



Tourism industry sub-sectors

COUNTRY REPORT

FRANCE

March 2014

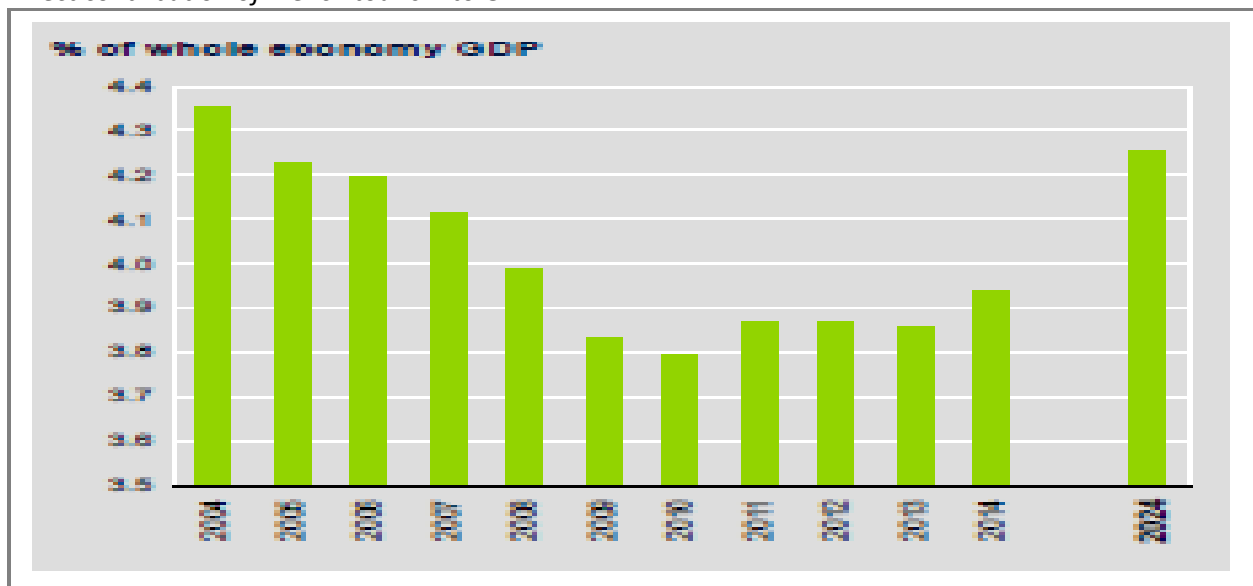
GENERAL OVERVIEW

Data and Figures

Tourism is a fundamental sector in the French economy, both taking into account its contribution to the national economy as well as the relative national employment rate: this influence is a result of all the key sites, theme parks and natural heritage that characterise France.

With 83 million visitors and confirming a positive trend notwithstanding the world crisis, France kept its position as number one worldwide tourism destination in 2012 ahead of Spain and the United States, with a market share of 16 % in Europe. The total spending of French and foreign tourists represented € 36 billion, representing almost 6.5 % of France's GDP, which makes the country rank third in the world in terms of revenue from tourism¹.

Direct contribution of French tourism to GDP



Source: World trade tourism council, 2014

In 2012, travel and tourism directly contributed EUR77.7 billion to French GDP, 30% of which comes from international visitors and 70% from domestic tourism spending. The total contribution of travel and tourism represents 9.7% of GDP and supports 2.9 million jobs (10.9% of employment) in the country².

In 2009 it was created the Directorate General for Competitiveness, Industry and Services (*Direction générale de la compétitivité, de l'industrie et des services*) merging the Directorate General for Enterprises (*Direction générale des entreprises*), the Directorate of trade, crafts, services and professions (*Direction du commerce, de l'artisanat, des services et des professions libérales*) and the Directorate of tourism (*Direction du tourisme*). All the matters related to tourism are therefore under the responsibility

¹ WTTC (World Tourism Trade Council), Country Report: France – Economic impact 2014

² Euromonitor International, Travel and Tourism in France, Country Report 2013

of the ministries dealing with economic and financial issues , which represents a sign of recognition of tourism as a major economic sector. In 2009, "Atout France", Tourism Development Agency of France, was created under the framework of the law of development and modernization of tourist services. This agency is a result of the merger of *ODIT France*, tourism engineering agency established as a public interest group , and *Maison de la France*, promotion agency of France abroad. Since then, the Agency contributes to the implementation of public policies in favor of tourism, including the promotion of tourism in France .

The state budget devoted to tourism was, until the 2012 finance act, part of a specific program (program 223). As from 2012 on, the budget can be found in the action 21 (tourism development) of the program 134: for the 2013 budget, the planned commitments authorization on tourism was 42,4 million euros and almost 37 million labeled for payments³. This budget included the grant to "Atout France" in order to develop and implement the actions of promotion and qualification of the tourism offer in France (€ 30.5 million, after taking into account the precautionary reserve) as well as the involvement to the actions for the touristic development ("Val de Loire", "France by bike - *France à vélo*"), to the Tourism Quality Plan (*Plan Qualité Tourisme*) and all the activities related to the measures for facilitating the access to holidays.

France remains the world's top destination in terms of international tourist arrivals. This data increased by 1.8% between 2011 and 2012, according to the World Tourism Organization arriving to 83 million in 2012. The average length of stay of foreign tourists in France holds at 6.9 nights, almost stable between 2011 and 2012 (- 0,2%). Therefore, overnight stays rose over the period, by 1.6% and amounted to 573,1 million . Between 2011 and 2012 , the decline of the expenses for traveling abroad of French people on the one hand , and the rise of non -residents expenditures traveling in France on the other hand , have contributed to a sharp increase in the balance of payments according to provisional results , the balance was € 12,9 billion in 2012 while € 7.5 billion in 2011, thus restoring the levels before the crisis⁴.

Tourism is one of the first surplus in the balance of payments. It plays a major role in the national economy. The "Ho.Re.Ca" industry is in the national accounts, in 2011, a production of 88.5 billion € (2.4% of total production) and a value of € 44.1 billion (2.5% of GDP). Developed as part of the Tourism Satellite Account, internal tourism consumption (*Consommation touristique intérieure*, CTI), which covers all tourism spending in France made by residents and non-residents allows for a more concise idea of the engine is the tourism in the economy: CTI stands structurally over 7% of GDP⁵.

Being the first destination in the world cannot protect from competition or provide a tourism policy. In its Communication to the Council of Ministers of 11 July 2012, the Minister for Tourism presented the main directions of tourism policy, including the creation of a genuine industry of tourism, capable of uniting all actors, as well as improving the quality of their offering.

Main Tourism Offer

- Cultural heritage tourism
- Religious tourism
- Health and wellness tourism
- Coastal tourism

³ Tourism accounts - provisional data (Tourism Directorate), National Institute for Statistics and Economic Studies (Insee), 2013

⁴ Flash Eurobarometer 334, Attitudes of Europeans Towards Tourism, 2012

⁵ WTTC (World Tourism Trade Council), Country Report: France – Economic impact 2014

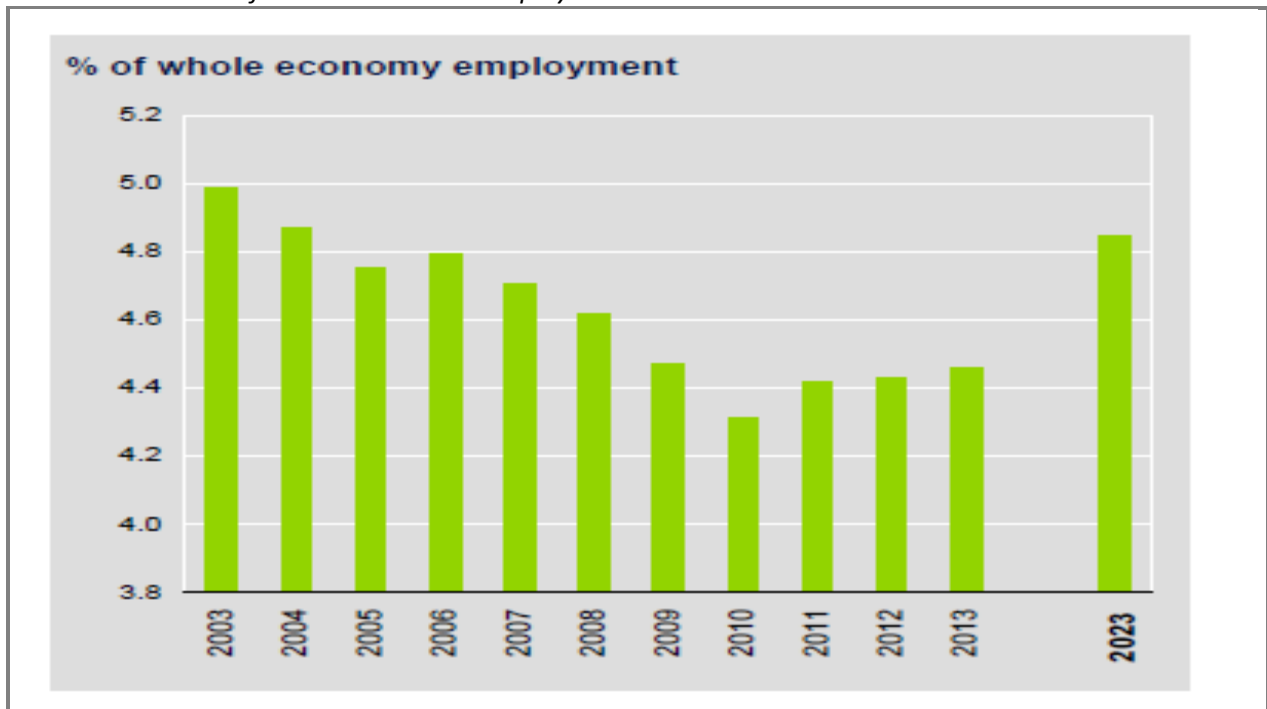
- Adventure tourism
- Business and congress/convention travel (MICE)
- Sailing / Sea cruising
- Wine and food tourism

Labour Market Trends

The tourism sector assures the livelihood of more than 900,000 people, representing 4.3 % of the working population⁶:

- 72 % in the restaurant and catering industry;
- 15.5 % in the hotel industry;
- 4 % in travel agencies;
- 1.5 % in outdoor accommodation (campsites, mobile homes, etc.);
- 4.5 % in thermal spas.

Direct contribution of French tourism to Employment



Source: World trade tourism council, 2014

The State implements various measures to improve the quality of employment in tourism:

- the Minister for Tourism and the Minister of Labour, employment, vocational training and social dialogue, have entrusted the task of expertise and suggestions on "how to maximize the potential use of the tourism sector".

⁶ World Travel and Tourism Council, Travel & Tourism economic impact 2013: France

- Involvement in recording certifications degrees and diplomas of the sector and the work of the observatories for the employment levels in the sector of hotels, cafes, restaurants and travel sales.
- Financial support for resource centers on seasonality for the implementation of information measures and observation for seasonal workers and seasonal businesses.
- Support to a professional body for hotels, cafes restaurant for the implementation of housing to seasonal workers in tourism.
- Implementation, with Chambers of Commerce and Industry, of training offers in service culture and enhancement of service for employees of tourism enterprises.
- Implementation with Pôle Emploi, the national public employment service, a portal containing all the vacancies and all applications for employment in the tourism sector.
- Renovation of the repositories on job-skills-activities of several professional qualifications in the tourism sector.
- A survey by the prefects of the Regions on the situation regarding housing seasonal workers (winter seasonal jobs – ski).

In 2012, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 10.9% of total employment (2,924,500 jobs). This is expected to rise by 0.4% in 2013 to 2,936,000 jobs and rise by 0.6% pa to 3,119,000 jobs in 2023 (11.4% of total)⁷.

Education and Training

A wide range of HE programmes in Tourism exist in France, and like in the field of Sport, each year some new schemes and qualifications are validated and created. Very comparable to the BTS (Brevet de Technicien Supérieur) in Hotel and Restaurant Management is the BTS in Tourism, for which the national syllabus is taught and assessed in around 200 institutions across the country. Regarded by professionals as the basic qualification for anyone wishing to enter the industry, it is a very popular two year programme, recruiting around 5,000 students a year. Since 2001 (when the programme was streamlined and redesigned) students choose between two pathways, with either a focus on Sales and Production or a focus on Services and Organisation. They spend 33 hours in the classroom per week, in classes of typically 30 students, with the following timetable for the Services and Organisation pathway: two hours of French; three hours of English; three hours of second foreign language; two hours of heritage analysis; three hours of geographical analysis; four hours of economics and law; four hours of marketing; four hours of tourism techniques; eight hours of professional case-studies⁸.

Whilst the BTS is traditionally taught in further education colleges and secondary schools, universities have recently started to offer courses in tourism management, for example:

- Two year programmes on specialised aspects of tourism, such as the DEUST in Cultural Tourism in Limoges, or the one in Multilingual Eco-tourism Guiding in Lille.
- Vocational degrees in Tourism, offered in Aix (with two options: Cultural Heritage or Natural Resources), and Marne-la-Vallée (with two options: Information Technologies or Large-scale Catering Management).
- Masters, for example in European Heritage and Cultural Tourism in Lyon, Rural Tourism in Montpellier. or Corsican Tourism in Corte.

⁷ World Travel and Tourism Council, Travel & Tourism economic impact 2013: France

⁸ French Ministry of Education, The French Education Account Principles and methods, 2013

- DESS (regarded as the highest HE qualification in Tourism) for students who already have a Masters, with very specific and practical topics such as the Management of Small EcoTourism Businesses (Paris), or French and European Law of the Commercialisation of Tourism Products (Montpellier).

Also, private institutes (where students have to pay potentially high fees, as opposed to all universities and public institutions where the average fees are around £90) offer HE programmes in Tourism, with lengths varying from six months for the Certificate in Ticketing taught at the Ecole Pratique de Tourisme near Paris, to three years at the ESCAET (Ecole Supérieure de Commerce et d'Administration des Entreprises de Tourisme, Aix en Provence).

Trends and Prospects

France has a structured a tourism code, developed in several books⁹:

- Book I traces the general organization of tourism and in particular the distribution of powers between the State, local authorities, public establishments for cooperation.
- Book II of the code governs the activities of tourism and tourism professions.
- Book III is devoted to tourist facilities and amenities.
- Book IV contains the provisions concerning the financing of the access to holidays and taxation of tourism.

A 2009 reform, put in place with the law n. 888 of the 22nd July 2009 on the development and modernization of the tourist services, aimed at giving to professionals of the sector a new regulation on the conditions for the competitiveness. The new structure introduced the following conditions:

- the regulations applicable to travel operators were simplified while ensuring a high level of consumer protection;
- the act also modernized the legal regime of passenger cars with driver (previously called "big discount") and provides a legal basis for motorized two or three-wheel (motorcycle taxis) vehicles;
- the law also seeks to make a significant effort to renew the supply of tourist accommodation (hotels, tourist residences, town homes, residential tourism villages , furnished accommodation, campsites and residential parks leisure etc.). To this end , the classification has been profoundly reformed. The classification is voluntary but it is now limited to 5 years. COFRAC agencies are now responsible for institutional visits . Atout France , the tourism development agency of France, develops and maintains the repository classification with categories classified from one to five stars. The state remained the guarantor of the validation of the classification procedure and the body responsible for the assignment of the rating . The Act of 22March 2012 put an end to fragmentation of skills in the process of classification of tourist accommodation in discharging the Prefect and entrusting the classification decision to Atout France , except for furnished accommodation;
- as already mentioned, the creation by law of a single operator, Atout France, tourism development agency of France, helped to contribute to the modernization of the tourist offer.

In the recent past, the law of 22 March 2012 on the simplification of the law and the reduction of administrative burdens introduced other reforms. A new category of classified station was created for business tourism. By regulation, the access to the profession of guide was simplified.

As far as the trends and prospects, it is important to point out that France is undergoing a series of changes in order to improve the quality of tourism, such as the reform of classification of

⁹ Ministère des Affaires étrangères et européennes / Ministry of Foreign and European Affairs, 2007

accommodating structures. Other measures implemented specifically aim at the enhancement of the tourism trade or balance the occupation level of leisure real estate in some mountain resorts and coastline.

The diversification of the French offer in tourism also involves supporting the new tourism trends - memory tourism, industrial tourism, cycling tourism, - with high added value where the structure of new tourism destinations under "contracts destination" establishes synergies between public and private stakeholders in tourism. These destination contracts are supposed to be the preferred framework for the coordination of actors and resources in tourism.

The "Tourism Quality Plan - *Plan Qualité Tourisme* " is another tool for improving the quality of the tourism offer in France. It is the recognition of "quality initiatives" implemented by professionals from different sectors of tourism respecting national commitment to quality.

SUBSECTORS

In the following tables we will summarize some significant data and information about Adventure, Cultural and Blue tourism in France.

ADVENTURE TOURISM IN SUMMARY

Overview

- The sector of adventure tourism in France offers many opportunities and solutions thanks to its various geographical structure: the same Country can offer experiences in water sports, aerial sports and land adventures both in the summer and in wintertime.
- According to a survey of the tourism consulting group - IPK International¹⁰, 14% of the Europeans chose France as their winter holiday destination in Europe.
- Thanks to its geographical structure and the highly developed tourism industry, France is able to offer all-year round innumerable activities in all the three main components of adventure tourism: Land adventures include all the activities belonging to the adventure tourism in summertime and wintertime; Water Adventure can offer any kind of activities thanks to the presence of both the sea and many rivers; Aerial Adventure as well benefit of the strong development of the tourism sector in the Country.

Main services and products

- Biking and mountain biking
- Trekking / Hiking
- Skiing / snowboarding
- Bungee jumping
- Canoeing, Rafting and Kayaking
- Windsurfing / Surfing

Trend and prospects

The future trend of French adventure tourism will involve cycling as many countries are actively promoting the use of bicycles. Already, Rennes, Strasbourg and Nantes have increased the number of cycle paths (120 kms in Rennes), created or equipped parking space for bicycles, cycle shelters. Blue-ways ("Voies bleus" as called in French) is the attractive name given to the cycle paths that run along river and canal banks in French towns and cities, a category of blue-ways that is currently enjoying a real boom.

Another future prospect, which is becoming more and more developed, concerns alternative vacation structures, in particular tree-houses, a new approach that is really booming among youngsters¹¹.

¹⁰ IPK International, Global Travel Trends 2012/13

(http://www.itbkongress.de/media/itbk/itbk_media/itbk_pdf/presentationen_2013/future_day_1/IPK_Pressrelease_Prospert_2013_EN_Druck.pdf)

CULTURAL TOURISM IN SUMMARY

Overview

- Cultural tourism has a special place in France, both in tourism considered from an economic point of view in the attractiveness and visibility of Country: museums, monuments, festivals and cultural events drain each year million French and foreign visitors. France is the most popular tourist destination in the world.
- More than half of the international demand for destinations in France is given by cultural attractiveness. This rate is even higher when demand is analysed customers in emerging markets. The cultural offer for foreign visitors is not only constituted by the presence of a huge architectural heritage, it is also creative cultural industries, the vitality of the performing arts, festivals widely spread over the country, events that contribute very significantly to the overall attractiveness of the destination France.
- France attracts also many religious pilgrims interested in spiritual tourism (e.g. Lourdes, a town in the Hautes-Pyrénées that hosts a few million visitors a year, the Taizé community has become one of the world's most important sites of Christian pilgrimage. Over 100,000 young people from around the world make pilgrimages to Taizé each year for prayer, Bible study, sharing emotions and communal work).

Main services and products

- Museums
- Festivals
- Exhibitions
- Visits to French heritage attractions
- Spiritual tourism
- Food and wine guided tours
- Archaeological/Medieval sites
- Cultural cities

Trend and prospects

The cultural offer for foreign visitors is extremely wide and diversified. One of the initiatives (Cities and towns of art and history) entails the creation of a network of 167 cities of art and history that are working together for the advertising of architecture sites and cultural heritage that the country presents. The network encourages discovering activities (guided tours, exhibitions, etc.) and cultural tourism promotion.

Food and wine tourism is increasing in the French tourism offer. Project “City of wine civilisation”, which involves the creation of an architectural structure in which tourist could appreciate the importance of wine for French culture and be involved in a tasting sensorial experience. The project foresees the creation of a platform on wine in order to increase promotion of French wine in the world¹².

¹¹ ATTA (Adventure Travel Trade Association)

¹² Association for Tourism and Leisure Education (ATLAS)

The Ministry of Tourism engaged with the Department of Defense to develop *memory tourism* in France. The Ministry of Tourism joined, as a founding member, the public interest group "*Mission Centennial*" to develop and implement the commemorative calendar of the centenary of the First World War in 2014.

Industrial tourism has become a real tourist industry, whether for leisure (headquarters are sometimes located in remote areas) or for business tourism. This sector responds to new fun and educational expectations of clients attracted by a cultural and participatory tourism. It is also part of the necessary diversification of supply. The company visits, in France, comprehend around 5000 businesses open to the public with nearly 10 million visitors. With the support of the government, the Association of Company Tour opened a site www.entrepriseetdecouverte.fr. The goal is to identify for the first time all the companies open to the public in France. The current group of companies comprehend different partners and industries, such as beauty (L'Occitane), automotive (Museum of Peugeot Adventure), etc.

An important and recent initiative – promoting universal access to holidays – comprises the actions of the National Agency for Holiday Vouchers (Agence nationale pour les chèques-vacances) to promote social tourism, as well as measures to make tourist infrastructure accessible to all. CAs amount to EUR 2.37 million and PAs to EUR 2.48 million.

One particular goal is to exploit the recent classification of French gastronomy as part of the world heritage, in particular through the National Food Festival that is to be held every 23 September (the first such event having been staged in 2011). Vineyard tours were also given a new boost with the creation in March 2009 of the High Council for Wine Tourism. The government is also striving to develop high-potential tourism segments, such as business tourism and major events. Other promising segments such as cruises, pleasure boating, cycling tourism, itinerary tourism and urban tourism, as well as quality destinations such as the under-utilised Loire Valley, are also supported with strategic action plans.

BLUE TOURISM IN SUMMARY

Overview

- With the world's second largest maritime surface and 18,000km of coastline, France has long been a big maritime nation (with touristic and commercial ports).
- The blue tourism sub-sector (coastal and yachting and cruising) is the largest sector in the maritime and coastal economy in terms of turnover, added value and employment.
- France was the fourth highest cruise destination market in Europe with nearly 2.2 million passenger visits in 2011, an 8% increase from 2010. The 441,000 passengers sourced from France and the 122,000 cruise passengers that embarked on their cruises from French ports accounted for 23% of all passenger spending in France. They spent an estimated €76 million on airfares, port fees, lodging, food and beverages, excursions and other purchases in France.
- France Government participates in ENPI CBCMED Cross-border cooperation in the Mediterranean that consists in a multilateral cross-border cooperation "*Mediterranean Sea Basin Programme*" aimed at reinforcing cooperation between the European Union (EU) and partner countries regions placed along the shores of the Mediterranean Sea.
- France is a shipbuilding centre and a source and destination market. It had a total employment impact of 16,009 jobs. The manufacturing sector accounted for 33% of the total, up from 29% in 2010, while the transportation, trade and hospitality industries accounted for 25% of the total employment impact.

- Coastal/yachting tourism is widespread in North Coast (the extreme north coast of France, from Belgium to Calais, borders on the North Sea), Atlantic Coast (Southwards from the mouth of the Loire, the Atlantic coast is largely made up of long sandy beaches; coastal towns and villages) and Mediterranean Coast (the French Riviera, or Côte d'Azur, with more than 10 million tourists a year, is the second leading tourist destination in the country, after the Parisian region). Each year the Côte d'Azur hosts 50% of the world's super-yacht fleet, with 90% of all super-yachts visiting the region's coast at least once in their lifetime). France has a particularly rich network of canals and rivers, 8,500km long, allowing the tourist to discover the country in depth. Among the future trend for blue tourism in France, cruises on the rivers will have a more and more relevant role, together with the development of house-boating rental for an alternative vacation in France¹³.

Main services and products

- River cruising
- Sea cruising
- Coastal tourism

Trend and prospects

France is principally a source and destination market with the addition of shipbuilding.. France's growth was led by a 51% increase in shipbuilding expenditures and a 6% increase in spending by cruise lines for goods and services from French businesses¹⁴.

Recent data published by the SNAV Barometer¹⁵ show that cruise bookings for June decreased by 10% for leisure tourists and by 6% for business travelers compared to June 2012. This negative trend hit all French destinations. France itself lost 15% travelers, other French territories reported around 6% less visitors. The number of cruise bookings towards mainland France has fallen by 15% of leisure travelers and 5% of business travelers.

Concrete steps for increasing the blue tourism are being taken so that sustainable-development concerns can be disseminated throughout the coastal, blue and cruising tourism industry. These include a practical guide to biodiversity and tourism, the biodiversity passport for the French overseas territories, and actions to promote eco-tourism also in maritime activities.

¹³ DGCIS (Direction Générale de la compétitivité de l'industrie et des services)

¹⁴ European Cruise Council

¹⁵ <http://www.snav.org/Snav/public?controller=fr.amadeuspro.fo.StandardContent§ionID=HomePublic%23QuiSommesNous&cp=1>

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