

# FALL OF TOURISM INDUSTRY IMPACTS THE FRENCH ECONOMY AND JOB MARKET



According to Atout France, the tourism industry in the country generated only 119 billion euros in turnover in 2020. This is a third less (61 billion) than in 2019, when the sector provided two million jobs. The losses have been cushioned by public aid estimated at 16 billion euros.

Between 300,000 and 500,000 jobs are currently on the tightrope in France, according to Didier Arino, president of the Protourisme cabinet. "That is to say that they will disappear when the aid stops," estimates the analyst.

**A pessimistic forecast which would strongly mark the job market of the French tourism industry, capping 1.3 million salaried jobs, and 700,000 non-salaried jobs.** To which two million additional indirect and induced jobs must be added, estimates Didier Arino.

"On an international scale, 300 million tourism jobs have already been lost. 100 million people have had to return to work in the fields, in Asia, Latin America, Africa, because they did not benefit from the social airbag offered in Europe," he explained.

## Regional Differences

Among the thirteen regions, Brittany, Pays de la Loire, and Normandy held up better and came in eighth, ninth and tenth place in terms of losses. The worst off is the Ile de France, hit by 23.1 billion euros in lost income. Still, 2.2 billion euros in turnover disappeared in Brittany, 2 in Pays de la Loire and 1.9 in Normandy.

In the second quarter alone, INSEE estimated that Brittany and Normandy had respectively lost 6,300 and 3,200 jobs in accommodation and catering. The impact on French economy will be considerable.

## No Miracle in 2021

In line with air transport forecasts, Atout France does not foresee a miracle in 2021: only 22 billion euros of the 61 billion euros lost will be recovered. This will still leave a shortfall of about one billion in each of the three western regions. That is the equivalent of 4,000 medium-sized restaurants each.

## More and More Europeans

These gloomy forecasts are reflected in the composition of the expected foreign clientele: European tourists accounted for 69% in 2019; they have risen to 81% in 2020 due to a lack of Americans and Asians; they will rise to 89%, with customers from faraway places expected to be reluctant to fly again.

## A True-False World Number 1

This is the first setback of such magnitude in France, where the tourism industry has fallen from 145 to 180 billion euros in ten years. France remains the world's leading destination in terms of the

number of foreign travelers (89 million), ahead of Spain and the United States.

**However, in terms of spending generated, France is only third behind the United States and Spain.** A challenge to be met. But times are not right. According to the World Tourism Organization, the sector has gone back thirty years, losing ten times more than during the 2009 crisis.

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