings or higher).

Tourists are in the market for higher quality, and the supply is adapting to the demand: - French accommodations are moving upmarket. In the wake of the new hotel classification system that was introduced in late 2009, a great many hotels invested in improvements and added a star to their rating. This has also been the case with campsites over the past several years.

Spending on «other types of collective accommodation» rose 0.4% in value in 2015. In all types of tourist residences, the number of overnight stays by foreign visitors fell off, whereas visits by French tourists increased.

Peer-to-peer rentals up sharply among foreign visitors

Spending on private accommodation rose 2.3% in value, primarily driven by foreign visitors (+11.4%). Spending by French tourists in this area fell by 0.4%. An inverse trend between French and foreign tourists became evident in 2015: whereas French residents strongly favoured collective accommodation, foreign visitors turned their backs on campsites and other types of accommodation and flocked to peer-to-peer rentals, which they found on Internet platforms.

Stable consumption in cafés and restaurants

Consumption in cafés and restaurants were stable in value (+0.1%): – it fell by 1.0% in real terms, whereas prices rose by 1.2%. Consumption by French residents rose by 1.7% in value, whereas that by foreign visitors slid by 2.8%, due to a decrease in average daily spending. Spending on food and beverages dropped 2.7% in value, although the price index remained basically unchanged (+0.2%). Spending by both French residents and foreign visitors diminished in real terms. Foreign tourists in particular spent less on food per day spent in France in 2015.

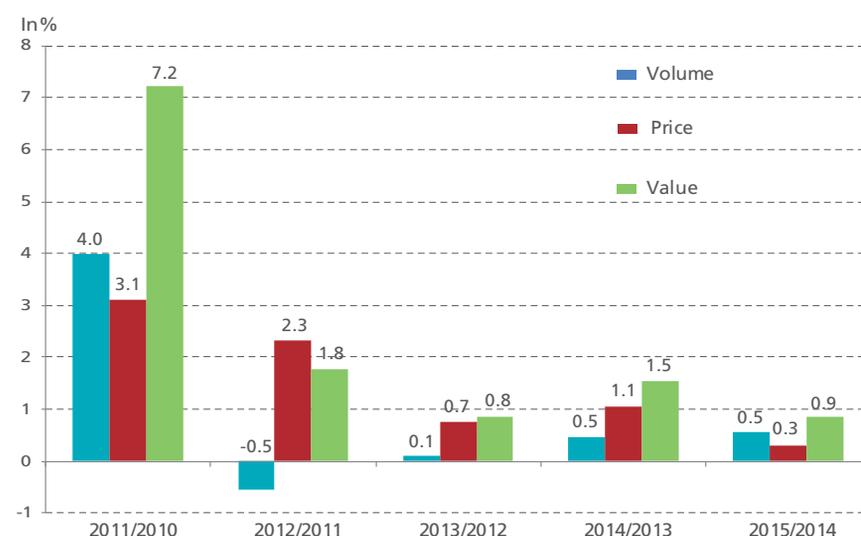
Table 2: Proportion of internal tourism consumption in GDP

	2010	2011	2012	2013	2014	2015
GDP (in billions of euros at current prices)	1,998.5	2,059.3	2,086.9	2,115.3	2,140.0	2,181.1
Proportion of internal tourism consumption in GDP (in %)	7.04	7.33	7.36	7.32	7.35	7.27
French visitors	4.86	5.01	4.95	4.94	4.95	4.90
Foreign visitors	2.19	2.32	2.41	2.38	2.40	2.36

How to read this table: internal tourism consumption accounted for 7.27% of GDP in 2015, to which French tourists contributed 4.90% and foreign tourists 2.36%.

Source: DGE, Tourism Satellite Account, base 2010; INSEE, Comptes nationaux, base 2010.

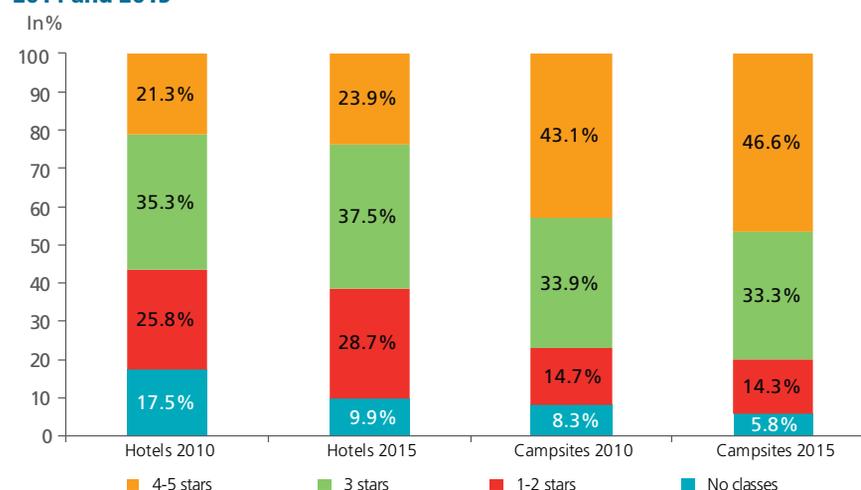
Chart 1: Change in internal tourism consumption in volume, price and value



How to read this table: internal tourism consumption rose by 0.9% in value between 2014 and 2015.

Source: DGE, Tourism Satellite Account, base 2010.

Chart 2: Market share of overnight stays in hotels and campsites by category in 2014 and 2015



How to read this table: overnight stays in 4- or 5-star hotels accounted for 23.9% of overnight stays in hotels in 2015.

Source: DGE, Tourism Satellite Account, base 2010.

A good year for non-urban transport services

In 2015, spending on non-urban transport rose by 3.0% in value, which is primarily attributable to a 2.5% increase in real terms, and a slight price increase (+0.5%).

Air transport grew the strongest (+3.9%). In 2015, after years of decline, French airline companies won back market share on both domestic and international routes.

The increase in real terms in air transport was particularly strong for foreign tourists (+8.1%), due to increased air traffic through mid-November, and despite a sharp fall-off in the final weeks of

the year. This ended a two-year decline. One particular growth factor was a drop in the price of airline tickets due to falling oil prices, which buoyed business for every airline firm. The fall in the value of the euro against most of the world's currencies also drew a large number of non-EU visitors to France in 2015. This was a boon for Air France, which is well-placed in these markets, particularly since the company was less disrupted by strikes than in 2014.

Growth in spending on air transport was less robust for French residents during the year (+1.8% in real terms). Fewer of them travelled by plane: their numbers fell by 2% all destinations combined, and by 5% for trips abroad (including trips to the overseas départements). The unfavourable exchange rate for the euro, combined with fears of attacks in the traditional Mediterranean holiday destinations (Morocco, Tunisia, Egypt and Turkey) dampened enthusiasm for destinations outside the euro area.

Spending on rail transport increased in value by 1.8%, despite a 1.4% fall-off in real terms. This increase in value was due to a 2.6% increase in ticket prices at the beginning of the year. The SNCF's passenger transport business is facing increasingly stiff competition from less expensive alternatives, including low-cost airlines, private car-sharing over long distances and coach travel. Competition was particularly heightened by the deregulation of long-distance coach transport starting in August 2015. In 2015, spending on coach transport grew by only 2.1% in value,

corresponding to a 2.6% increase in real terms and a 0.5% fall-off in prices. Although there were considerably more passengers than in 2014, aggressive price wars between coach firms fighting for market share kept revenue down in 2015.

Drivers spent 9.0% less on fuel in 2015. This was primarily due to a 7.2% drop in prices, and a 1.3% decrease in real terms. Lower prices at the pump were the result of the fall in oil prices that began in mid-2014 and that led to a stabilisation of low prices throughout the rest of 2014 and all of 2015.

Non-urban transport services, the number one item of expenditure, even before commercial accommodations

The main categories of tourist expenditure (*Chart 3*) were non-urban transport (€28.4 billion), commercial tourist accommodation (€24.3 billion) and spending in restaurants and cafés (€20.5 billion). These three items together make up nearly half (46%) of the sums spent by tourists in France. Tourists also spend a large amount (€15.8 billion) on fuel, motorway tolls and car rentals.

The structure of foreign tourists' spending differs from that by French residents. They tend to spend more on non-urban transport, restaurants and cafés, and «other expenditures». Specifically, foreigners have greater travel costs than their French counterparts because they generally come from further afield

Table 3: Breakdown of tourism consumption by category (in billions of euros at current prices)

	2010	2011	2012	2013	2014	2015	Change 2015/2014 (in %)
I Expenditure on tourism characteristic services	82.8	87.4	88.5	89.7	91.2	93.2	2.2
1. Commercial tourist accommodation	20.5	22.0	22.6	23.2	23.7	24.3	2.7
Hotels	11.5	12.2	12.7	13.0	13.2	13.6	2.9
Campsites ⁽¹⁾	1.6	1.7	1.8	1.9	1.9	2.0	5.8
Rural holiday accommodation and other seasonal rentals	5.2	5.6	5.6	5.7	6.0	6.1	2.3
Other commercial accommodation ⁽²⁾	2.2	2.4	2.6	2.7	2.6	2.6	0.4
2. Restaurants and cafés	17.9	19.1	19.4	19.9	20.4	20.5	0.1
3. Non-urban transport services	25.1	26.8	27.3	27.5	27.6	28.4	3.0
Air transport	15.1	16.1	16.3	16.6	16.6	17.2	3.9
Rail transport ⁽³⁾	6.8	7.6	7.8	7.8	7.8	7.9	1.8
Coach transport	2.4	2.4	2.5	2.6	2.7	2.7	2.1
Inland water and sea transport	0.8	0.8	0.7	0.5	0.5	0.5	-2.3
4. Short-term equipment rental	3.3	3.3	3.4	3.4	3.4	3.4	-1.1
Passenger car hire	2.1	2.1	2.1	2.2	2.1	2.1	-1.6
Sport and leisure equipment hire	1.2	1.2	1.2	1.3	1.3	1.3	-0.2
5. Tour operator and travel agency services	7.7	7.9	7.3	7.2	7.4	7.6	2.1
6. Cultural, sport and leisure services	8.3	8.4	8.5	8.5	8.7	9.0	4.3
Museums, shows and other cultural activities	2.1	2.1	2.2	2.2	2.3	2.4	4.6
Casinos*	2.3	2.3	2.3	2.2	2.1	2.2	3.4
Amusement parks and other recreational activities	2.9	2.9	3.1	3.1	3.2	3.4	5.8
Ski lifts	1.0	1.0	1.0	1.0	1.0	1.0	1.0
II Other expenditure items	41.0	46.1	47.2	46.9	47.4	46.5	-1.9
Fuel	9.8	11.4	11.6	11.0	11.0	10.0	-9.0
Tolls	3.3	3.4	3.4	3.5	3.6	3.7	1.5
Food and drink ⁽⁴⁾	11.0	11.7	11.9	12.2	12.1	11.7	-2.7
Specific consumer durable goods ⁽⁵⁾	6.1	6.6	6.5	6.5	6.6	6.9	5.1
Other consumer goods ⁽⁶⁾	6.5	8.2	8.8	8.5	8.9	8.9	-0.2
Taxis and other urban transport services	1.5	1.7	1.8	1.9	1.9	2.0	5.5
Other services ⁽⁷⁾	2.9	3.1	3.1	3.2	3.3	3.2	-1.7
III Tourism expenditure (III = I + II)	123.7	133.6	135.7	136.5	138.6	139.7	0.8
IV Non-commercial tourism accommodation⁽⁸⁾	17.0	17.3	17.9	18.3	18.6	18.9	1.4
V Tourism consumption (V = III + IV)	140.7	150.9	153.6	154.9	157.3	158.6	0.9

* Ministry for the Economy and Finance, Public Finances General Directorate, situation as at 7 September 2016.

⁽¹⁾ Including municipal campsites. ⁽²⁾ Tourist residences and hotels, holiday villages, youth hostels, etc. ⁽³⁾ Excluding suburban railway travel. ⁽⁴⁾ Excluding restaurants and cafés.

⁽⁵⁾ Campers, pleasure boats, travel and leather goods, and certain types of sports equipment used specifically in holiday resorts.

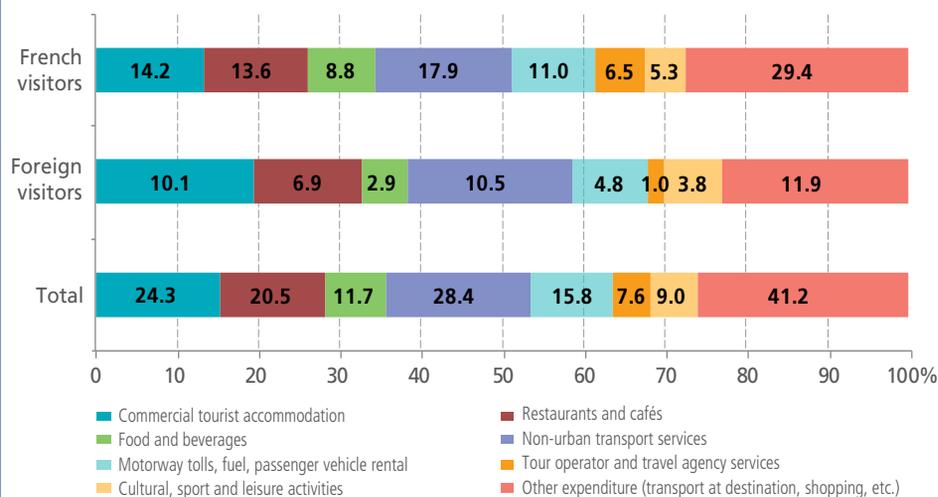
⁽⁶⁾ Purchase of local products, souvenirs, gifts, etc. ⁽⁷⁾ Car repairs, beauty care, etc. ⁽⁸⁾ Second holiday homes (imputed rent value).

How to read this table: internal tourism consumption totalled €158.6 billion in value in 2015.

Source: DGE, Tourism Satellite Account, base 2010.

and pay more for their travel (airline tickets, etc.). Their expensive purchases (valuables, luxury goods, etc.) are also concentrated during their stay in France whereas the French can more easily purchase them outside holiday periods due to their proximity to the supply. However, foreign tourists spend less of their budget on food and drink than their French counterparts, as they spend more on restaurants and full-board hotels. Their fuel outlays are also lower, since they opt more easily for public transport (aeroplanes, trains, etc.). Finally, their spending in travel agencies is generally done prior to their departure from their country of residence. In this case, these expenditures do not fall within the scope of internal tourism consumption in France.

Chart 3: Structure of tourist expenditure in 2015 (in billions of euros)



How to read this table: foreign visitors spent €10.1 billion on commercial tourist accommodation, i.e. some 19% of their total tourism spending.

Source: DGE, Tourism Satellite Account, base 2010.

Jean-Christophe LOMONACO, DGE

Tourism satellite account

The 2008 World Tourism Organization (UNWTO) recommendations state that a tourism satellite account (TSA) analyses in detail all the aspects of demand for goods and services associated with visitors' activities in a given economy, sees whether this demand actually matches the supply of these goods and services, and describes the interactions between this supply and other economic activities. The TSA is designed to improve the integration of tourism statistics into the national statistical system and to improve the international comparability of these statistics.

Method

The provisional results presented here cover 2010 to 2015. They have been put together based on constant methodology compared with previous years' publications. The differences observed between this and previous publications are due to the updating of the national accounts data and the discounting of certain parameters for 2010-2015.

Glossary

Internal tourism consumption

Internal tourism consumption is a core TSA concept. The aggregate measures the consumption of French and foreign visitors (tourists and same-day visitors) during or for a trip in or from France supplied by service and consumer goods providers resident in France. Internal tourism consumption is made up

of two parts: domestic, which measures the consumption of visitors resident in France, and inbound, which measures the consumption of visitors resident abroad.

Internal tourism expenditure

Internal tourism expenditure is the share of internal tourism consumption provided in return for payments made, either by the visitors themselves (most frequent case) or by other agents on their behalf. It is equal to internal tourism consumption minus the "non-market tourism accommodation" item, which covers imputed rents for owners of second homes. The imputed rents represent the estimated amount that the owners of second homes would have had to pay had they been tenants and not owners of their property.

Visitor

A visitor is a traveller taking a trip to a destination outside his or her usual environment and hence entering into the definition of tourism. The reason for the trip may be personal (leisure, family visit, health, etc.), business (assignment, training, seminar, conference, and so on) or both. There are two types of visitor: tourists, who spend at least one night (and less than one year) at their destination, and same-day visitors who make the return trip on the same day. Travel between home and the place of work or study for same-day visitors is not defined as tourism.

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Layout: Hélène Allias-Denis, Brigitte Baroin

ISSN : 2269-3092

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DIRECTION GÉNÉRALE
DES ENTREPRISES