

Tourism Industry Intelligence

Strategic Information for Decision-Makers

Destination France

September 2001

Number one in tourist arrivals

More people visit France than any other country of the world. **Receiving over 75 million tourist arrivals in 2000, France set a new world record ahead of USA and Spain.** Growth in arrivals has been consistent rising from just under 60 million arrivals in 1995.

US\$30 billion in receipts

France received nearly US\$30 billion (230 FFr billion) in receipts from tourism. Tourism is very important to the French economy, contributing 7% of French Gross Domestic Product (GDP) in 2000. The tourism sector employs some 741,600 persons, but if casual workers are included the sector employs around 1 million persons not including indirect employment.

Germany generates the most tourists

Germany is one of France's major markets providing more than 15 million arrivals in 1999. The UK is France's second largest market generating just under 12 million arrivals in 1999. The Netherlands were third in importance with just over 11 million arrivals.

Length of stay

There has been a growing trend towards short breaks. The average length of stay in France has been decreasing from an average of 9.35 days in 1976 to 7.38 days in 2000.

Purpose of visit

Around 70% of the visitors to France are on holiday while 13% are on business and 17% are travelling for other reasons.

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Mode of transport

Just over 70% of the arrivals to France are by road – this is obvious since its top generating tourist markets are Germany, the UK, Italy, the Netherlands and Austria – its next door neighbours. Only 14% arrive by air, 8% by sea and 7% by rail.

Disneyland Paris – a major attraction

Disneyland Paris is the biggest attraction in France receiving 12 million visitors in 2000. While this was 500,000 less visitors than 1999, Disneyland Paris had a 4.2% increase in revenue in 2000 (952.2 million Euros). The Disneyland Park contains seven themed hotels, two convention centres and 27-hole golf course, Disney Village offers nightclubs, restaurants, two live shows and a 15-screen cinema. The Eiffel Tower is the most visited national monument with 6.3 million visitors in 2000.

Source: Travel & Tourism Analyst, 2001

Market & Consumer Trends

Ten favoured destinations of UK online travellers

Travel website www.expedia.co.uk has announced the favoured destinations of UK online travellers as: **1.** Dublin, Ireland; **2.** Amsterdam, The Netherlands; **3.** New York, USA; **4.** Orlando, USA; **5.** Paris, France; **6.** Munich, Germany; **7.** Boston, USA; **8.** Rome, Italy; **9.** San Francisco, USA; **10.** Newark, USA.

British pay more for holiday in Britain

British consumers are paying 40% more than American and European tourists for some services when they holiday in Britain. While discounts are offered to American and European tourists, British tourists are being asked to pay premium rates for hotels, car hire companies and theme parks. This news is expected to dismay many consumers and undermine the reputation of the domestic tourism industry.

Hotel & Resort Trends

New hotel/attraction developments in Jamaica

- The 380 room, RIU Tropical Bay Resort in Negril – to be officially opened this year.
- Dolphin's Cove, Ocho Rios – recently-opened, offers visitors close contact with bottle-nosed dolphins.
- Island Village–Entertainment Complex with restaurants, clothing and craft outlets to be opened in December this year, with official opening in February 2002.
- World Class Mega Yacht Marina in Port Antonio – a major development to be completed by June 2002 to facilitate Jamaica's participation in the prestigious Great America's Sail Tall Regatta. Former US President Jimmy Carter along with some 2000 participants are expected to be in the island for the event.

European hotels resilient

European hotels have remained resilient despite the worsening economic conditions, according to the *Hotel Benchmark Survey*. While overall demand fell by 1.1%, **average room rates grew by 4.7% which contributed to a growth in revenue per available room (revpar) of 3.5%.** Paris, Rome, Milan and Barcelona all reported double-digit growth in the first six months of the year.

Disney targets China

Walt Disney Co. launched its first Chinese language web site and reiterated its interest in building a second theme park in China. The site [Disney.com.ch], will be operated with a Chinese partner and will tout the company's theme parks, television programs, movies and Disney's online subscription service, Blast, which consists of games and attractions for children. Disney, which already is building a theme park in Hong Kong scheduled to open by 2006, might be building a second one in mainland China possibly in time for the 2008 Summer Olympics.

Cruise News

Royal Caribbean goes for Europe

Royal Caribbean Cruises Ltd. is partnering with tour operator Abercrombie and Kent to offer cruise-tour packages in Europe, Spain, Italy, Denmark, France, Ireland and England. Under the agreement, A & K will organise pre- and post-cruise land tours for its passengers. According to company officials, "this partnership is an opportunity to expand into Europe and allows us to build our momentum in the land-tour market".

Focus: Japanese Honeymoon Market

Preference for weddings and honeymoons abroad

Japanese couples usually wed in spring (March – May) and fall (September – December). **In spring 2001 about 98% of the Japanese newly weds celebrated their honeymoon abroad.** In 1980, 50% of Japanese couples chose to honeymoon in Japan and 50% of all Japanese couples honeymooned abroad. By 2001, an estimated 98% of all Japanese honeymoons will be taken abroad. Domestic honeymoon travels have become unpopular, with only 2% of all couples wanting to spend their honeymoon in Japan.

Growth of overseas weddings

In 1989, about 708,000 couples got married of which 11,000 went abroad for their wedding. In 2000, **788,000 weddings were registered and 57,953 couples enjoyed overseas weddings.** This shows an increase from 1.55% of those getting married abroad in 1989 to 7.35% in 2000. In terms of actual numbers, there has been a more than five-fold increase in weddings abroad between 1989 and 2000.

Market growth

The growth of marriages abroad may be due to the high cost of getting married in Japan. **A marriage in Japan is very expensive – for couples, parents and wedding guests. Total wedding costs are about US\$ 45,000.** The costs for an engagement is US\$ 10,000; US\$ 27,000 for the wedding; and US\$ 8,000 for the honeymoon. In return the couple receives about US\$ 5,000 from wedding guests, since cash is the traditional form of a wedding gift. It is interesting to note that the Kansai – Chubu Region (Osaka, Kyoto) has the highest participation of overseas wedding, since getting married is very expensive there due to traditions, which oblige them to invite many people who they may not know personally.

Favourite destinations

Since 1999, **the top destination for Japanese couples was Hawaii.** Europe and the Mainland USA have also gained popularity during the last decade. Sydney and the Gold Coast are still common honeymoon and wedding destinations for Japanese. **The top five honeymoon spots for the Japanese are: Honolulu, Las Vegas, Sydney, Gold Coast and Rome.**

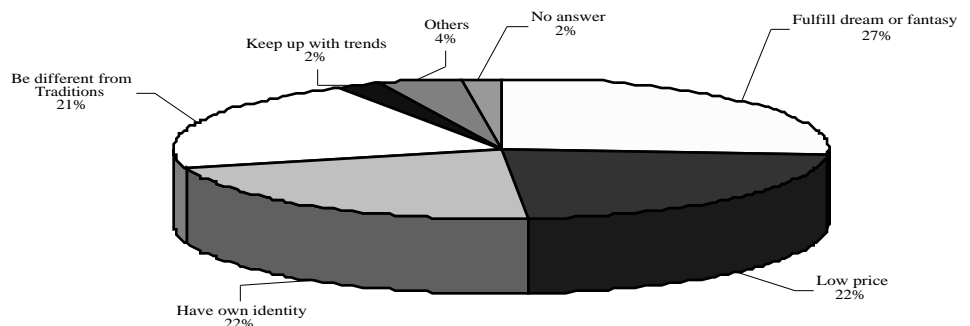
Length of stay

During the last 20 years, **the average length of stay for international honeymooners has been between 7 and 8 days.** In spring 2001, the average length of stay was 7.1 days. In comparison, the average length of stay for a domestic honeymoon was 4 days.

Who decides?

Usually, couples decide together which destination to choose (71.1%). The bride is also an important decision-maker (16%) and in some cases the groom decides the destination (7%). **For 30.6% of Japanese couples, an overseas wedding is the fulfilment of a dream or fantasy while 26% chose it because of lower prices.** For 25.6% of Japanese couples, a wedding abroad is a means of showing own identity and for 24.8% of all couples, it is a way to be different from the traditions. Nevertheless, 33.21% plan to have their wedding reception in Japan after their return and 24.7% want to have the reception at the overseas site.

Reasons for going abroad on honeymoon



Spending patterns

The spending can be split into three levels showing that the majority of 39.9% spends between ¥400,000 – ¥600,000. 21.4% spend more than ¥600,000 and 34.2% spend less than ¥400,000.

Source: Tourism Intelligence International, *How Japanese will Travel 2007*, (forthcoming October 2001).

Editorial

The events of September 11 will not doubt impact on the prospects for travel and tourism. **Travel and tourism will slow down but will not stop.** Much depends on whether the situation escalates into war, the type of war and how long it lasts. While the effects of terrorism tend to be short-lived, war will be disastrous for the travel industry. But when it is all over - growth will return, as it always has and will be even stronger.

Trends to Watch

Tourism forecasted as leading employment generator

Travel and tourism is expected to yield 207 million jobs world-wide in 2001 with 53 million potential new jobs by 2011 according to latest forecasts by the World Travel & Tourism Council (WTTC). It is projected that the world travel and tourism will be among the leading economic and employment generating industries in both mature and emerging economies. The WTTC's global indicators show that **by 2011, travel and tourism will make up 11.0% of global GDP; support 260,417 jobs world-wide and 9% total employment or 1 in 11.2 jobs.**

Sex-based entertainment companies watch profits soar

Companies specialising in sex-based entertainment are watching their profits soar. A London-based club, Springfellows, is one of the world's best-known brands when it comes to exotic entertainment and is fast becoming a victim of its own success. Rivals are very eager to copy a simple business formula: **minimal costs and maximum revenue.**

Asia-Pacific Region to overtake US in the internet race

The Asia-Pacific region will overtake the US as the number one Internet market in 2 years. The region will have 183.3 million Internet subscribers in 2003, compared with 162.8 million in Western Europe. The Internet access market in the US will be worth US\$21.2 billion, compared to US\$17.2 billion in the Asia-Pacific region by 2005, according to the *International Herald Tribune*.

Search for safe havens

In wake of the recent terrorist attacks on the United States, the search for tourism "safe havens" is now a dominant driving force in determining who travels when, where, how and why. **Australia, New Zealand and Thailand** are being heralded as **safe destinations for vacations.**
Source: Travel Impact Newswire, September 2001.

Eco-Monitor

Cruise and Environment – Alaska gets serious

Some 32 of the 42 vessels scheduled to visit the popular Glacier Bay in Alaska could be affected by the ruling of a federal judge who ordered an immediate reduction in the number of cruise ships permitted to sail into the Bay. The court ruling however did not specify the number of ships or which ships would be directly affected by the reduction order. The ruling came out of a 1997 lawsuit brought by the National Parks Conservation Association that had charged the National Park Service of illegally increasing the number of ships allowed into Glacier Bay before undertaking an environmental review.