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Confidence among French hotels and restaurants fell sharply to 93 in November

Insee said weaker views on demand and activity pushed the sector below its long-term average after a seven-point monthly drop

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Confidence among French hotels and restaurants fell sharply in November, as business leaders reported weaker expectations for demand and activity in a monthly survey by the national statistics agency Insee.

Insee said on Friday, November 20, that the business climate indicator for France’s accommodation and food services sector dropped to 93 in November from 100 in October. Because the indicator is normalized to a long-term average of 100, the move shows sentiment in the sector slipping below its usual level after sitting at that benchmark a month earlier.

The decline matters for hospitality because it reflects a broad deterioration in expectations across hotels, restaurants and related operators, especially on future demand. Insee said the drop was driven mainly by a sharp fall in companies’ view of the sector’s general outlook and by weaker balances for expected demand and expected activity. These are survey-based opinions about coming business conditions, not a measure of completed sales or revenue.

The balance for expected demand in accommodation and food services fell to -26 in November from -19 in October. The balance for expected activity dropped to -19 from -9. The balance for the sector’s general outlook fell even more sharply, to -17 from -1.

All three measures moved further below their long-term averages, according to the Insee tables released with the report.

The survey pointed to a mixed picture on employment. The balance for expected staffing remained negative at -23 in November, compared with -25 in October, showing that managers still expected payrolls to weaken even though the reading improved slightly from the previous month. The balance for past employment worsened to -8 from -4, while the balance for past activity improved modestly to -10 from -13.

The hospitality setback came as sentiment across French services weakened more broadly. Insee said the overall business climate indicator for the services sector fell to 97 in November from 99 in October, moving further away from its long-term average of 100. The agency said that decline was also mainly caused by weaker forward-looking views on activity and demand.

Across all services, companies were more pessimistic than a month earlier about their activity prospects. The balance for expected activity for the whole sector fell to -1 in November from 4 in October, and the balance for expected demand slipped to -4 from -1. The balance for general prospects for the sector declined to -11 from -9 and stayed below its long-term average for an 11th straight month.

Other service industries showed mixed results. Insee said business climate improved again in information and communication, rising to 98 from 97, while it fell clearly in specialized, scientific and technical activities, to 97 from 101. Administrative and support services posted another notable decline, with the business climate indicator dropping to 90 from 95. Road freight transport improved to 98 from 95.

Within that broader services picture, accommodation and food services stood out for the size of the decline. The seven-point drop in its business climate indicator was one of the largest changes among the subsectors published by Insee for November. The agency said the sector “fell sharply” and moved away from its long-term average.

The data came from responses collected between October 27 and November 17, with most companies answering during the first two weeks of the collection period. Insee noted that the October 2026 business climate reading for the overall services sector

was not revised after rounding.

Because the figures are based on opinion balances, they show the gap between weighted shares of managers reporting an increase and those reporting a decrease. That means negative readings do not necessarily mean a majority of firms are in decline, but they do indicate that pessimistic responses outnumber optimistic ones. In the case of French hospitality, the November readings show managers became distinctly more cautious about near-term demand and activity, while hiring plans remained under pressure.

The report adds to signs that the sector is entering the end of the year on a weaker footing than it had in October. For hotel and restaurant operators, the main message from the November survey was not a collapse in current business, but a clear worsening in expectations. Insee’s figures show that sentiment in hospitality moved from its long-term norm back into negative territory in a single month, with demand, activity and hiring intentions all remaining below their historical averages.