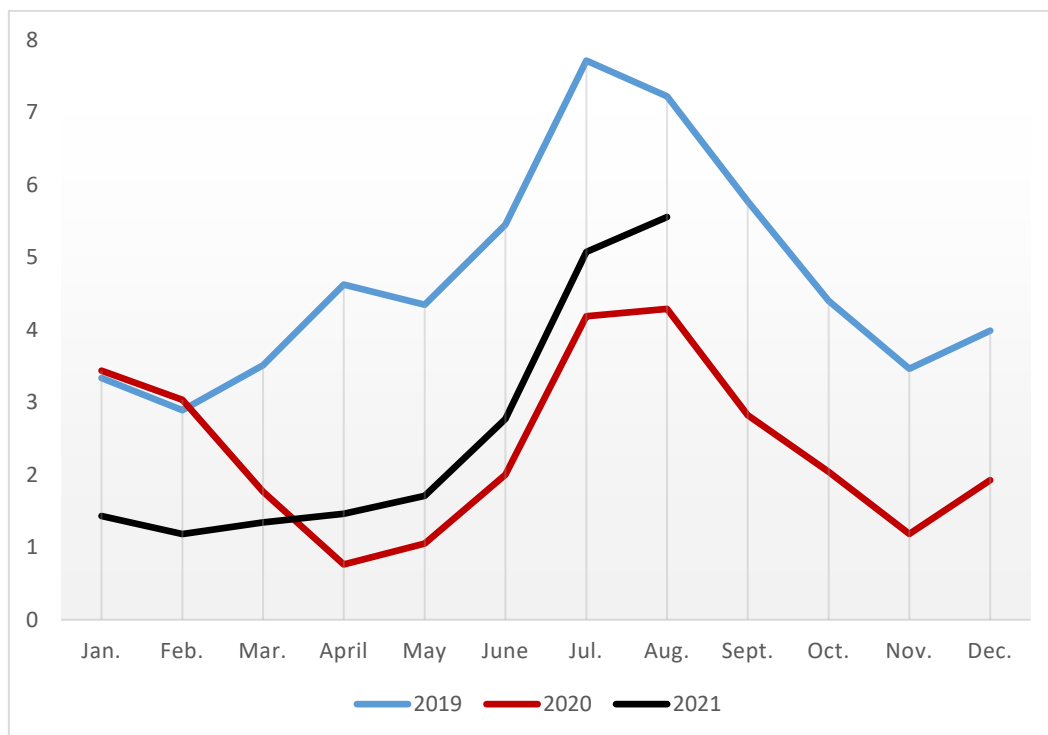


Summer 2021: France's international trade in travel picks up

By Florian Le Gallo and Kevin Schmitt

After a sluggish first half of the year, international travel picked up in the summer of 2021. In France, travel receipts amounted to EUR10.6 billion, down 29% compared to the summer of 2019 but up 25% compared to 2020. This rebound can be attributed to travellers from nearby countries. However, French travel spending abroad is also more dynamic, so that the surplus is still slightly lower than in the summer of 2020.

Chart 1: France's monthly travel receipts (EUR billions, non-seasonally-adjusted data)



Source: Banque de France

After a sluggish first half, international travel receipts and spending picked up in the summer of 2021

The collapse in international travel worldwide in 2020 ([Le Gallo and Schmitt, 2021](#)) continued throughout the first half of 2021 due to new lockdowns or the extension of restrictions on

outbound travel. However, thanks to the easing of health measures, in connection with the intensification of vaccination plans, and the implementation of a "health pass" in the European Union on 1 July, travel picked up during the summer season.

According to the first results published today by the Banque de France, French travel receipts amounted to EUR10.6 billion in the summer of 2021 (July-August) (see Table 1), down 29% compared to the summer of 2019 (EUR 14.9 billion) but up 25% compared to the summer of 2020 (EUR 8.5 billion) (see Chart 1). Thus, in cumulative terms over the first eight months of 2021, the summer surplus thus partially offset the losses recorded in January-February - months not yet affected by the pandemic in 2020 - so that the amount of cumulative receipts at end-August was similar in 2020 and 2021 (i.e. EUR 20.5 billion, after EUR 39.1 billion in 2019).

The easing of health restrictions has also encouraged French residents to travel outside France. Travel spending amounted to EUR 7.7 billion in July-August 2021, down 29% on 2019 but up 46% on 2020. Thus, during the summer of 2021, spending by French residents abroad thus grew more than receipts from foreigners in France. Although still in surplus, the travel balance during the two summer months of 2021 was therefore lower than those recorded during the same months of 2020 and especially 2019, reaching a historic low point (see Table 1).

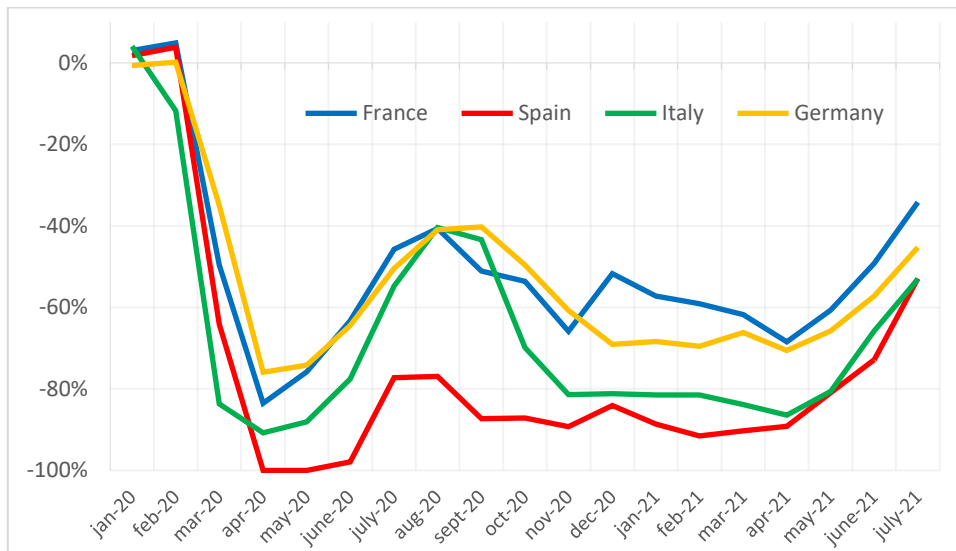
Table 1: Trade in travel in July and August (EUR billions, non-seasonally adjusted data)

	2019	2020	2021
Receipts	14,9	8,5	10,6
Spending	10,8	5,3	7,7
Balance	4,1	3,2	2,9

Source: Banque de France

In the other European countries, receipts also increased in July (the last month of comparison available) but to a lesser extent (see Chart 2). While French receipts in July 2021 were 34% lower than in July 2019, they were 53% lower in Spain and Italy and 45% lower in Germany. As a result, French travel receipts exceeded those of Spain in July 2021 as in the summer of 2020, but were EUR 1.6 billion lower in July 2019 (EUR 7.7 billion, compared with EUR 9.3 billion for Spain).

Chart 2: monthly travel receipts (change compared to the same month in 2019, in %)



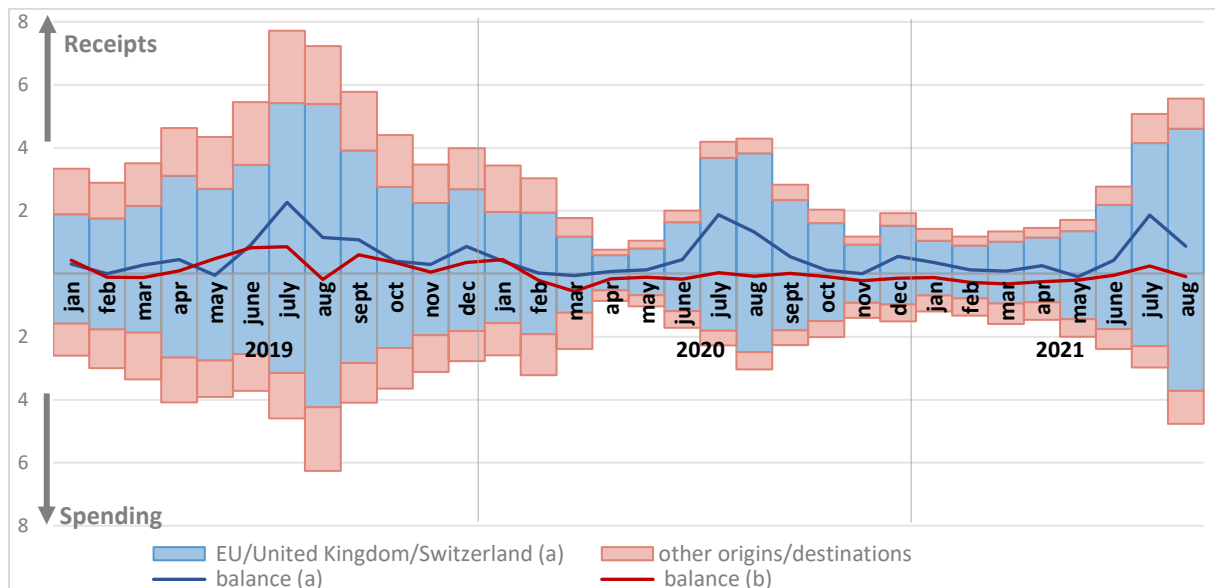
Source : Banque de France, Bundesbank, Banca d'Italia, Banco de España.

Note: in July 2021, French travel receipts were 34% lower than in July 2019, Spanish travel receipts were 53% lower than in July 2019

A confirmed shift to Europe of travel receipts and spending

In July and August 2021, European countries (EU 27, United Kingdom, Switzerland) accounted for the bulk of France's travel receipts and spending, respectively 82% and 78%, even though these shares were slightly down compared to 2020. This distribution differs from the pre-crisis situation, when these shares stood at 72% and 68% in 2019.

Chart 3: geographical profile of French monthly travel receipts and spending (EUR billions, non-seasonally adjusted data)

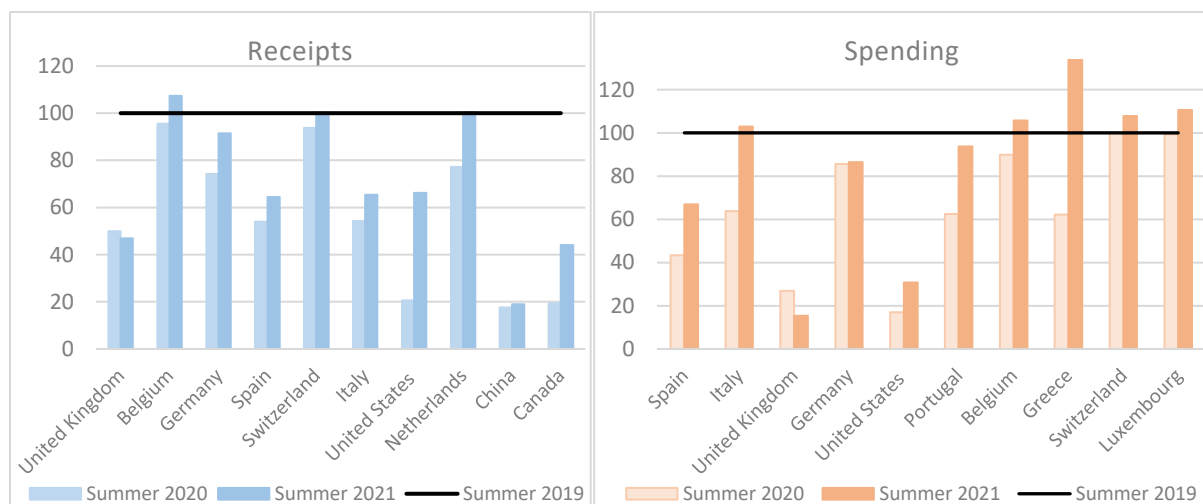


Source: Banque de France

In particular, receipts from visitors from France's neighbouring countries have increased compared to summer 2020, climbing by 30% for the Netherlands, 23% for Germany and 12% for Belgium (see Chart 4), confirming the central position of France as a travel destination. Summer receipts from the Benelux countries and Switzerland are even higher than in 2019. The United Kingdom is a notable exception, with a sharper drop in receipts in July-August 2021 than in 2020, partly due to the health measures imposed on travellers crossing the Channel.

Meanwhile, visitors from further afield remain absent from France for the second year in a row. Thus, in the summer of 2021, receipts from visitors from China, Japan and Australia were still well below their pre-crisis level, down by more than 80% compared to the summer of 2019. Nevertheless, receipts from the United States and Canada increased in the summer of 2021 compared with the summer of 2020, so that for these two countries the 2019-2021 gap was more moderate than the 2019-2020 gap (-34% and -56% in the summer of 2021, compared with -79 and -81% in the summer of 2020).

Chart 4: summer travel receipts and spending (ranking of France's top ten partners in summer 2019): as a proportion of summer 2019 levels (%)



Source: Banque de France

Note: Taken together, France's top ten partners accounted for 76% of France's receipts and 66% of spending in July-August 2019. Receipts from visitors from the United Kingdom reached 50% of the summer 2019 level in 2020 and 47% in 2021. These shares stood at 27% in 2020 and 15% in 2021 respectively for French travellers spending in the United Kingdom.

In summer 2021, spending by French people abroad, largely in the rest of Europe, increased markedly in Portugal (up 50% compared with the summer of 2020), Spain (up 54%), Italy (up 61%) and Greece, Switzerland and Luxembourg, where it even exceeded the levels of 2019 (see Chart 4). Even more so than in the case of receipts, the United Kingdom is the exception, as spending dropped compared to the summer of 2020 (-43%). Summer spending in non-European countries remained very low, at around 22% of total spending, and far behind pre-crisis levels (down 50% compared to summer 2019), in particular in the United States and Canada where spending shrunk by around 70%.

Overall, France's travel surplus in the summer of 2021 can be broken down between a EUR 2.7 billion surplus vis-à-vis neighbouring countries (EU, United Kingdom, Switzerland) and a EUR 0.2 billion surplus vis-à-vis distant countries (see Chart 3), compared with surpluses of EUR 3.4 and EUR 0.7 billion respectively in July and August 2019. By integrating the quarterly results of other travel surveys ([Banque de France, Le Gallo and Schmitt, 2020](#)), the availability of quarterly data (available on 20 December 2021 for the third quarter) and annual data will make it possible to refine these figures, in particular according to the reasons for travel (business and personal) and the geographical breakdown.