

# FRANCE PLANS TO IMPROVE ITS TOURISM REVENUES



Despite the record visitor numbers of more than 89 million tourists in 2018, the French National Assembly stated that France does not offer "all the consumption opportunities" for foreigners who visit it. Consequently, tourism revenues could be higher.

At first glance, the figures are positive for those concerned about the impact of the "yellow vest" movement or the air and rail strikes on tourism. **In 2018, France welcomed 89.4 million foreign visitors, according to an information report by the National Assembly.**

Despite the record numbers, up 3% from the previous year and continuing to make France the world's top tourism destination, the report says the country's tourism revenues are "disappointing" and "well below their potential". In other words, France can do better. While "the desire to discover France is deeply rooted in the tourist mind," the report also invites France to take advantage of the growth in tourist flows.

While it is the world leader in tourism in terms of the number of visitors, ahead of Spain (82.8 million tourists) and the United States (80.1 million), France ranks only third in terms of revenues from tourism activity. With 55 billion euros, it is behind Spain (60 billion) but is far behind the United States and its 180 billion dollars in revenue (161 billion euros).

The reason is that each visitor spends an average of €260 on a trip to France, a relatively stable amount since 2013, but less than the two competitor countries.

One of France's weak points is its poor ability to "retain its travelers", with a stay of 6 to 7 days in 2018, as in 2017. In addition, the report considers that France "struggles to encourage spending", by offering a limited number of shops open on Sundays or by not making it easy enough to get rid of the tax.

To improve its tourism revenues, the report calls for France to work towards a better development of its territory by, for example, creating "new international tourist zones". The report also encourages the industry to develop its transport network and improve service to its territory by developing regional airports.

While the report nevertheless acknowledges France's "good results", it justifies its demand by the fact that tourism is a "strategic sector of the French economy. Indeed, **it represents 7.2% of GDP, 2 million jobs and 313,000 companies, mainly VSEs and SMEs.**

Such a strategy involves mobilizing resources. In 2015, the government indicated its ambition to mobilize

one billion euros over five years, via an investment platform launched by the Court of Auditors, to develop tourism in France. But in the wake of the National Assembly's report, the magistrates of rue Cambon deplored that this objective would not be achieved.

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