

# THE RESILIENCE OF BUSINESS TOURISM IN FRANCE



Tourism in France suffered greatly last year; especially Paris and its suburbs. The hotel industry in Ile-de-France reported that the number of overnight stays in the second quarter of 2016 fell by 10.6% compared to the previous year. The decline in the number of foreign customers was particularly noticeable: 13.9% year-on-year in the second quarter of 2016.

Japanese tourists were the biggest group that left Paris, their number dropped by 46.2% compared to the previous year. **Fortunately, business tourism, the professional counterpart to leisure tourism, is performing better**, and despite a lackluster year, the Ile-de-France maintains its dominant position in Europe.

According to a study conducted by the Ile-de-France Chamber of Commerce and Industry analyzing the results of the year 2015 for French business tourism, the economic benefits are estimated at 5 billion euros and more than 80,000 full-time jobs, fairs and meetings included.

Moreover, hoteliers in the region estimate between 40 and 50% of their revenues coming from business tourism. This is an important issue for these establishments.

What is true for the region's capital is obviously also true for the companies that take part in these gatherings. The year 2015 saw the signing of more than 6 million orders, for a turnover of 19 billion euros, specifies the CCI. More importantly, of these 19 billion euros, 8 billion are the result of transactions with foreign customers, three-quarters of which (6 billion euros) arise from contracts between foreigners, illustrating the international importance of Parisian fairs. Although, the latter "represent international trade hubs rather than a penetration of the French market," the Paris Chamber of Commerce points out.

To reach such figures, Paris and the surrounding region highlight the significant and varied offer and the access to the territory by public transport. But above all, the Ile-de-France has the largest area of Europe dedicated to professional events, with nearly 700,000 square meters, spread over 21 different sites, capable of hosting major national and international events.

In order to maintain this status of business tourism in France in the face of tough European competition, the modernization and the construction of new sites have been initiated. The Paris Convention Center, scheduled to be completed in 2017, will have a capacity to welcome 30,000 participants; meanwhile, the Porte de Versailles Exhibition Center is undergoing renovations, 90 years after its opening, for an estimated amount of nearly 500 million euros and 10 years of work.

**Last year's attacks have reduced the leisure tourism in France, and business tourism, although less prone to reduction, has nevertheless been affected by these events as well.** While a steep rise has been observed since 2011 by the CCI, the number of foreign visitors dropped by more than 5% in 2015. The French, also, travel in smaller number (-3.8%).

The Chamber of Commerce and Industry estimates the impact of this downturn, due to the attacks, at "62 million euros, including 48 million euros for transport, hotels, restaurants, and department stores."

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