

Tourism consumption in France up by 1.9% in 2014

Internal tourism consumption grew 1.9% to €158.3 billion in 2014, reaching 7.4% of GDP. French tourists accounted for two thirds of this consumption, with non-resident tourists making up the remainder. Growth was higher for foreign tourists (+3.7%) than for French holidaymakers (+1.0%). Spending on cafés and restaurants posted the sharpest rise, following the increase in VAT during the year. Accommodation rentals by individuals also progressed, driven by the expansion of dedicated websites in this area. Spending on petrol fell the most, due to the drop in oil prices. The loss of market share by French carriers meant that spending on air travel also suffered.

Table 1: Changes in tourism consumption*

	2010	2011	2012	2013	2014
Internal tourism consumption (in billions of euros at current prices)	140.4	150.6	153.7	155.4	158.3
French visitors	96.9	103.0	103.7	105.3	106.4
Foreign visitors	43.4	47.6	50.0	50.1	51.9
Change (in %)	0.8	7.3	2.1	1.1	1.9
French visitors	0.5	6.3	0.7	1.5	1.0
Foreign visitors	1.6	9.5	5.1	0.1	3.7
Share of change (in percentage points)	0.8	7.3	2.1	1.1	1.9
French visitors	0.4	4.3	0.5	1.0	0.7
Foreign visitors	0.5	2.9	1.6	0.0	1.2

How to read this table: in 2014, tourism consumption by foreign visitors totalled €51.9 billion, a 3.7% increase over 2013. In 2014, foreign visitors accounted for 1.2 points of growth in internal tourism consumption, with French visitors contributing 0.7 points.

* The sum of the rounded figures may differ slightly from the rounded sum.

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

French and foreign tourists and same-day visitors spent €158,3 billion in France in 2014 (Table 1). French residents accounted for two-thirds of internal tourism consumption (see box) at €106.4 billion, while non-residents represented one-third of spending at €51.9 billion.

Internal tourism consumption stood at 7.4% of GDP in France in 2014 (Table 2), up from 7.0% in 2010. This increase reflects tourism's growing contribution to the French economy.

Foreign tourists account for one-third of spending and one-half of growth

Internal tourism consumption rose 1.9% in value compared with 2013 (Chart 1), driven mainly by a price rise (+1.4%). In real terms, growth was weak (+0.5%). For the third straight year, tourism consumption remained about the same in constant prices (after -0.6% in 2012 and -0.2% in 2013). French visitors accounted for 0.7 points of the overall rise of 1.9%, while foreign visitors contributed 1.2 points. After flat-lining in 2013, foreign tourism consumption picked up in 2014 (+3.7%); the increase was more moderate among French consumers (+1%, after +1.5% in 2013).

Tourism is a vital element of the French economy. Despite a growing interest in foreign travel, the vast majority of French tourists holiday in France (90% of holidays) with their tourism consumption accounting for 9.3% of all actual final consumption by households in 2015, or 5% of French GDP. With 83.8 million foreign visitors, France is the world's number one destination in terms of the number of international tourist arrivals. Tourism consumption by foreigners, at 2.4% of GDP, alone made up nearly one-third of total tourism consumption. Since 2010, it has outstripped both consumption by French residents and GDP.

Collective accommodation is less popular, particularly among French tourists

Spending on market accommodation in 2014 rose 2.6% in total. Nevertheless, it expanded by a mere 0.5% in real terms, whereas prices rose by 2.1%.

Increased spending on hotel accommodation (+1.8%) was the result of a 2.5% increase in prices, whereas sales fell back by 0.7% in real terms. This drop was primarily due to a drop in the number of overnight stays by French tourists (-2.1%) for the

third consecutive year since 2012, to which was added a 0.3% drop in overnight stays by foreign visitors in 2014. This fall-off primarily affected one-star hotels; hotels with a higher rating fared better (two-star hotels saw an increase, a slight decrease for those with a three-star rating and no change for four-star hotels and higher). Average room prices increased under this quality effect, thus partly offsetting the consequences, for hotel operators, of the overall drop in overnight stays.

A 1.5% upturn in spending on campsites during the year resulted from an increase in French customers, primarily in campsites with four-star ratings and higher. Overnight stays by foreign visitors fell by 1.8%, with the sharpest decrease amongst visitors from the UK and the Netherlands (-5%).

Spending on other categories of collective accommodation fell by 0.4%, basically due to a drop in the number of overnight stays by foreign tourists in tourist residences, and by French tourists in holiday villages.

Peer-to-peer rentals up sharply...

Peer-to-peer rentals rose by 5.4% for the second year running, thanks to a 3.9% increase in real terms to which French and foreign tourists contributed in almost equal measure. In real terms as well, total spending on market accommodation increased by only 0.5%. This figure reveals that tourists are increasingly turning to websites offering seasonal rentals between peers.

...and have been winning accommodation market share since 2010

Whereas spending on market accommodation increased from €21.3 billion in 2010 to €25.2 billion in 2014, the share of hotel expenditure tended to fall over the same period (Chart 2). This phenomenon concerns French tourists in the main (-2.9% in the share of hotels in market accommodation since 2010), but foreign tourists are also concerned (-1.4%). Since 2010, overnight stays in hotels with two-star ratings or higher increased, but fell off in less expensive hotels – every year, tourists seek out higher-quality accommodations. This tendency to go upmarket can also be observed at camping sites. Market share in campsites and other accommodation remained more or less stable between 2010 and 2014.

Market share of rentals have grown by 2.8% since 2010 for French tourists, and by 1.5% for foreign visitors. This trend has sharpened since 2012, driven by the increased visibility provided by peer-to-peer rental websites, which were lesser known in 2010, but which have since become extremely popular.

Stable consumption in cafés and restaurants

Consumption in real terms in cafés and restaurants remained stable for both French and foreign visitors. The 3% rise in prices in this sector, following the adjustments to VAT rates in 2014, is fully at the source of spending increases.

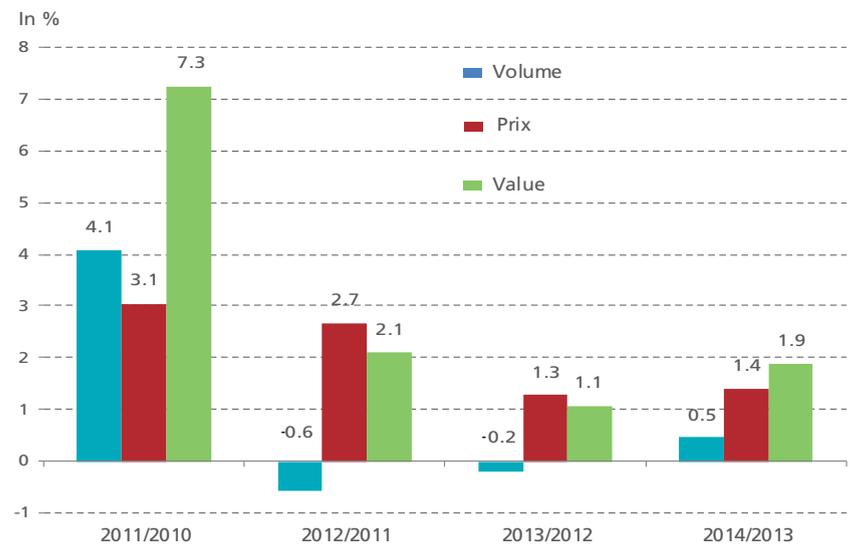
Table 2: Weight of tourism consumption in GDP

	2010	2011	2012	2013	2014
GDP (in billions of euros at current prices)	1,998.5	2,059.3	2,086.9	2,116.6	2,132.4
Proportion of internal tourism consumption in GDP (in %)	7.02	7.31	7.37	7.34	7.42
French visitors	4.85	5.00	4.97	4.98	4.99
Foreign visitors	2.16	2.31	2.40	2.37	2.43

How to read this table: internal tourism consumption accounted for 7.42% of GDP in 2014, to which French tourists contributed 4.99% and foreign tourists 2.43%.

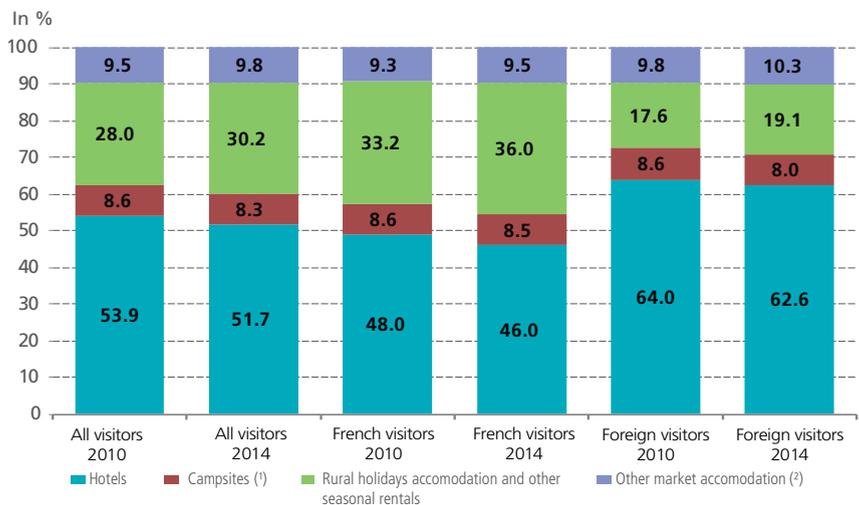
Source: DGE, Tourism Satellite Account, base 2010; Insee, Comptes nationaux, base 2010.

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



Source: DGE, Tourism Satellite Account, base 2010.

Chart 2: Market share of types of accommodation in 2010 and 2014



(1) Including municipal campsites.

(2) Holiday residences and hotel-residences, holiday villages, youth hostels, etc.

Source: DGE, Tourism Satellite Account, base 2010.

Spending on food and beverages remained the same in 2014 (-0.1%), as the 0.7% increase in consumption in real terms was offset by a significant decrease in food prices (0.8%).

Loss of market share by French airlines to foreign carriers and rail transport in the face of car-sharing

Spending on non-urban transport remained the same in value (-0.2%) and fell by 0.7% in real terms, due to air travel (-1.0% in value and -0.9% in real terms).

The number of passengers using French airports has been

increasing each year since 2010. Nevertheless, French airline firms accounted for 0.5% fewer passenger-kilometres than in 2013, whereas foreign carriers recorded 6.8% more. A pilots' strike particularly affected Air France in September. Moreover, Air France has, for several years, had to cope with competition on two fronts: from low-cost airlines for flights within Europe, and from foreign airlines – particularly those based in the Persian Gulf – for long-haul flights.

Spending on rail transport were stable in value (+0.2%) but fell off by 1.8% in real terms. This drop is due to the fact that the number of travellers taking tourism trips using the SNCF (i.e. excluding the Transilien and TER networks) has fallen off. There are many reasons for this, including a hike in VAT from 7% to 10% on domestic passenger transport, which was passed on to ticket prices, a strike by the SNCF in June 2014, and increasingly stiff competition from less expensive alternatives such as low-cost airlines and long-distance car-sharing schemes, which have been boosted by websites that connect drivers who have empty seats with people who need to travel.

Drivers spent 1.5% less on fuel in 2014. In real terms, fuel consumption rose by 0.7% while prices fell by 2.2%, particularly at the end of the year following the drop in oil prices. Passenger

vehicles drove longer distances, particularly for those registered abroad (+5.0%) rather than French vehicles (+0.7%). For foreign visitors, the stream of vehicles registered in northern Europe and travelling to Spain accounted for this increase. Increase in kilometres travelled for tourist reasons was the source of increased spending in motorway tolls (+2.5% in value, of which 1.4% was an increase in rates).

In 2014, spending on non-urban transport, commercial accommodation and restaurants and cafés accounted for 51% of tourism expenditure

The main categories of spending by tourists (Chart 3) include non-urban transport (€27 billion), commercial tourist accommodation (€25 billion) and spending in restaurants and cafés (€20 billion). These three items together make up half of the budget spent by tourists in France. These tourists also spend a large amount (€17 billion) on fuel, motorway tolls and car rentals. Foreign visitors spend their money differently than French tourists: the percentages spent on non-urban transport, restaurants and cafés and «other expenditure» are higher in foreign budgets than in those of French residents. Specifically,

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

	Values 2010	Values 2011	Values 2012	Values 2013	Values 2014	Change 2014/2013 (in %)
I Expenditure on tourism characteristic services	82.8	87.7	89.0	90.2	91.8	1.8
1. Commercial tourist accommodation	21.3	23.2	23.9	24.6	25.2	2.6
Hotels	11.5	12.3	12.7	12.8	13.0	1.8
Campsites ⁽¹⁾	1.8	1.9	2.0	2.1	2.1	1.5
Rural holiday accommodation and other seasonal rentals	6.0	6.6	6.8	7.2	7.6	5.4
Other commercial accommodation ⁽²⁾	2.0	2.3	2.4	2.5	2.5	-0.4
2. Restaurants and cafés	17.1	18.1	18.6	19.1	19.6	3.0
3. Non-urban transport services	25.1	26.8	27.3	27.4	27.3	-0.2
Air transport	15.1	16.1	16.3	16.4	16.3	-1.0
Rail transport ⁽³⁾	6.8	7.6	7.8	7.7	7.7	0.2
Coach transport	2.4	2.4	2.5	2.5	2.5	1.5
Inland water and sea transport	0.8	0.8	0.7	0.7	0.8	7.0
4. Short-term equipment rental	3.3	3.4	3.4	3.5	3.5	1.1
Passenger car hire	2.1	2.1	2.1	2.2	2.2	0.7
Sport and leisure equipment hire	1.2	1.3	1.3	1.3	1.3	1.7
5. Tour operator and travel agency services	7.7	7.9	7.3	7.3	7.4	2.2
6. Cultural, sport and leisure services	8.3	8.4	8.5	8.5	8.7	3.2
Museums, shows and other cultural activities	2.1	2.1	2.2	2.2	2.3	3.1
Casinos	2.3	2.3	2.3	2.2	2.3	5.6
Amusement parks and other recreational activities	2.9	2.9	3.1	3.1	3.2	3.0
Ski lifts	1.0	1.0	1.0	1.0	1.0	-0.9
II Other expenditure items	42.5	47.4	48.8	48.7	49.6	1.8
Fuel	9.8	11.4	11.7	11.1	10.9	-1.5
Tolls	3.3	3.4	3.5	3.5	3.6	2.5
Food and drink ⁽⁴⁾	10.6	11.1	11.3	11.7	11.7	-0.1
Specific consumer durable goods ⁽⁵⁾	6.1	6.6	6.5	6.6	6.6	0.4
Other consumer goods ⁽⁶⁾	8.4	10.1	10.9	10.7	11.5	7.0
Taxis and other urban transport services	1.5	1.7	1.8	1.9	2.0	5.3
Other services ⁽⁷⁾	2.9	3.1	3.1	3.2	3.3	2.1
III Tourism expenditure (III = I + II)	125.3	135.2	137.8	138.9	141.4	1.8
IV Non-commercial tourism accommodation ⁽⁸⁾	15.1	15.4	16.0	16.5	16.9	2.7
V Tourism consumption (V = III + IV)	140.4	150.6	153.7	155.4	158.3	1.9

⁽¹⁾ Including municipal campsites.

⁽²⁾ Tourist residences and hotels, holiday villages, youth hostels, etc.

⁽³⁾ Transilien.

⁽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).

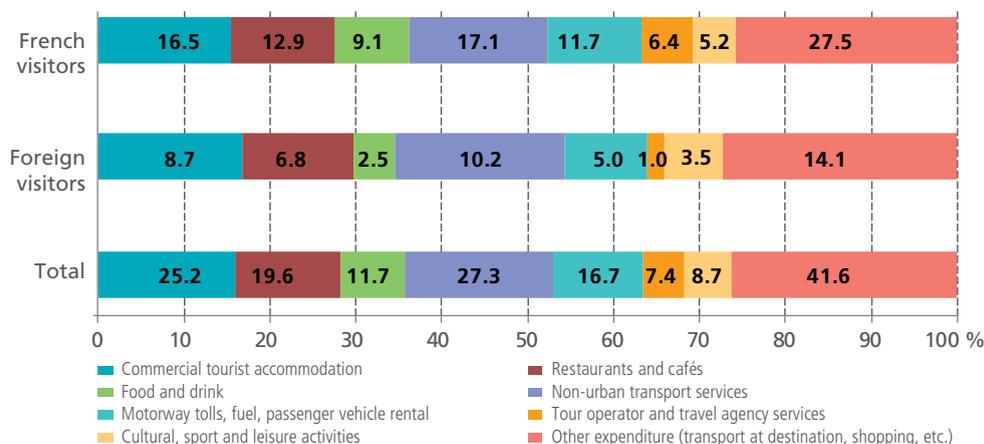
Key: Internal tourism consumption totalled €158.3 billion in value in 2014.

Source : DGE, Tourism Satellite Account, base 2010.

foreigners have greater travel costs than their French counterparts because they generally come from further afield 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 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.). Lastly, spending in travel agencies is generally done prior to their departure from their country of residence, and therefore is not included as part of internal tourism consumption calculations.

Jean-Christophe Lomonaco, DGE

Chart 3: structure of tourist expenditure in 2014 (in billions of euros)



Key: foreign visitors spent €8.7 billion on commercial tourist accommodation, i.e. some 17% of their total tourism spending.
Source: DGE, Tourism Satellite Account, base 2010.

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 2014. 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, now with a base year of 2010, and the discounting of certain parameters for the 2010-2014 period.

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, etc.) or both. There are types of visitor. Tourists spend at least one night (and less than one year) at their destination. Same-day visitors (return trip the same day to more than 100 kilometres from home and outside their usual environment such as their place of work) do not spend the night at their destination. Cross-border day trips are also counted in this category, irrespective of distance covered (except for return trips between home and the place of work or study, which are not defined as tourism).

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