

During summer 2020, tourist spending in France by residents returned to its level of the previous year

After an unprecedented shock in early spring, tourist activity in France by residents started to recover gradually after the end of lockdown, then more vigorously at the start of the summer as restrictions on movement and activity were relaxed more and more. As a result, bank card spending by residents on accommodation and catering rose during July and August to levels that were at least comparable to those of the summer 2019 season. However, by September, spending by French residents on leisure activities (especially shows and culture) was still a long way from its pre-crisis level. While tourist activity was able to return to, or even exceed last year's level in some coastal regions or less densely populated areas, the major cities were penalised as a result of the reduced spending by French tourists. French travellers also modified their behaviour this summer by favouring non-market accommodation (in second homes or staying with relatives) and by limiting their business travel. As this analysis of tourist spending concentrates on French residents, it does not predict overall activity in the sector, which was penalised by the decline in foreign tourists.

Domestic tourism usually represents only two thirds of overnight stays in professionally run accommodation in France

The numbers frequenting mainly professionally run market tourist accommodation in Metropolitan France (hotels, camp sites, tourist residences and holiday villages) consist primarily of residents of Metropolitan France, called resident customers. Before the crisis, tourism-related spending represented 7% of GDP, and of this two-thirds was attributable to residents.¹ Overnight stays by residents also represent two-thirds of all overnight stays in hotels and camp sites. The remaining third of overnight stays are attributable to non-resident customers, first and foremost of which are the British and the Americans. There are many more of these non-residents in Île-de-France than in the rest of France, representing half of tourists and overnight stays in normal times.

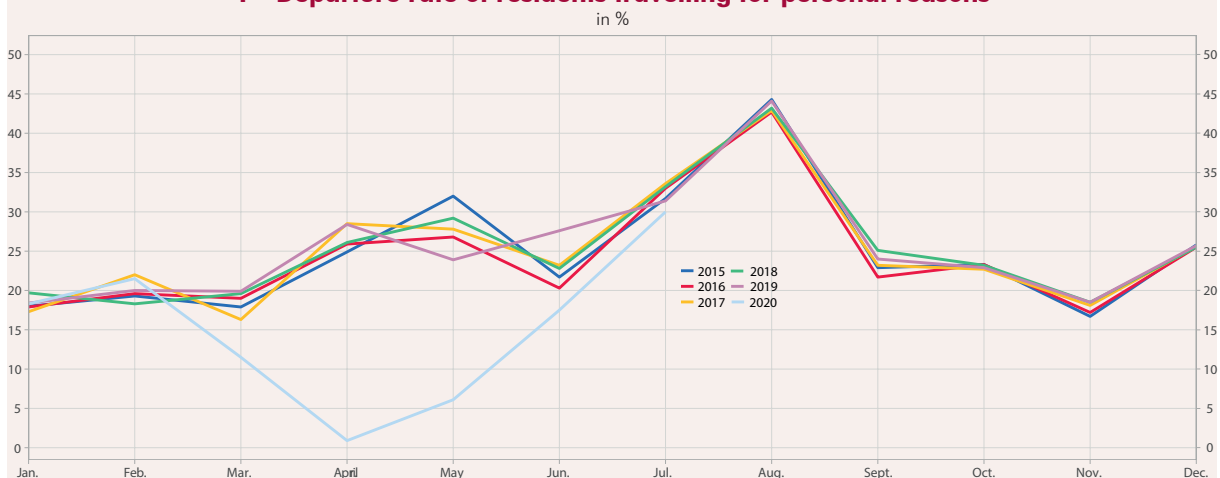
After being almost totally wiped out during lockdown, international air traffic into France has recovered only very moderately and was still weak in July 2020. It reached a level that was 18% of that for 2019, and even less from some countries, including the United Kingdom (12% of the July 2019 level) and the United States (4%).² The resumption of tourist activity observed in July was therefore quite unusual as it was based almost exclusively on resident customers.

In July 2020, the occupancy of market tourist accommodation by residents returned to its July 2019 level

In July 2020, the percentage of residents who had travelled at least once during the month for personal reasons was 30% (Graph 1 and Box 1). After the collapse observed in the spring, this rate of departure was now comparable to those observed in July in previous years.

1. See OECD Tourism trends and policies 2020, country profile – France <http://oe.cd/3fb>.
 2. See https://www.ecologie.gouv.fr/sites/default/files/tendanCIEL_2020_83.pdf.

1 - Departure rate of residents travelling for personal reasons



Scope: Metropolitan France
 How to read it: in July 2020, 30% of residents travelled for personal reasons, against 33% on average between 2015 and 2019.
 Source: INSEE, tourism demand monitoring survey, provisional 2020 data

Bloc 1

Sources used to analyse tourist activity in summer 2020

Tourist Demand Survey

The survey monitoring tourist demand (SDT) is conducted monthly with a panel of 22,000 people, aged 15 or over, who are representative of the resident population of France. It provides information in accordance with the European regulation on tourism statistics by defining tourist trips taken by residents (personal or professional, departure rate, number of trips, number of nights spent, tourist spending, etc.). A trip can be described as a tourist trip when the person concerned spends at least one night outside their usual environment.

CB bank card transactions

Bank card transaction data can be used to monitor the differentiated effects of the health crisis on various economic sectors, especially those that usually welcome tourists. These data were taken from an extraction of anonymised and aggregated transactions and cover the majority of bank card transactions by French residents. INSEE would like to thank Cartes Bancaires CB for making this aggregated information available. The data used concern all holders of CB bank cards in France, which, in addition to residents, can also include businesses. Departmental data were produced based on the location of the establishment where the transaction took place. In contrast to the data used at national level, distance transactions (especially on internet) are not taken into account in departmental transactions. In addition, data relating to Corsica do not differentiate between the two departments and are therefore aggregated at the level of the Corsica territorial authority. Various sectors were aggregated to correspond to tourist activities, sometimes covering activities that were purely for tourists (souvenir shops and postcards, tourist exhibitions, amusement parks, etc.), and sometimes activities that depend partly on tourists (especially restaurants and bars).

These transaction amounts were used to analyse changes in residents' consumption, but they nevertheless have some important limitations: first, in some sectors, such as accommodation or transport, there may be a considerable delay between the date of the transaction and the date of consumption. Second, the way bank cards are used may have changed during the health crisis and therefore any such changes in this means of payment only partially reflect any changes in the turnover of the establishments concerned. Last, and by no means least, spending by foreign tourists is not covered by this mode of payment. In previous years, these foreign visitors represented 38% of total internal tourist consumption.

Online searches monitored by Google Trends

Google Trends is a tool available through the *Google* search engine and can be used to analyse users' interest in different search terms. *Google* calculates and presents a weekly aggregated score from a representative and filtered sample of searches (from several billion daily searches worldwide). The results show the proportion of searches for a given key word in a region and for a specific period, compared to the date when the usage rate of this key word was highest (value 100). Thus a value of 50 means that the key word was used half as often on the date concerned, and a value of 0 means that there is insufficient data for this key word. Although in normal times the *Google Trends* data cannot improve forecasts of household spending significantly (see INSEE's *Conjoncture* in France, March 2015) and are therefore not the most robust source for analysing consumption, they do shed some extra light on data that relate more directly to spending. Also, this data source has the advantage of being available very quickly and for countries other than France. ■

In July 2020, the number of overnight stays by residents returned to the July 2019 level, whether in market accommodation (hotels, camp sites, tourist residences, holiday villages, furnished rentals via an internet platform, etc.) or non-market (second homes, with relatives, friends, etc.). Between April and July, this return to a more normal level of overnight holiday stays was mainly achieved by the increase in overnight stays in non-market accommodation (*Graph 2*).

Accommodation in second homes has increased since June, both for personal and professional reasons

Non-market accommodation has indeed increased sharply since June, especially in second homes. This increase concerned both personal and professional trips. The growth of teleworking has certainly led to the emergence of new non-market accommodation needs, in second homes, or even with family or friends. However, this increase in non-

market accommodation has not offset the deficit in occupancy in the market accommodation sector relating to business travel.

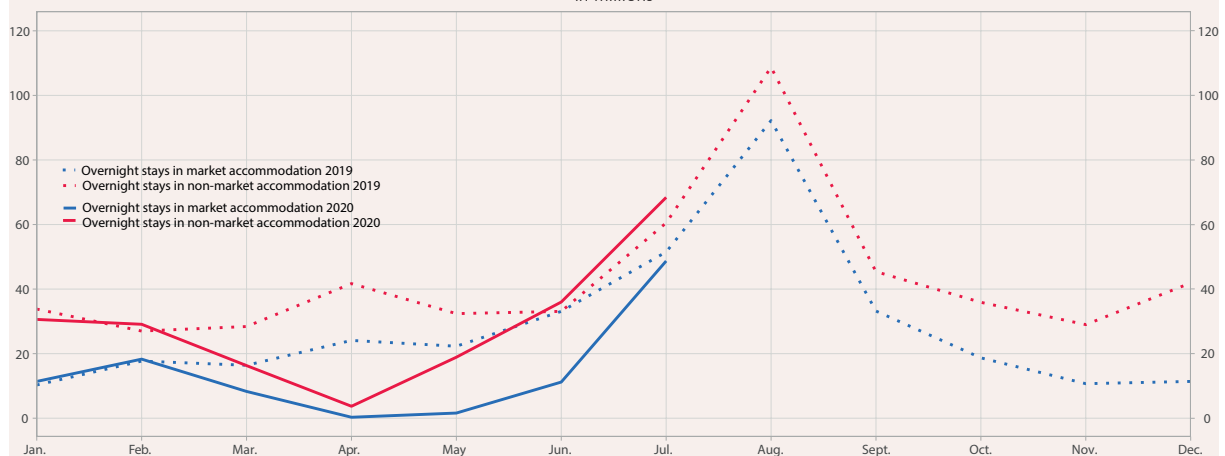
The number of professional overnight stays remains low

Accommodation associated with business trips in June and July 2020 was very low compared to the same months in 2019. While non-market accommodation was buoyant, the number of market overnight stays remained relatively low (*Graph 3*). Business tourism in major cities also remained very low compared to other forms of tourism, especially in the largest French agglomerations.

Accommodation, catering and leisure were hit hard by the crisis but their dynamics in recovery are different

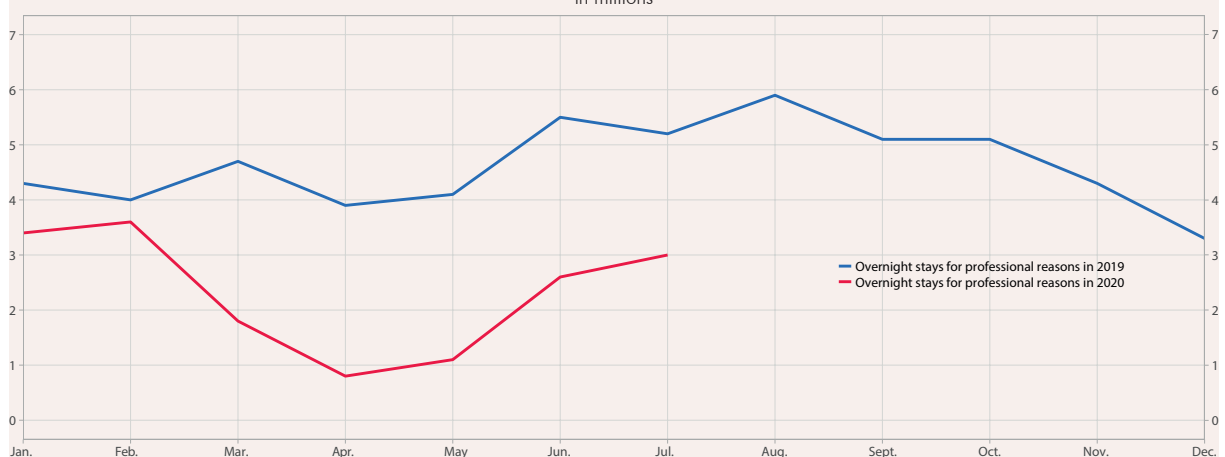
Within tourism-related activities, by dividing them into three main sectors the analysis can be refined: accommodation, catering and recreational activities

2 - Number of overnight stays by residents in market and non-market accommodation
in millions



Scope: Metropolitan France
Source: INSEE, tourism demand monitoring survey, provisional 2020 data

3 - Number of overnight stays by residents for professional reasons in market and non-market accommodation
in millions



Scope: Metropolitan France
Source: INSEE, tourism demand monitoring survey, provisional 2020 data

certainly changed in different ways during the health crisis. Of these sectors, accommodation was hardest hit before the school summer holidays: on 1st June, transaction amounts since the beginning of the year for accommodation were 48% lower than in 2019. Catering plummeted by 42% and recreational activities by 41%.

The speed of recovery also depends on the type of accommodation

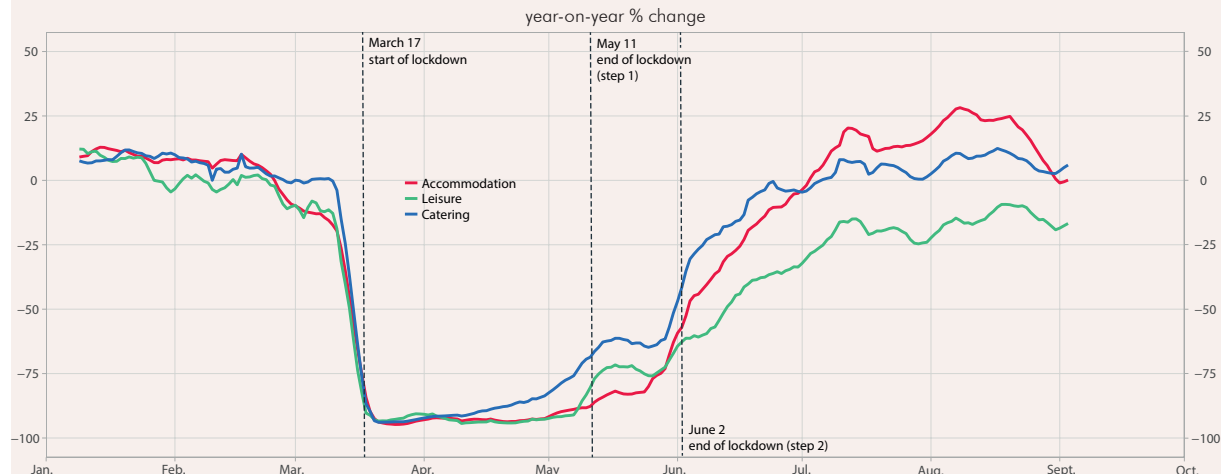
The accommodation sector was hit in several ways by the health crisis. On the one hand the restrictions on international movement resulted in a particularly significant decline in foreign demand. On the other hand, the introduction of lockdown brought about a collapse in domestic demand (*Graph 4*). Some consumers anticipated that there would be difficulties in travelling in the future and specifically this led to a decrease in their spending on accommodation several weeks before lockdown began. From 25 February, the daily bank card transaction amounts for accommodation were lower than their 2019 level. Between the beginning and the middle of March, transaction amounts declined by 23% whereas they had been stable in 2019 at the same period. During lockdown, transactions were drastically reduced, down 90% on the amounts for 2019 at the same period. These changes were consistent with changes in the number of overnight stays observed in the Hotel Occupancy Survey, which reported -96% (or -92%) in April (or May) 2020 compared to 2019, and also with the monthly changes in turnover in the hotel industry, which suffered a drop of -90%. The smaller decline in turnover in June (-73%) could also be seen in bank card transactions data, where

amounts moved up quickly from the end of May. This turnover was affected much more than bank card transactions in June, which may reflect the exodus of foreign tourists.

Hotels and camp sites had very different dynamics. Camp sites were the main driver behind the upturn in transactions during June and July (*Graph 5*). From mid-June onwards their bank card transaction amounts were similar to 2019. Hotels, however were slower to pick up and had to wait until mid-July before they were back to similar transaction amounts to the previous year. This difference between types of establishment corroborates the preliminary findings of the tourist accommodation attendance survey for June, which suggest that the economic impact was greater for high-end hotels and also for Île-de-France compared to the coast, as these are places usually frequented more by foreign tourists.

Bank card transactions for accommodation at the end of the summer achieved higher totals than the previous year. There are several possible reasons for this. First, the use of bank cards probably increased substantially during the health crisis. Also, a proportion of consumers chose to postpone their holidays to August, and finally the restrictions on foreign travel have meant that residents have preferred to take their holidays in France. However, this increase in residents' spending on accommodation does not make up for the losses of previous months. On 1st September 2020, the total amount of transactions on accommodation since the beginning of the year was down 24% on the total recorded for the same period in 2019.

4 - Bank card transaction amounts



How to read it: bank card transactions in accommodation establishments plummeted by 94% in March 2020 compared to March 2019.

Source: Cartes bancaires CB, INSEE calculations

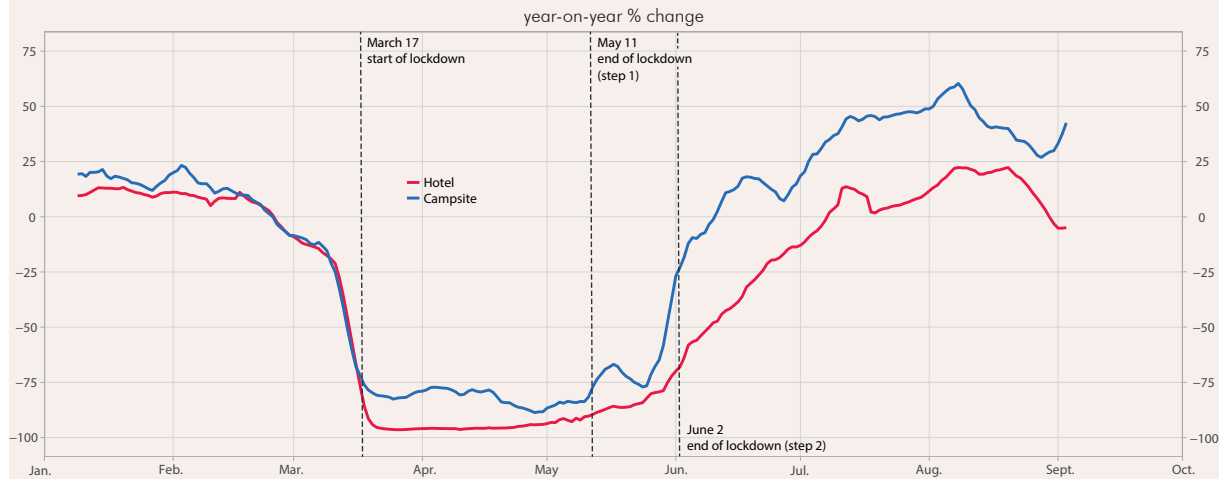
A sharp upturn in spending on catering from the second phase of the lockdown exit strategy

Like accommodation, catering also experienced a particularly difficult season, especially due to the collapse in demand from international tourists and then the authorisation for only partial opening.

The moment lockdown was put in place, bank card transaction amounts in catering plummeted, to around -90% of amounts from the previous year (Graph 6). This decline is similar to that in the sector's turnover in April (-92%). This decrease was not anticipated, in fact transaction amounts for the days just before lockdown was introduced remained similar to those of 2019. A

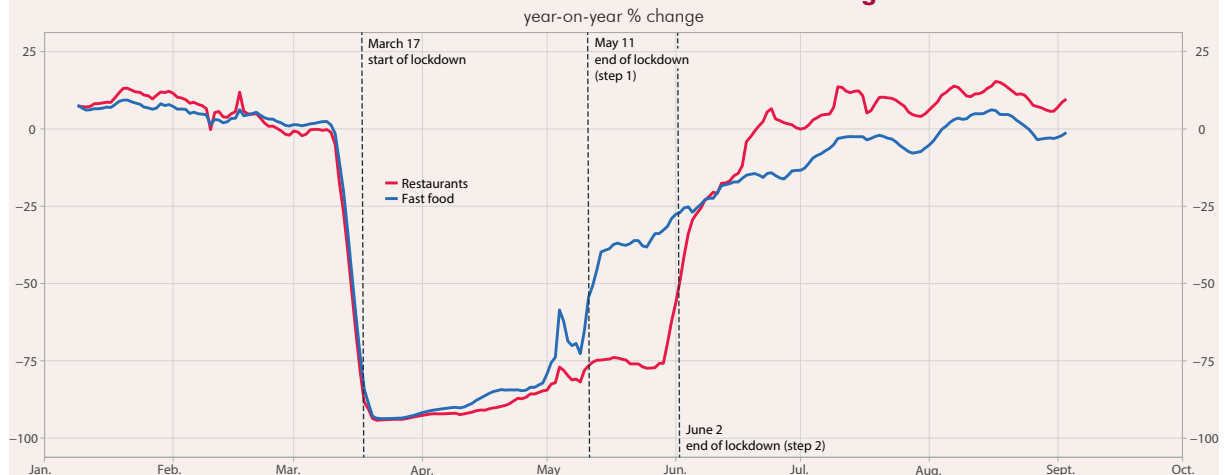
slight increase in bank card transaction amounts then appeared before the end of lockdown, which may be due to a more widespread use of takeaway sales but also to the increased use of bank cards, especially as the contactless payment limit had been increased. During the different phases of the lockdown exit, sectoral disparities were clearly visible: fast food restaurants saw a rapid upturn while for traditional restaurants, their reduced activity continued until mid-June. After this date, restaurants in turn saw a very sharp increase in their activity, while fast food outlets did not recover their 2019 transaction level until August. Restaurants, however, caught up by the end of June, with significant buoyancy in bank card transactions in July and August.

5 - Bank card transaction amounts in the accommodation sector



Source: Cartes Bancaires CB, INSEE calculations

6 - Bank card transaction amounts in the catering sector



Source: Cartes Bancaires CB, INSEE calculations

Recreational activities: culture continues to be particularly badly affected

Regarding recreational activities, bank card transaction amounts had already declined before lockdown, suggesting an anticipation phenomenon similar to that seen in accommodation. The changes in spending on accommodation and on recreational activities were remarkably similar until 2 June. After this date, while other recreational activity sectors (sports and leisure clubs, rental of outdoor equipment, etc.) returned to almost normal transaction levels, cultural activities (theatres, cinemas, orchestras, tourist exhibitions, etc.) were struggling to recover (Graph 7). At the end of August their bank card transaction levels were still 35% less than their 2019 level. Cinemas and theatres were particularly badly affected, even beyond lockdown: for them, recovery has almost not happened at all.

French residents have deserted the agglomerations, in favour of the coast and less densely populated areas

The influence of tourist activities in the departments (Box 1) varies a great deal according to the time of year and the location. By way of illustration, and in order to quantify this effect during a “normal” period (outside the health crisis), in July and August 2019, 20% to 25% of spending by bank card transaction in Paris, on the Mediterranean and South Atlantic coasts and in the Alps was described as tourist spending. In contrast, in the north-eastern quarter of Metropolitan France and the overseas departments and regions (DROM) tourist spending at this same time of year was lower (by 10% and 15% of bank card transaction amounts).

During the pre-summer season in 2020, during May and June, travel restrictions and the closures of establishments affected tourist spending greatly, in all departments of France. Paris and Corsica were particularly badly affected, with an 80% drop in tourist bank card transactions in May compared to the previous year. As the lockdown measures were gradually lifted, the situation overall improved for

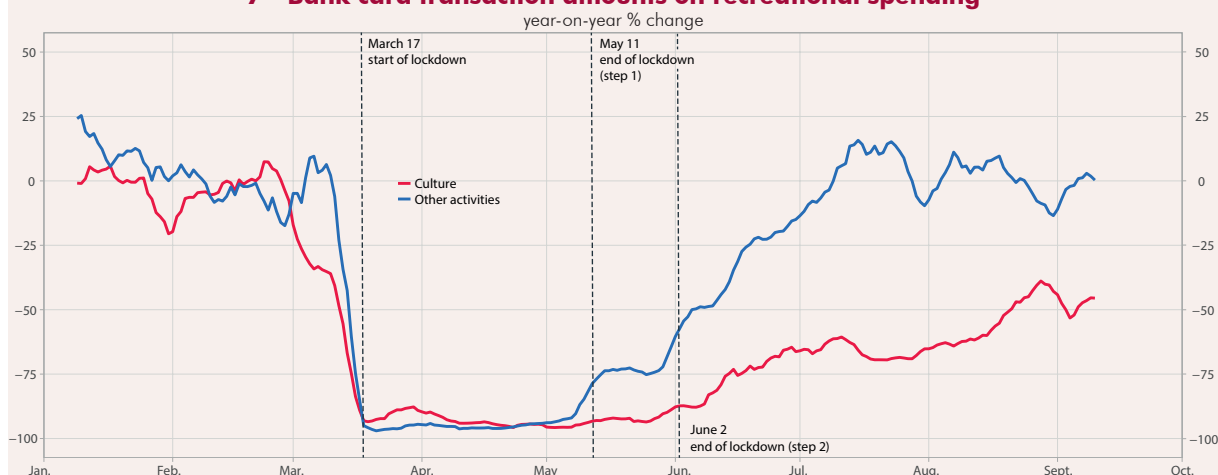
all departments in June. French Guyana was the exception, because health restriction measures were extended. Total tourist spending by bank card by residents in June for all of Metropolitan France was 16% lower in 2020 than in 2019.

July and August 2020 recorded a real upswing in tourist spending by residents. On average, bank card transactions in July 2020 were equivalent to those in 2019 (+1.9%). Local disparities emerge, however (Map 1). French Guyana was still under lockdown but the other DROM, and also Île-de-France, were the main departments where tourist transactions were still much lower than in the previous year. Conversely, in the Massif Central, the Alps and on the Mediterranean coast, and also, but to a lesser extent, the Atlantic coast and the Normandy peninsula, transaction levels by residents were higher in July than in 2019 (+10% in the Manche department, +17% in the Hautes-Alpes, +22% in the Lot). Tourist spending in the North-East quarter in July was equivalent to or less than that in 2019 (-6% in Moselle, -1% in the Bas-Rhin).

Tourist spending increased in August (Map 2). On average across the whole of France, it was 9% higher than the 2019 level. The South-East quarter shows some very positive changes: +30% in Alpes-Maritimes compared to 2019, +17% in Bouches-du-Rhône, +12% in Corsica. The situation is similar along the Atlantic coast (+10% in Vendée) and in the centre of France (+19% in Loir-et-Cher). However, the DROM, Île-de-France and a few departments in eastern France have not returned to their 2019 levels.

These disparities over space and time are consistent with the first indicators obtained from statistical surveys: hotels on the coast have weathered the health crisis better than those in Île-de-France and the large regional agglomerations. This observation is backed up by the maps mentioned previously: a number of departments which include large regional agglomerations experienced less activity than their neighbouring departments, probably due to a weak

7 - Bank card transaction amounts on recreational spending



Source: Cartes Bancaires CB, INSEE calculations

recovery in business tourism. There is also a strong correlation at departmental level in Metropolitan France between the year-on-year change in tourist spending and the resident population density (*Graph 9*) and likewise with the proportion of second homes (*Graph 10*). The departments in Île-de-France typically saw negative year-on-year change and low rates of second homes. For example, Seine-et-Marne (77) may have suffered as a result of the late and restricted reopening of its amusement parks. Paris (75) is the exception with a large share of second homes, but a much lower year-on-year change than other departments with a similar proportion of second homes, like Loire-Atlantique (44). During the summer months, departments with a very large

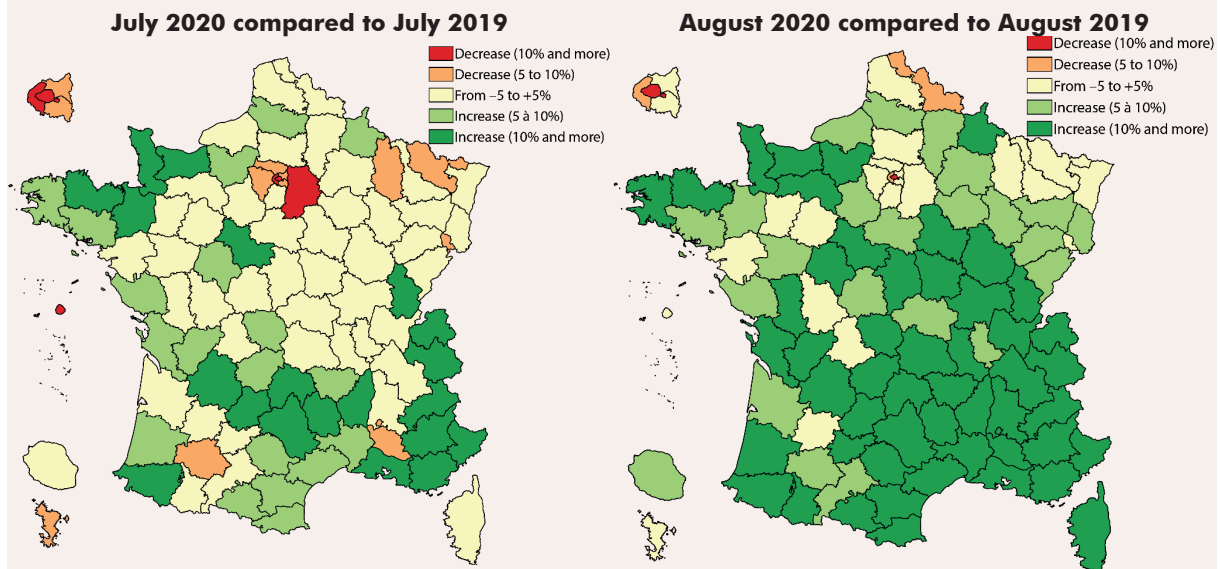
proportion of second homes, like Alpes-Maritimes (06) or Var (83), report very positive year-on-year changes in spending.

This increase in resident spending at national and local level does not, however, suggest an increase in turnover in the tourist sectors: on the one hand, tourist spending by non-residents is not included in this analysis, and restrictions on travel between countries have contributed to greatly reducing spending by international tourists in 2020 compared to 2019. On the other hand, other factors may account for the increase in bank card transactions, especially its increased use because of the health crisis and the raising of the contactless payment limit. ■

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Maps 1 and 2 - Tourist spending by department

year-on-year % change



Source: Cartes Bancaires CB, INSEE calculations

9 - Tourist spending in summer and population density by department



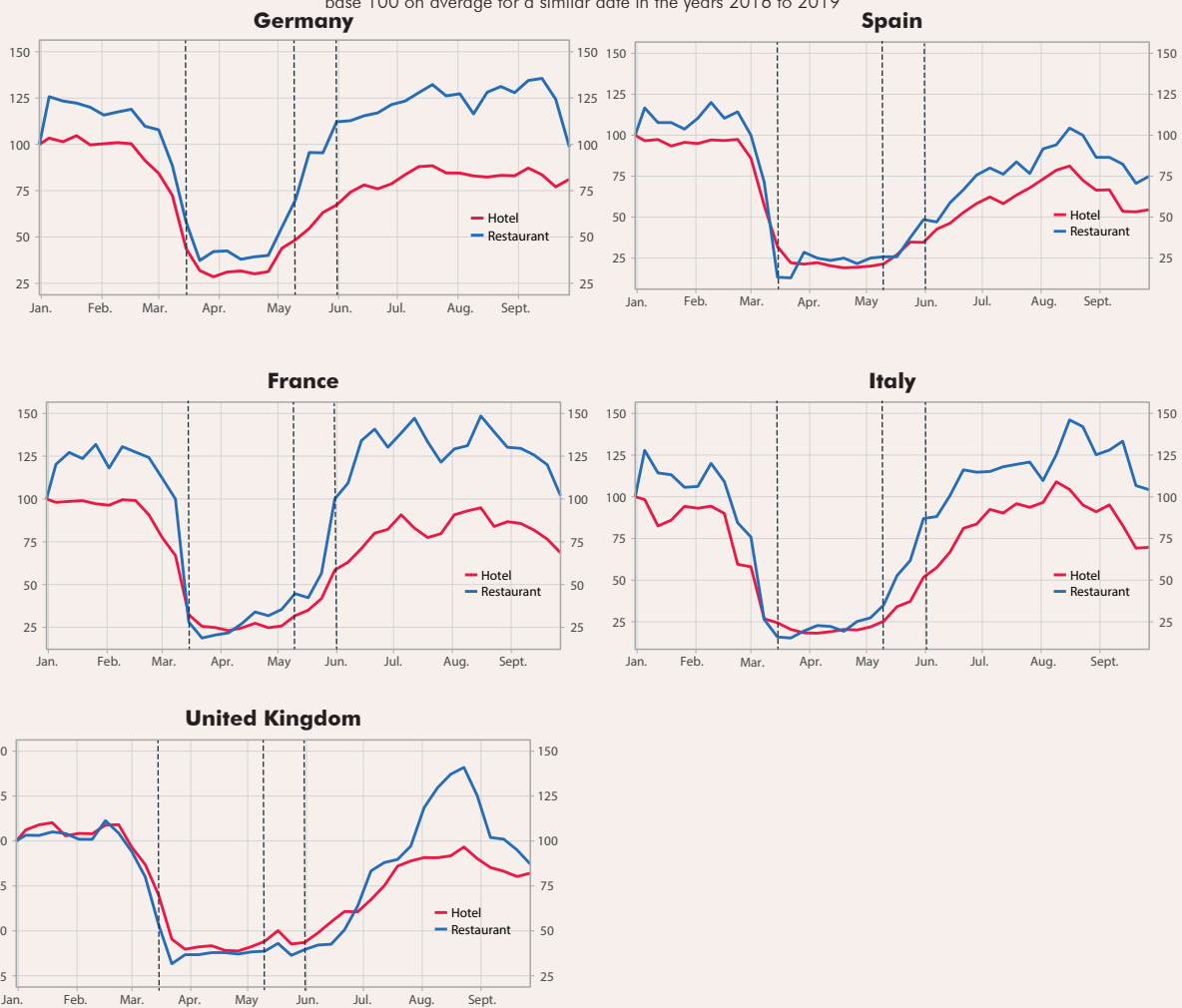
How to read it: in 2020, tourist CB bank card spending by residents during July and August in Paris (75) was down 13% compared to 2019. Also, there are about 20,000 inhabitants per km² living in Paris.

Note: the size of the circles is proportional to the amount of tourist spending

Source: Cartes Bancaires CB, population estimate as at 1 January 2020, INSEE. Calculations: INSEE

8 - Change in the score for the search terms "hotel" and "restaurant"

base 100 on average for a similar date in the years 2016 to 2019

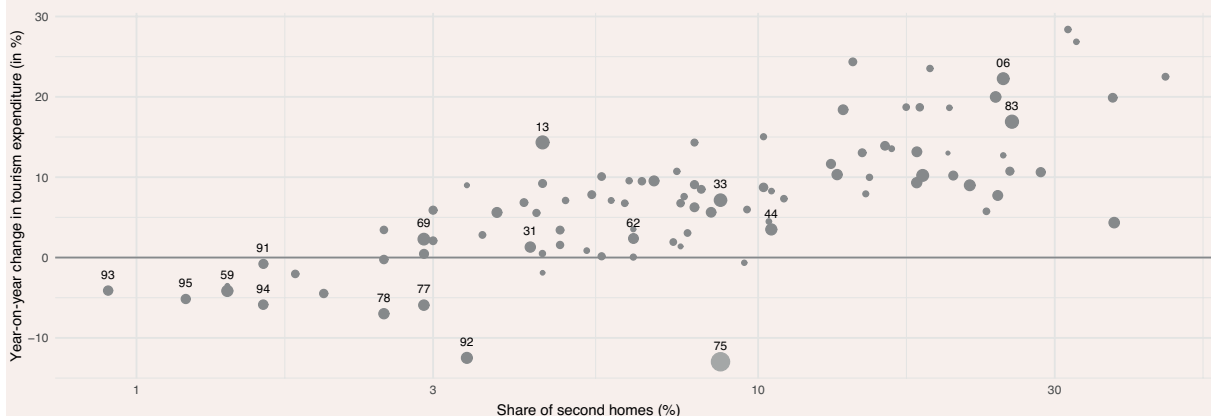


How to read it: in France on 17 March 2020, the score for the search term "hotel" in Google Trends stood at 40% of the average level observed on average in the comparable week in March in the years 2016 to 2019.

Note: the vertical line shows the start of lockdown in France, on 17 March 2020, the second line shows 11 May, the date when lockdown was lifted in France, the third shows the date of the second phase of the lockdown exit on 2 June.

Source: Google Trends

10 - Tourist spending in summer and proportion of second homes by department



How to read: in 2020, tourist CB bank card spending by residents during July and August in Paris (75) was 13% lower than in 2019. Also, 9% of homes in Paris are second homes.

Note: the size of the circles is proportional to the amount of tourist spending

Source: Cartes bancaires CB, Census of Population 2016. Calculations : INSEE

Bloc 2**Google searches suggest an earlier recovery in tourist activity in Germany and a later recovery in the United Kingdom**

Results for France from *Google Trends* data (number of searches for a given term in the *Google* search engine) agree with the data produced by using CB bank cards. Scores for search interest in the terms “hotel” and “restaurant” have never before fallen so steeply as in March 2020 (Graph 8). With index base 100, corresponding to the average for 2016-2019 during a comparable week, scores for the searches “hotel” or “restaurant” fell dramatically by between 50 and 80 points, confirming the collapse in bank card transaction amounts in these sectors during lockdown. In addition, patterns of consumer anticipation of the crisis seem to be echoed in the *Google* searches. Hotels seem to have suffered particularly badly from the crisis, as suggested by the CB bank card data. In fact, in France it was only from the beginning of July that the hotel sector returned to *Google* search levels that were similar to the levels seen earlier, although always lower. For this reason, and because no data like the CB bank card data used for France was available for the other European countries, the *Google Trends* data is a primary source for comparing changes in these European countries.

Up to mid-March, all the profiles of the *Google Trends* search interest for “hotel” and “restaurant” seem to merge. The scores plummet everywhere by at least 60% when the restrictive measures are put in place, and by as much as 80% in France, Spain and Italy for the term “restaurant”. In Italy, the decline started from the beginning of March, reflecting the early deterioration in the health situation. Italy was followed by Spain, which bottomed out at the same time as France, but with a more gradual decline. In France, the scores also started to decrease at the beginning of March, and bottomed out by mid-March, which was the start of lockdown. Germany and the United Kingdom also experienced a drop in searches before their lockdown date but did not hit their lowest point until the end of March. Germany remained at this lowest point for less time than its European neighbours and the score for *Google* searches quickly regained momentum. France, Italy and Germany stand out with an earlier recovery in the score for restaurants, from the beginning of May in Germany, and the beginning of June in Italy and France. In addition, the French and Italian scores for “restaurant” show a significant recovery, with very high levels during the summer season. All in all, during the summer season (July-August) scores returned to their usual levels everywhere, even exceeding them for “restaurant”, reflecting the good performance of the resident tourist occupancy, despite the health situation. However, the United Kingdom and Spain show more fragile dynamics, their scores were the last of the main European countries to catch up to their usual levels, from mid-July and the end of July, respectively. Lastly, for September, the *Google* data already show a decline in searches for these terms, reflecting the deterioration in the health situation in Europe. In Germany, Italy and France the scores fell dramatically from mid-September, while in the United Kingdom “restaurant” continued the decline that began in mid-August. ■