FRENCH TOURISM IS STILL IN THE LEAD IN EUROPE

The beginning of 2022 confirms the improved condition of the French tourism sector. International flows are improving month after month and approaching the pre-crisis levels. Over the first two months, international receipts are still ahead of Spain, which is nevertheless experiencing a marked rebound in activity.

In February 2022, international tourism receipts in France showed a decrease of 8.2% compared to February 2019. This is already much better than the 17.3% decline observed last January. **The French tourism sector has shown greater resilience than the country's European neighbors and competitors.**

Tourists are back in France, but some are missing. China, which is becoming more and more confined, and Russia, which is at war, are slowing down a rebound that is nonetheless underway in the capital, but also on the Côte d'Azur.

On the French Riviera, dozens of yachts are moored, and blocked in the port of Beaulieu-sur-Mer (Alpes-Maritimes). Normally, every third yacht is rented by Russians, but today no reservations have been made. This absence and financial losses are difficult to compensate according to professionals.

However, France can rely on a domestic clientele that can advantageously compensate for the absence of certain foreign customers, particularly long-haul.

This is reflected in the number of overnight stays, which were close to 2019 levels for the first two months, thanks to the dynamism of non-market overnight stays in February.

However, market accommodation is also recovering. Private rental is rebounding in terms of both supply and demand.

This type of accommodation is very popular with a clientele that has abandoned collective accommodation (hotels and hotel residences). It is also an important offer in destinations that are popular with leisure travelers: medium-sized mountains, country destinations.

Business Tourism Still Faltering

Due to the weak results for business tourism, the hotel industry's results are still down from the pre-crisis reference years.

However, there was a significant improvement in the first quarter, with the occupancy differential narrowing month after month. This justifies the increase in average prices and ensures that RevPAR returns to the pre-crisis levels.

More strongly influenced by business tourism and international long-haul customers, the hotel industry in the Paris region is still in decline compared to the situation in other regions.

The return of customers from European countries or from America is benefiting Paris intra-muros, whereas this is not yet the case for the rest of the hotel industry in Île-de-France.

Security and Inflation, Two Threats to the Rebound

The influence of the war in Ukraine on French tourism was not felt at the beginning of the year, but it will become more apparent as the summer holidays approach, with foreign customers questioning the security issues.

In addition, higher oil prices will have an effect on the price of land and air transport. Accelerating inflation will also have an impact on household purchasing power as well as on the operating accounts of companies.

In France, the issues of prices and costs in an inflationary context, reinforced by recruitment difficulties in certain tourism sectors, mean that quality-price positioning must be monitored at a time when competing destinations are rebounding.

The good news is that the desire to travel remains high according to the barometers on travel intentions.

Bookings are nevertheless up on previous years. On a competitive level, the demand for sea and sun destinations is benefiting in particular Spain and the destinations around the Mediterranean.

France maintained its leadership in terms of international revenues in the last quarter of 2021 and over the year as a whole with a 17.7% market share within the European Union, but there was a very strong rebound in Spain, which once again benefited from low-cost air travel from the United Kingdom, Germany and Scandinavia. Italy is also on a very dynamic rebound path.

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