Highlights of tourism's performance in 2011

May 2012

Introduction

- South African Tourism is the tourism marketing arm of the South African Government. Part of its business is to monitor and evaluate the performance of the tourism sector. This summary report was prepared by our Strategic Research Unit, and is intended to provide a high-level overview of the performance of the tourism sector in 2011 against our mandate.

  Prior to 2010, SA Tourism could only report on foreign visitor arrivals as there was no way of separating out day visitors from the overall arrivals. In 2009, Statistics SA for the first time was able to make the distinction between tourists and day visitors and started a data series for tourist arrivals that was aligned to the globally accepted definition of a tourist. As a result of this change, the <u>results in this report are now not comparable to previous reports</u>.

  The statistics on tourist arrivals to South Africa are from Statistics SA, while the information on what tourists do in South Africa is based on monthly surveys that SA Tourism conducts at major land and airports in South Africa. The domestic tourism statistics are based on monthly household surveys conducted by SA Tourism to measure the incidence of domestic tourism among the resident population.

- This is a headline report. A more comprehensive review of the performance of the sector will follow with the publication of the 2011 Annual Report in June this year and will be published on www.southafrica.net\research.

Mandate to SA Tourism

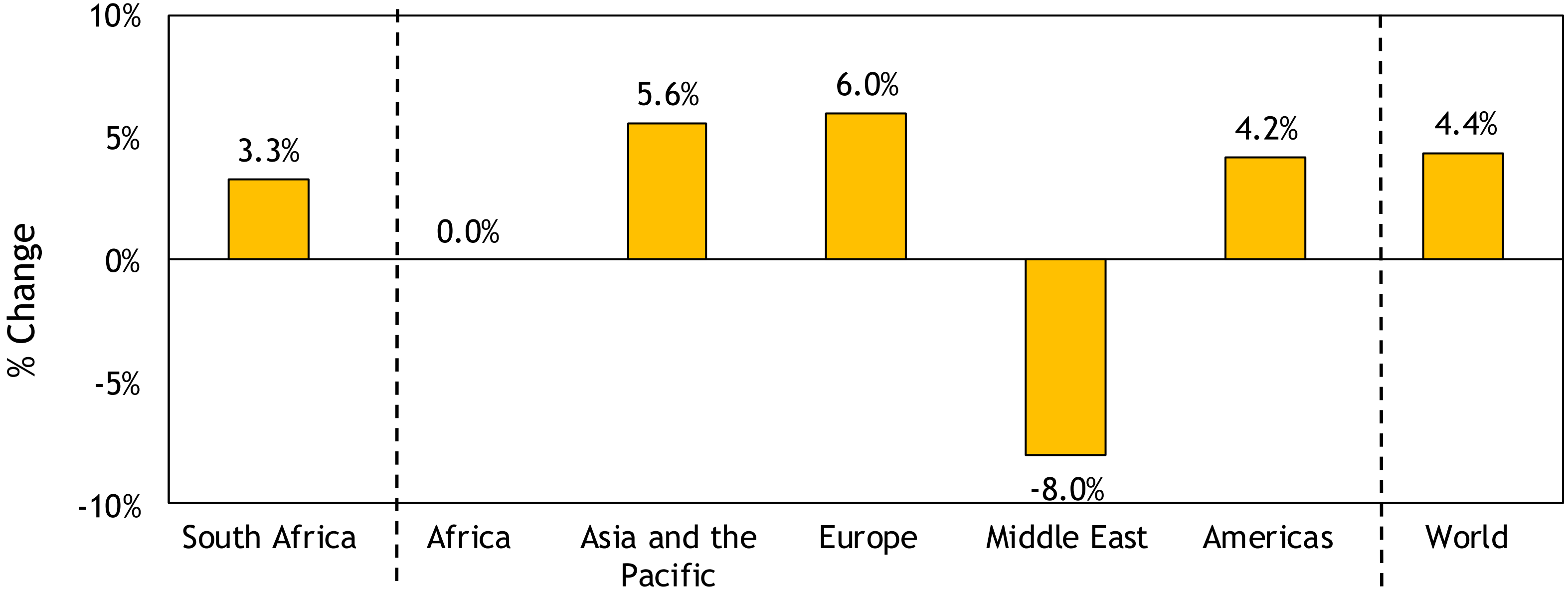
The mandate to SA Tourism is . . .	Sustainable GDP growth	Sustainable job creation	Redistribution and transformation
. . . through six key objectives . . .	Increase in tourist volume	Increase in tourist spend	Increase length of stay
	Improve geographic spread	Improve seasonality patterns	Promote transformation
. . . by acting in a focused way to . . .	Understand the market	Choose the attractive segments	Market the destination
	Facilitate the removal of obstacles	Facilitate the product platform	Monitor and learn from tourist experience

Contents

- **Overview**
- Foreign
- Domestic

Tourist arrivals to South Africa grew by 3.3% in 2011 compared to the global growth of 4.4% for the same period

Year-on-Year Change in Tourist Arrivals to each region



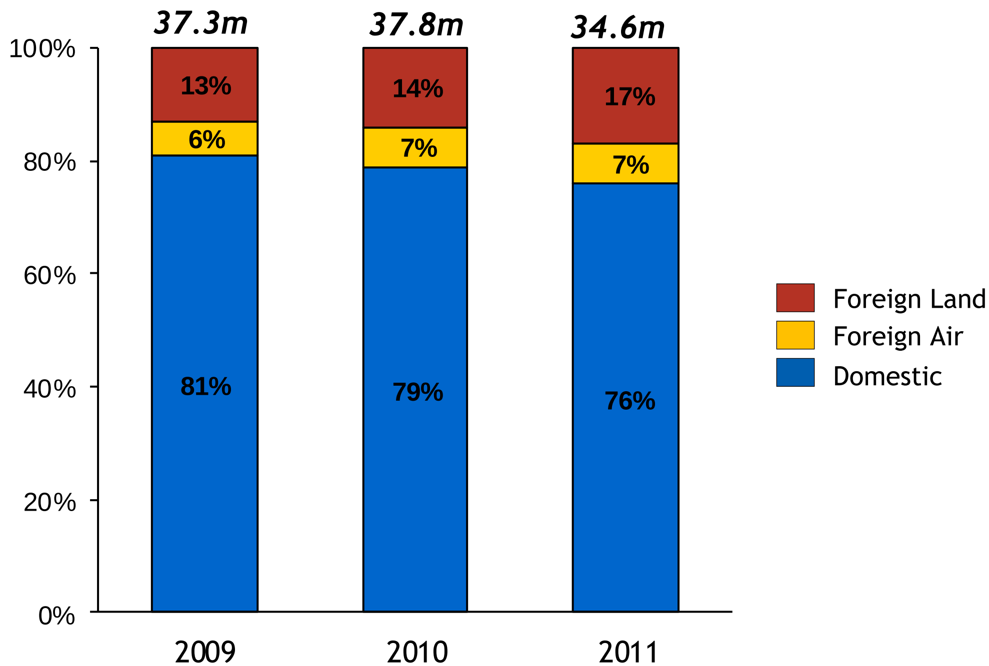
	South Africa	Africa	Asia and the Pacific	Europe	Middle East	Americas	World
2010 Tourist arrivals (Millions)	8.1	50	205	475	60	150	939
2011 Tourist arrivals (Millions)	8.3	50	216	503	55	156	980

Note: UNWTO estimates incorporate provisional data for some regions

Source: Statssa Tourism & Migration release December 2011, SAT analysis; UNWTO World Tourism Barometer, Jan 2012 – 2011 International Tourism results and Prospects for 2012

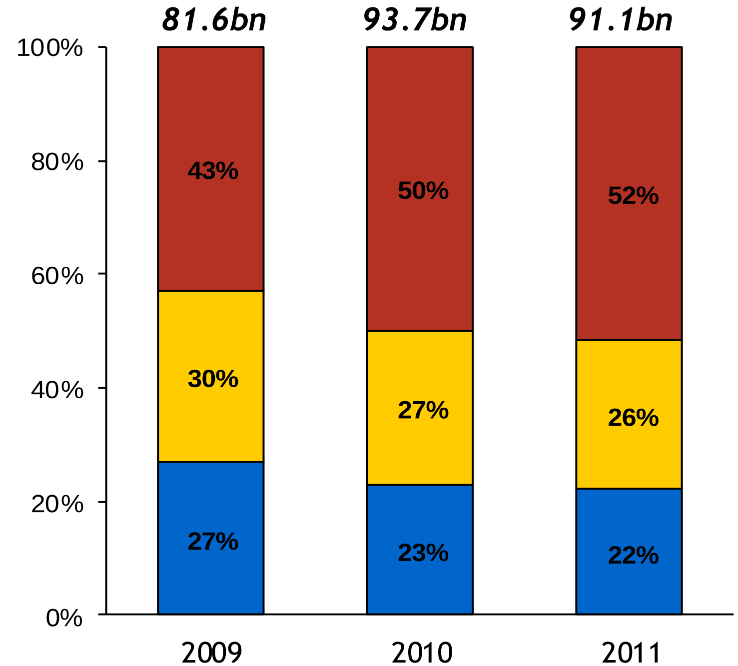
While the domestic market accounts for 76% of total tourism volume to SA, foreign markets contribute the most to total tourism revenue

Domestic Trips vs. Foreign Tourist Arrivals, 2009 - 2011



Growth	09 – 11
Total	-3.7%
Foreign Land	9.8%
Foreign Air	7.5%
Domestic	-6.9%

Domestic vs. Foreign Tourist Direct Spend, 2009 - 2011



Growth	09 – 11
Total	5.7%
Foreign Land	15.9%
Foreign Air	-0.7%
Domestic	-5.0%

Note:[1]Based on the question "How many domestic trips have you yourself taken in the past 12 months?" asked in **each** of the monthly surveys; therefore, incidence does not correspond to an exact Jan.-Dec. time frame, but rather is an average for any point in time over the course of the year
Source: SAT Domestic Surveys for 2009 – 2011, SAT Departure Surveys for 2009 – 2011

Contents

Defining a tourist

Visitor

Any person travelling to a place other than that of his/her usual environment for less than 12 months, and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited.

Same day visitor
(does not stay one night)

A visitor who visits a place for less than one night.

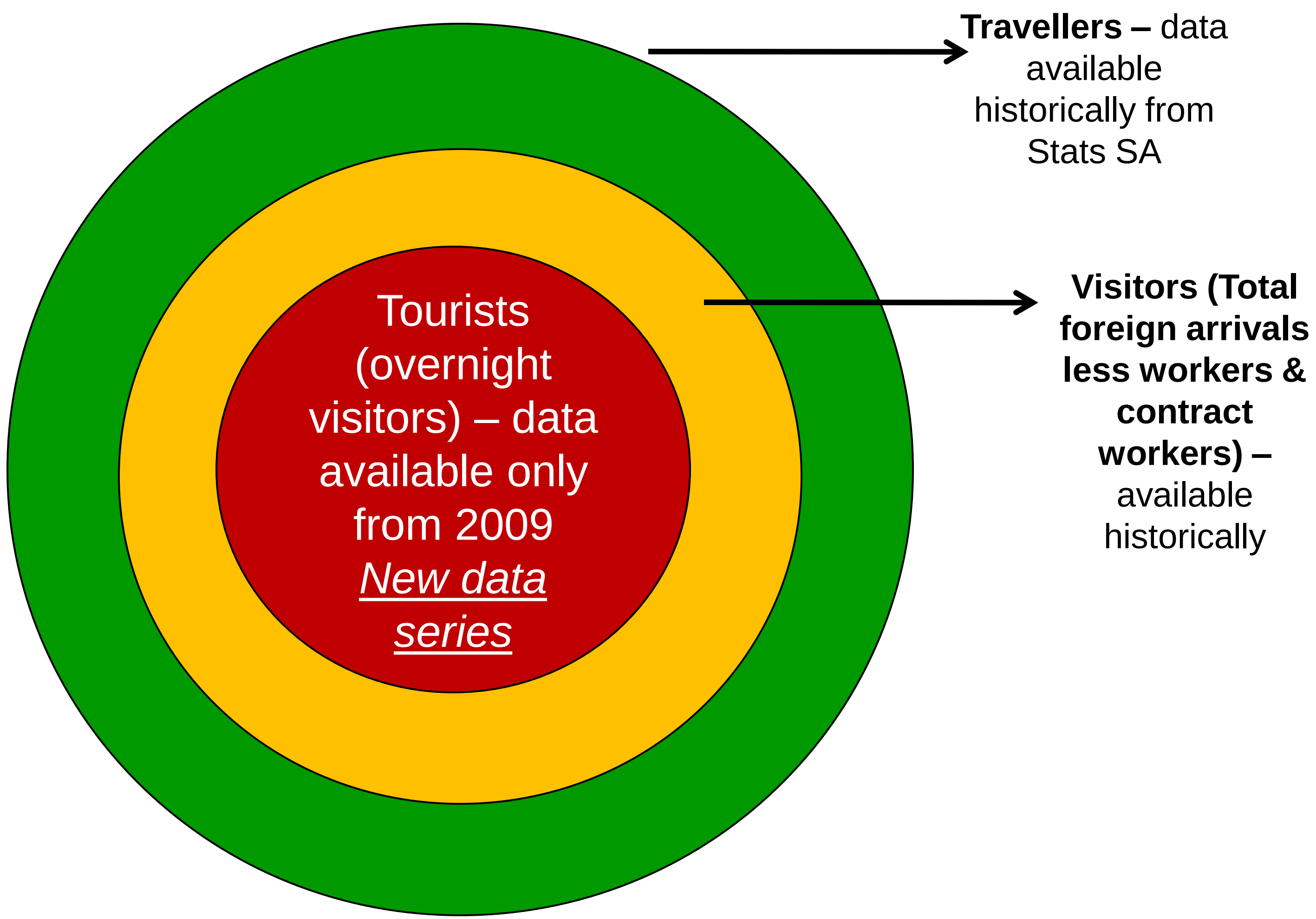
Tourist
(stays one or more night(s))

A visitor who stays at least one night in the place visited.

Usual environment

To be outside the 'usual environment' the person should travel more than 40 kilometres from his/her place of residence (one way) AND the place should NOT be visited more than once a week. This includes place of work and place of study. Leisure and recreational trips are included irrespective of frequency.

Not all travellers are tourists



Overview of foreign arrivals in 2011/1

Tourist arrivals* reached an all-time high of 8,3 million in 2011, with 265,802 more tourist arrivals to South Africa than in 2010. This is a growth of 3.3%, this performance is below the global growth of 4.4% in tourist arrivals. Excluding the 309,554 tourists who travelled to South Africa in 2010 specifically for the 2010 FIFA World Cup, then the growth in 2011 stands at 7.4%, which is above the 4.4% global growth.

Africa is the largest source of tourist arrivals and the region contributed an additional 395,658 arrivals, a growth of 6.9% over 2010. The Africa air markets grew by 6.3% in 2011 and Africa land markets grew by 6.8% in the same year. Excluding the World Cup tourists in 2010, Africa experienced a 9.1% growth in tourist arrivals in 2011.

The Americas region declined by -5.5%, a declined of -25,091 tourists, driven by a decline of -27.3% in the Central & South America region. North America grew by 2,3% despite the continent facing major economic challenges. Excluding World Cup tourist, Americas grew by 12.9%.

Europe declined by -3.5% with decline from all markets in the region, with the exception of Germany (9.3%), Excluding the World Cup tourists, tourists arrivals from Europe region grew by 2,4%.

Asia and Australasia grew by 8.4% with increases in some markets in the region. India and China (including Hong Kong) posted the highest growths with 26.2% and 24.3% respectively. Excluding World Cup tourists, tourists from this region grew by 20.1%.

Note: * A tourist arrival is defined as a non-resident who stays for more than 24 hours but less than one year in the country and excludes “workers” and “contract workers”. This data is published by StatsSA

Overview of foreign arrivals in 2011/2

Despite the total growth in volume there was a decrease in Total Foreign Direct Spend (TFDS), excluding capital expenditure, of -R1.6 billion in 2011. The decreases in average spend and average length of stay were the main drivers of the decline in TFDS. The decline was driven by the Americas, Asia & Australasia and Europe regions. Decreases in average spend per day and average length of stay all contributed to the decrease in TFDS.

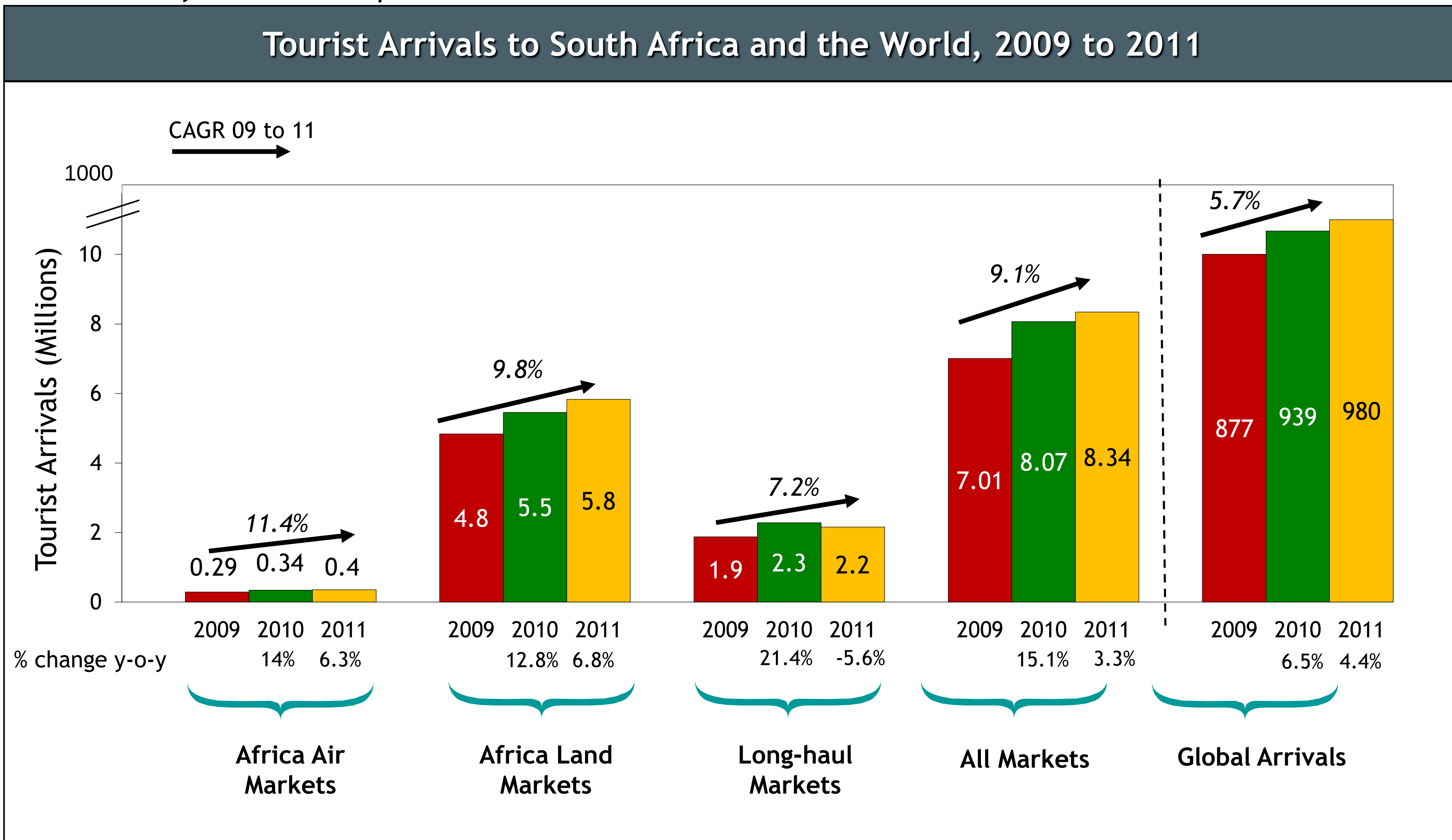
Foreign tourists to South Africa stayed shorter in 2011 compared to 2010. In 2011, the average length of stay of a foreign tourist was 8.3 nights compared to 8.5 nights in 2010. The decrease in length of stay was driven by land markets, the average length of stay decreased by 7.6%

Foreign tourists from land markets visited on average one province while tourists from air markets visited almost 2 provinces. Gauteng and Western Cape were by far the most popular provinces visited in 2011 accounting for a combined 64.4% share of all bednights spent in South Africa.

There was a worsening in the seasonal spread of foreign tourist arrivals in 2011, driven by an worsening in Europe. Americas, Asia & Australasia and Africa land and Africa air saw an improvement in seasonality in 2011. There was also an improvement in seasonality for air markets, improving from 6.52% in 2010 to 1.51% 2011.

There has been strong growth in all markets between 2009 and 2011, much faster than the global growth rate for the same period

Tourist arrivals to South Africa from long-haul markets decreased in 2011 following the strong growth in 2010 as a result of the World Cup



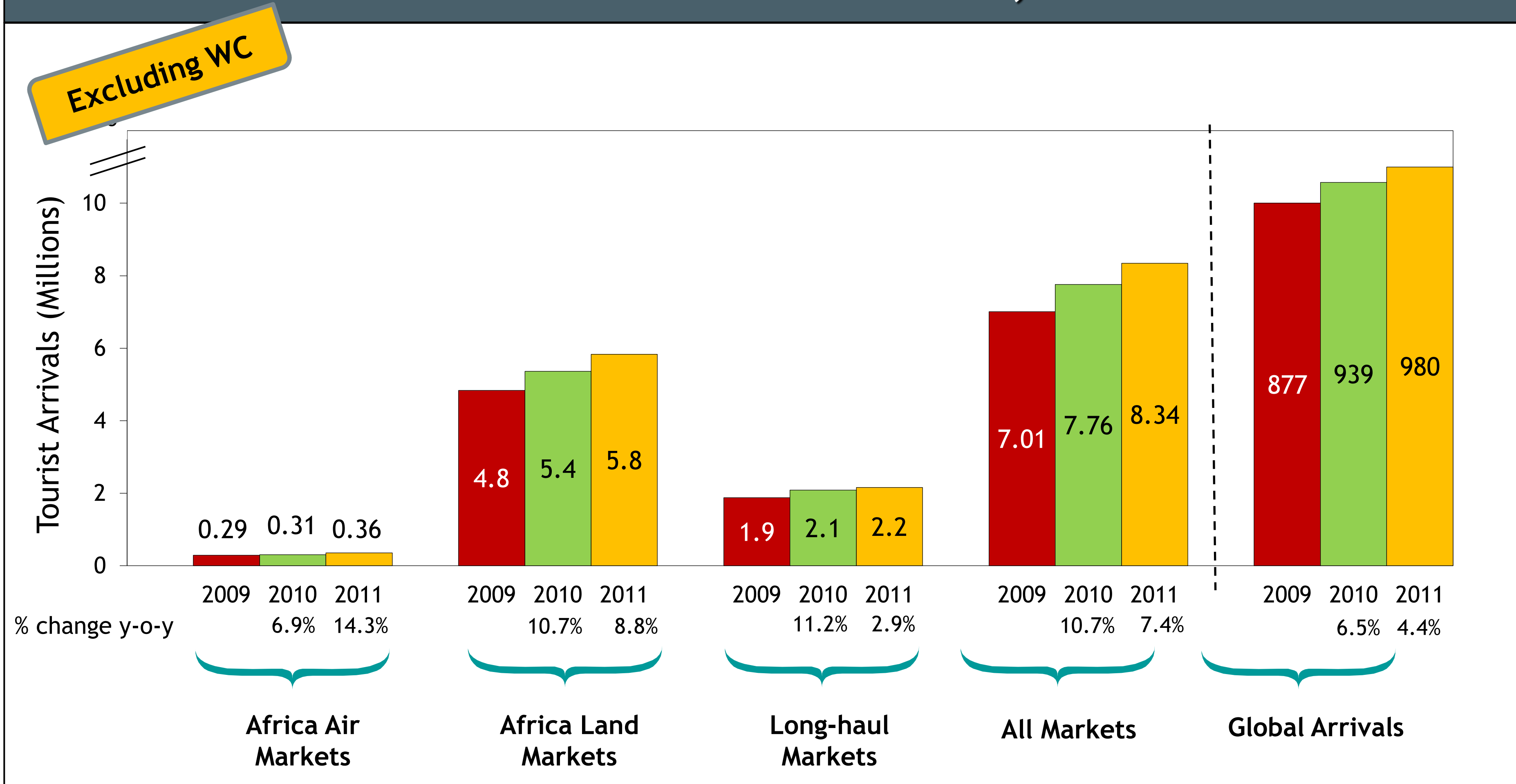
Note: Africa Air Markets are markets where at least 60% arrives to SA use air transport; Africa Land Markets are markets where at least 60% of arrivals to SA use road transport. Long-haul markets include all countries outside of Africa

Source: StatsSA, Tourism & Migration release, SAT analysis UNWTO Tourism Barometer Jan 2012

Excluding the effects of the World Cup, tourist arrivals to South Africa in 2011 grew by 7.4%, outpacing global growth

Tourist arrivals to South Africa from long-haul markets , excluding the World Cup effect, grew by 11.2% in 2011

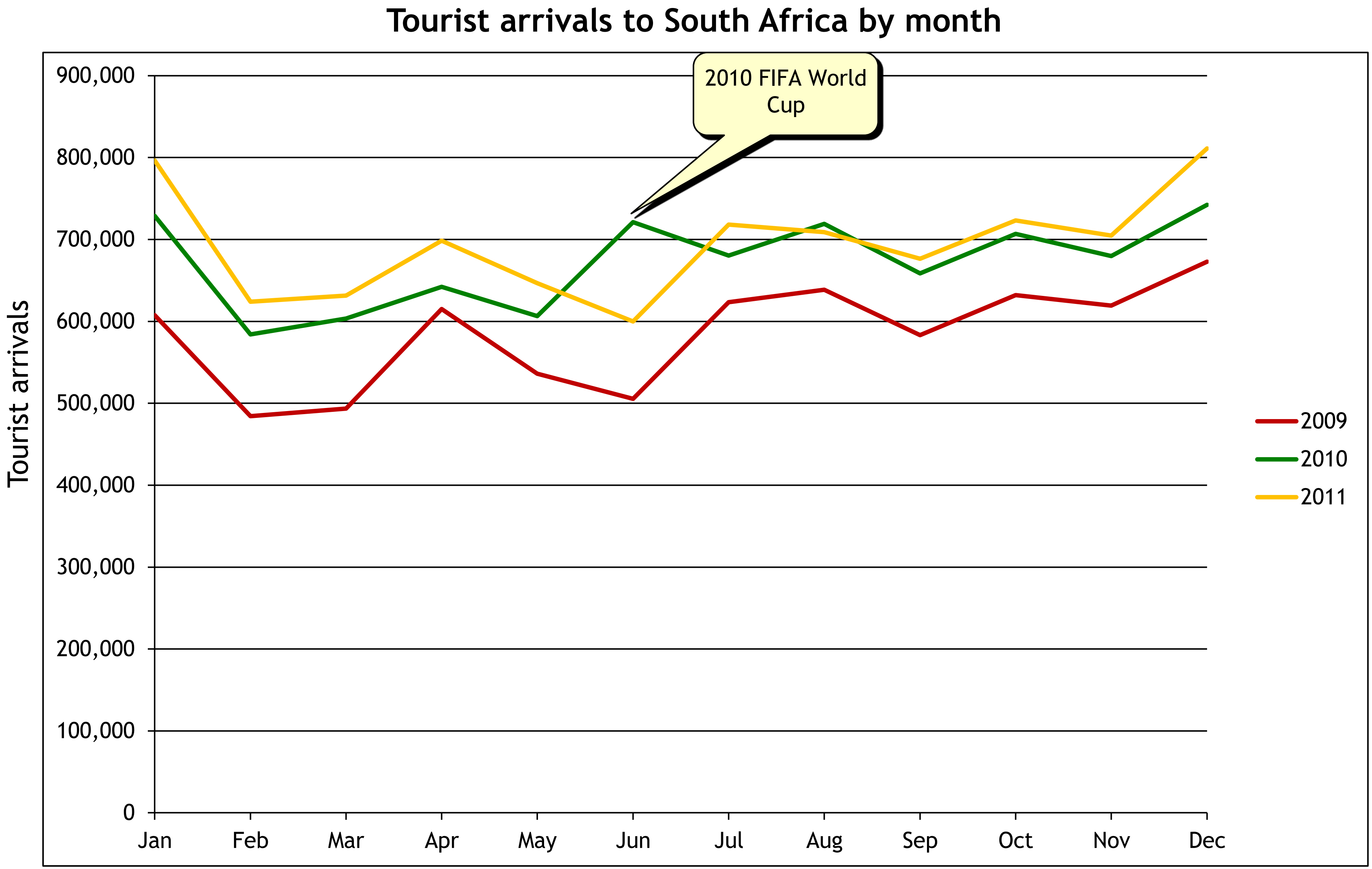
Tourist Arrivals to South Africa and the World, 2009 to 2011



Note: Africa Air Markets are markets where at least 60% arrives to SA use air transport; Africa Land Markets are markets where at least 60% of arrivals to SA use road transport. Long-haul markets include all countries outside of Africa

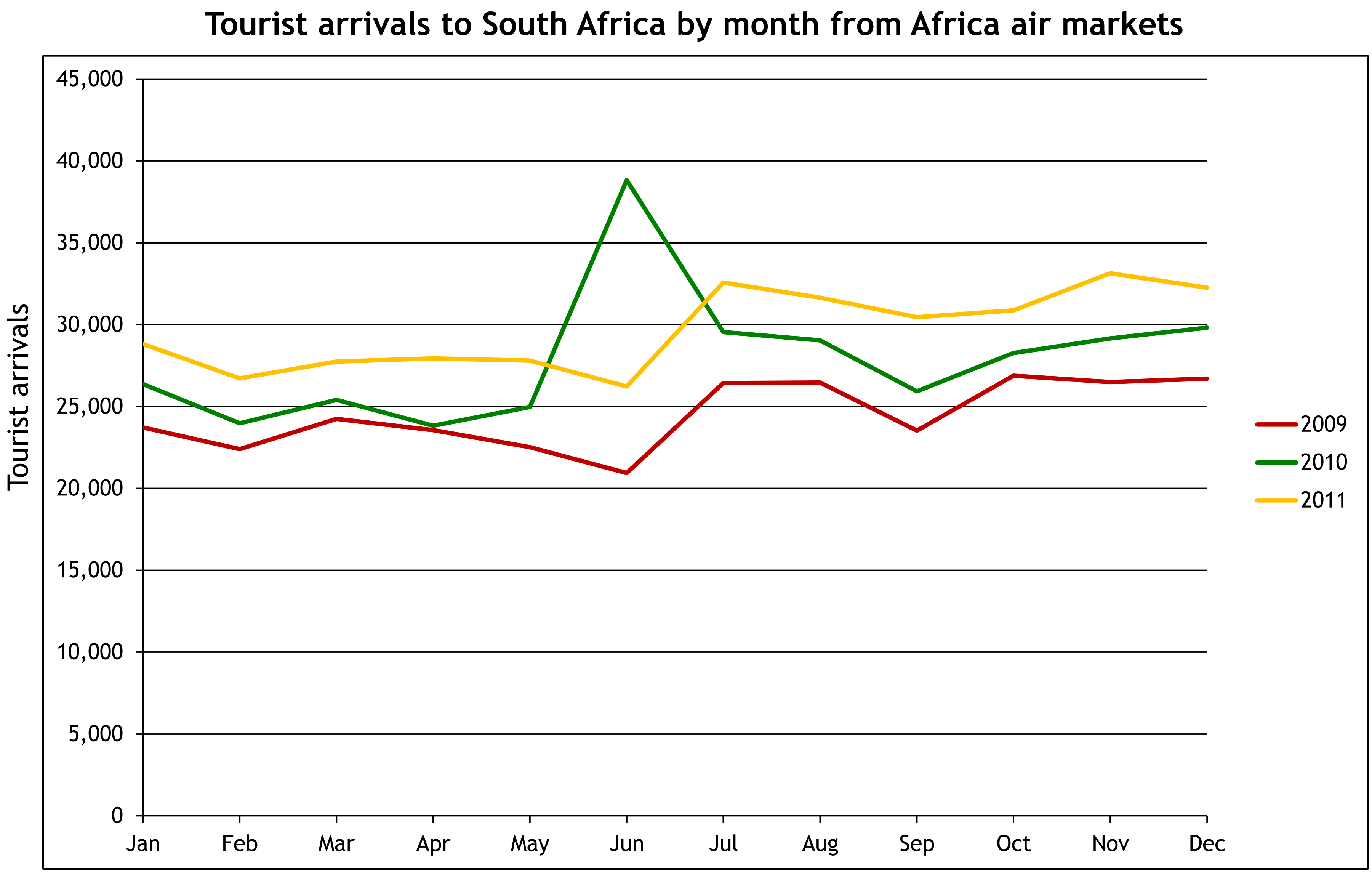
Source: StatsSA, Tourism & Migration release, SAT analysis UNWTO Tourism Barometer Jan 2012

Month-on-month tourist arrivals for 2011 generally exceeded previous years' levels with the exception of June and August 2010



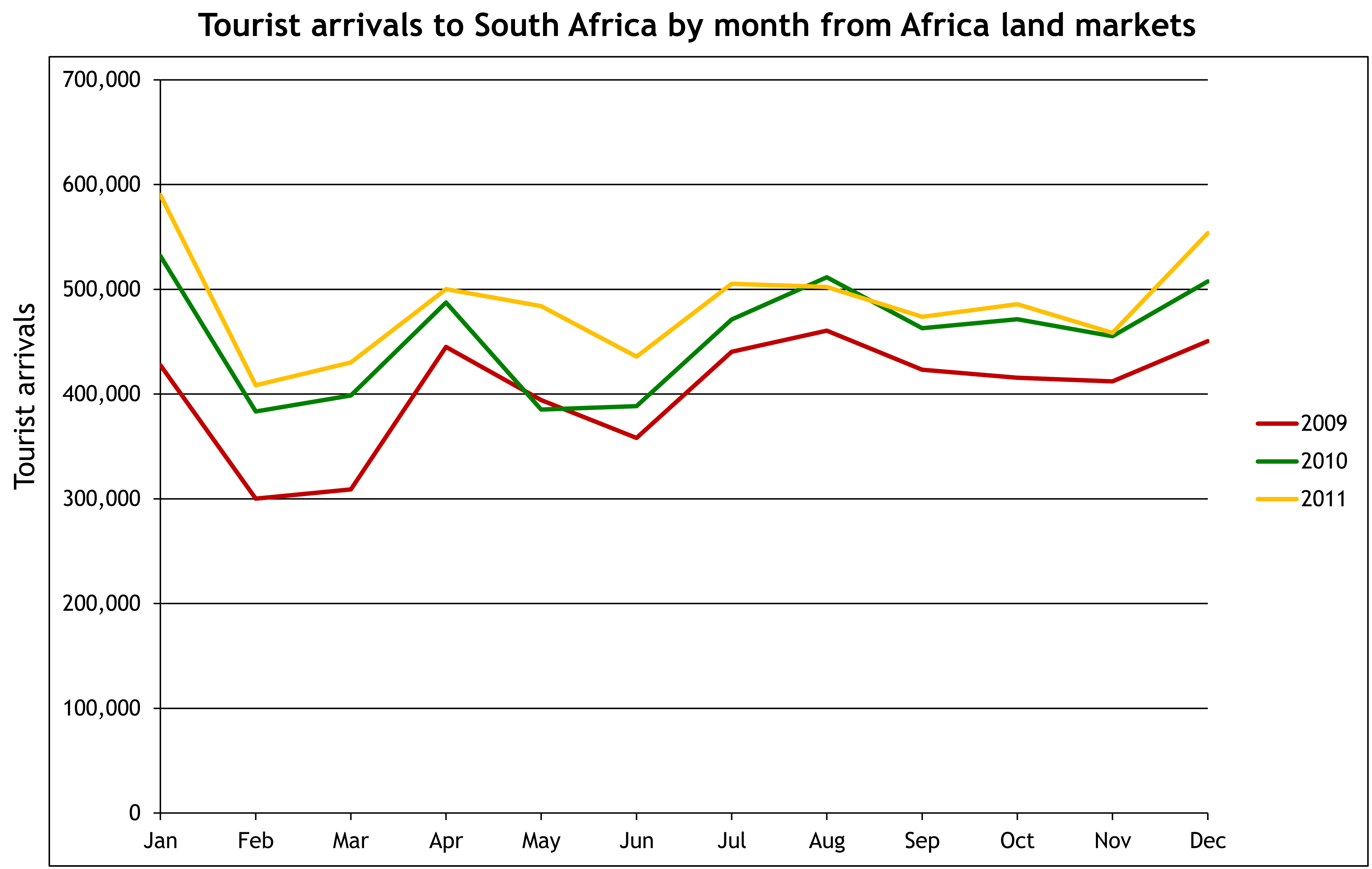
Source: StatsSA, Tourism & Migration release, SAT analysis

Month-on-month tourist arrivals from African air markets generally exceeded previous years' levels with the exception of June 2010



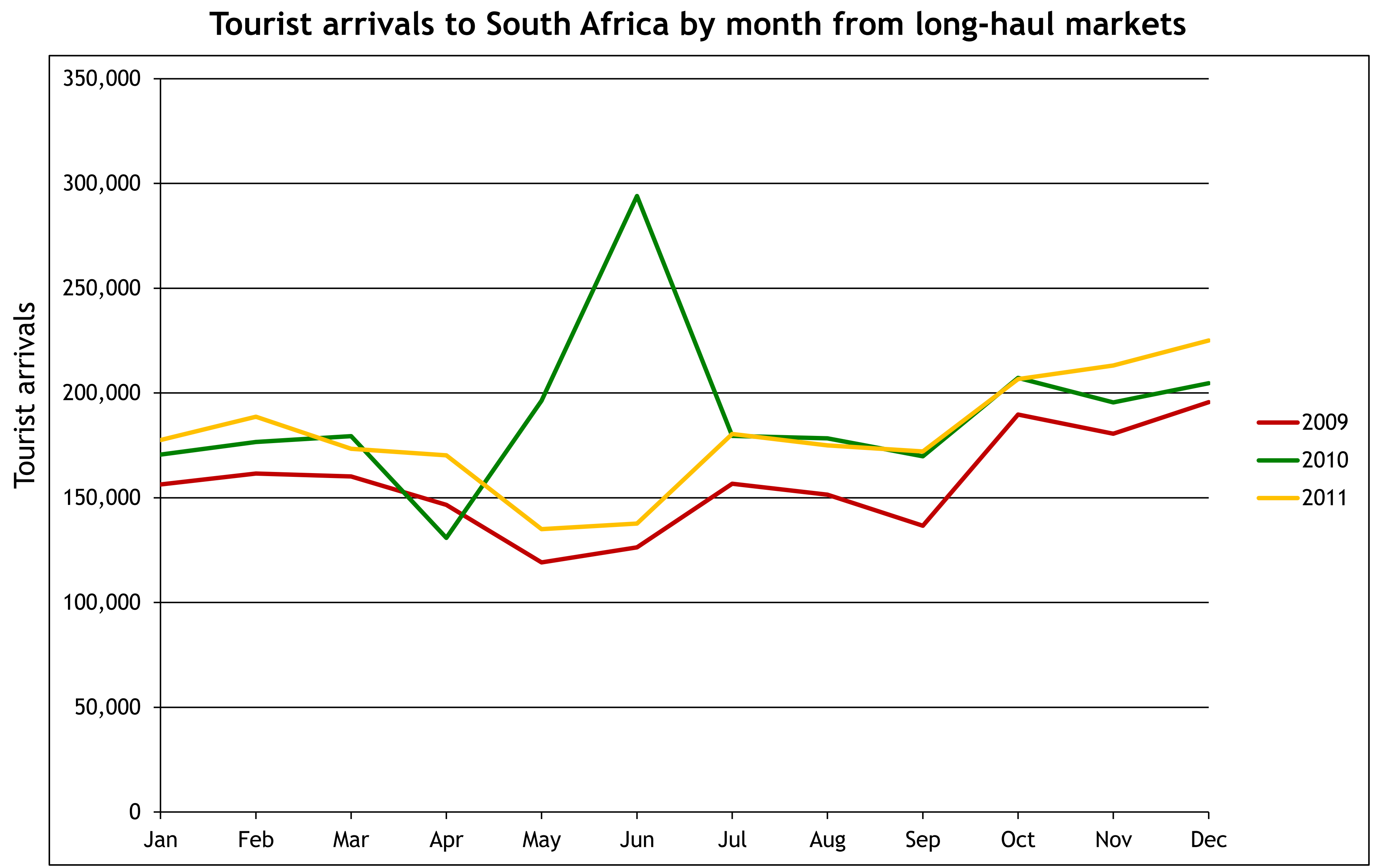
Source: StatsSA, Tourism & Migration release, SAT analysis

Month-on-month tourist arrivals from African land markets generally exceeded previous years' levels with the exception of August



Source: StatsSA, Tourism & Migration release, SAT analysis

Month-on-month tourist arrivals from long-haul markets generally exceeded or tracked 2010 levels with the exception of April, May and June 2011



Source: StatsSA, Tourism & Migration release, SAT analysis

There was an increase in tourist arrivals across all purposes of travel. Average length of stay and number of provinces visited decreased for most purposes of travel.

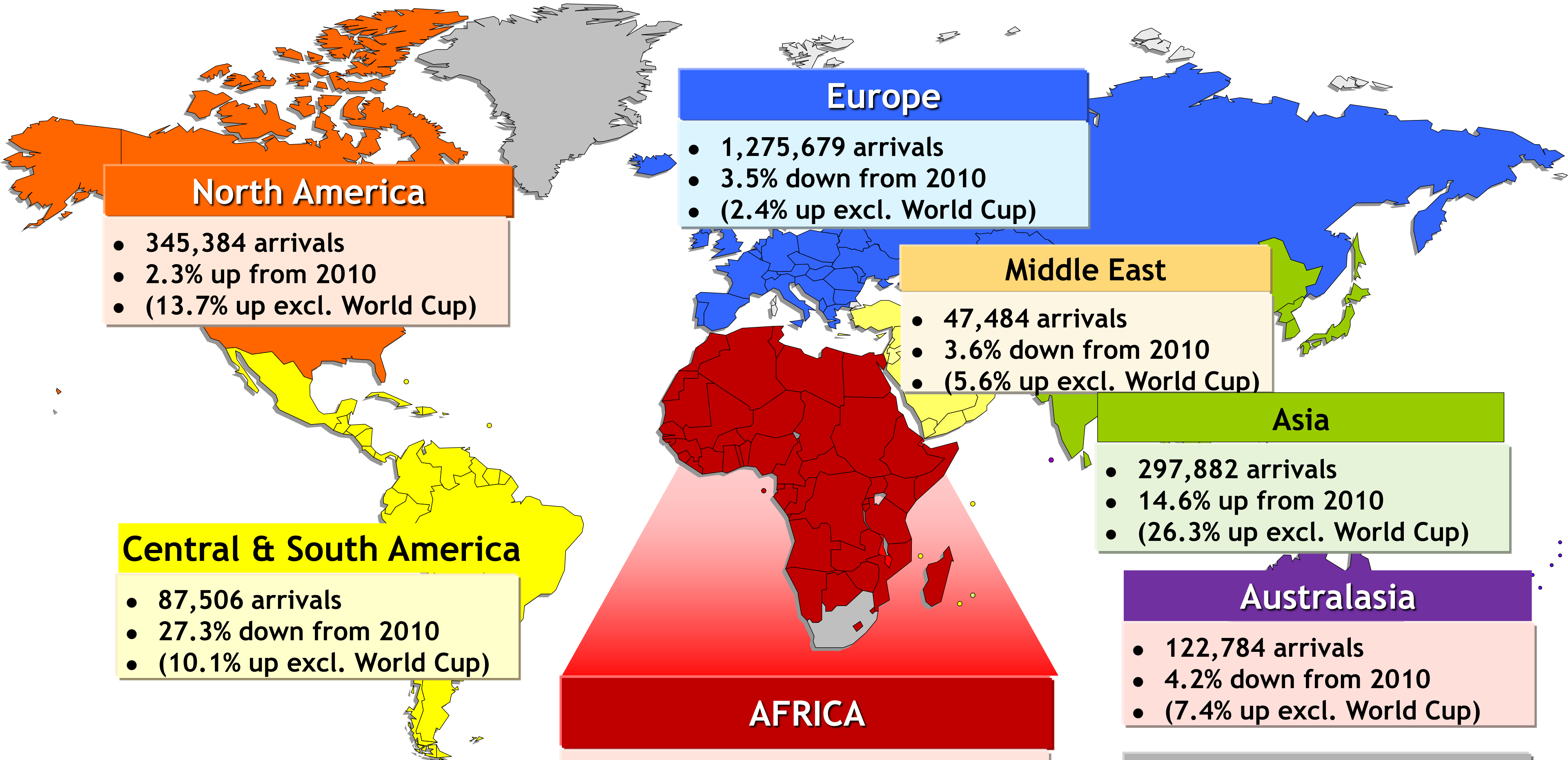
All Markets	Leisure	Business Travel	Business Tourism	Other	All Tourist Arrivals
Total Volume (2009) (Millions)	4.2	1.7	0.3	0.8	7.0
Total Volume (2010) (Millions)	4.7	2.1	0.4	0.9	8.1
Total Volume (2011) (Millions)	4.8	2.1	0.4	1.0	8.3
Volume Growth (10-11 % change)	2.7%	3.0%	6.2%	5.7%	3.3%
Average Length of Stay (2009) (Nights)	8.6	5.5	5.2	14.7	8.3
Average Length of Stay (2010) (Nights)	8.4	5.7	4.9	16.4	8.5
Average Length of Stay (2011) (Nights)	8.2	5.7	5.4	15.5	8.3
Average Number of Provinces Visited (2009)	1.3	1.1	1.2	1.1	1.3
Average Number of Provinces Visited (2010)	1.4	1.1	1.2	1.1	1.3
Average Number of Provinces Visited (2011)	1.3	1.1	1.2	1.1	1.2

"Leisure" includes General Holiday, VFR, and Personal Shopping; "Business Travel" includes Business professional and Business shopping; "Business Tourism" includes Business meetings, conferences and events; "Other" includes Health purposes, education, religious purposes, etc.
Source: SAT Departure Surveys, 2009 and 2010

South African tourism key objectives

Increase in tourist volume	Increase in tourist spend	Increase length of stay
Improve geographic spread	Improve seasonality patterns	Promote transformation

Tourist arrivals to South Africa grew to 8,339,354 in 2011. This growth was driven by growth from major regions



North America
- 345,384 arrivals
- 2.3% up from 2010
- (13.7% up excl. World Cup)

Europe
- 1,275,679 arrivals
- 3.5% down from 2010
- (2.4% up excl. World Cup)

Middle East
- 47,484 arrivals
- 3.6% down from 2010
- (5.6% up excl. World Cup)

Asia
- 297,882 arrivals
- 14.6% up from 2010
- (26.3% up excl. World Cup)

Central & South America
- 87,506 arrivals
- 27.3% down from 2010
- (10.1% up excl. World Cup)

AFRICA
- 6,117,105 arrivals
- 6.9% up from 2010
- (9.1% up excl. World Cup)

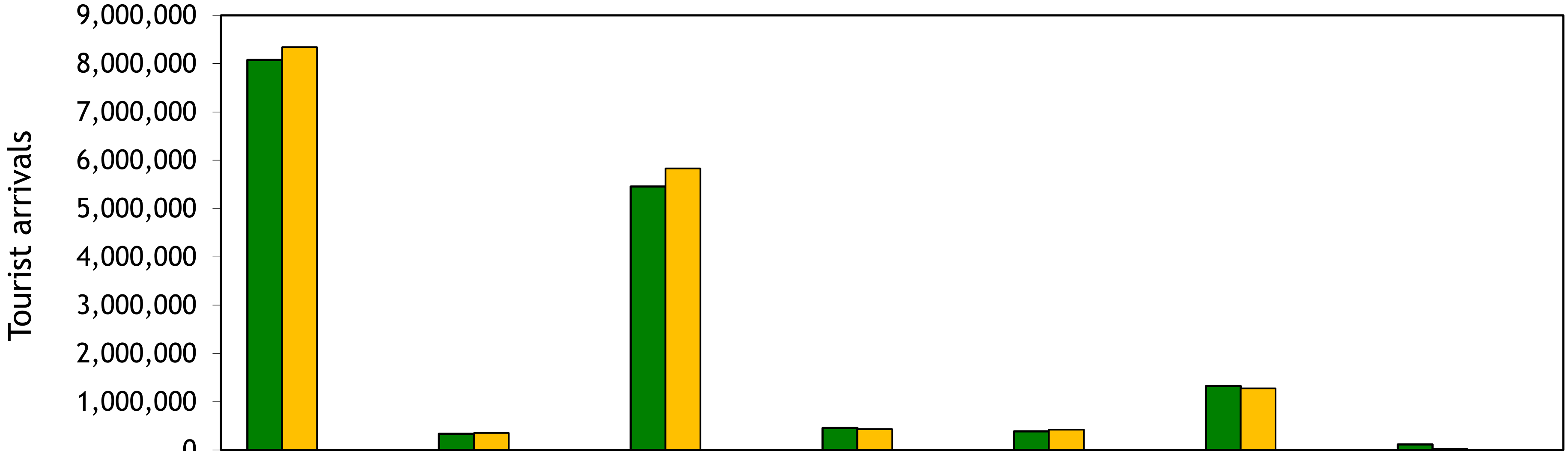
Australasia
- 122,784 arrivals
- 4.2% down from 2010
- (7.4% up excl. World Cup)

Indian Ocean Islands
- 19,730 arrivals
- 1% up from 2010
- (8.8% up excl. World Cup)

Source: StatsSA, Tourism & Migration release, SAT analysis

Outside of Africa, there was good growth from Asia and Australasia of 8.4%

Tourist Arrivals to South Africa by Region, Jan to Dec



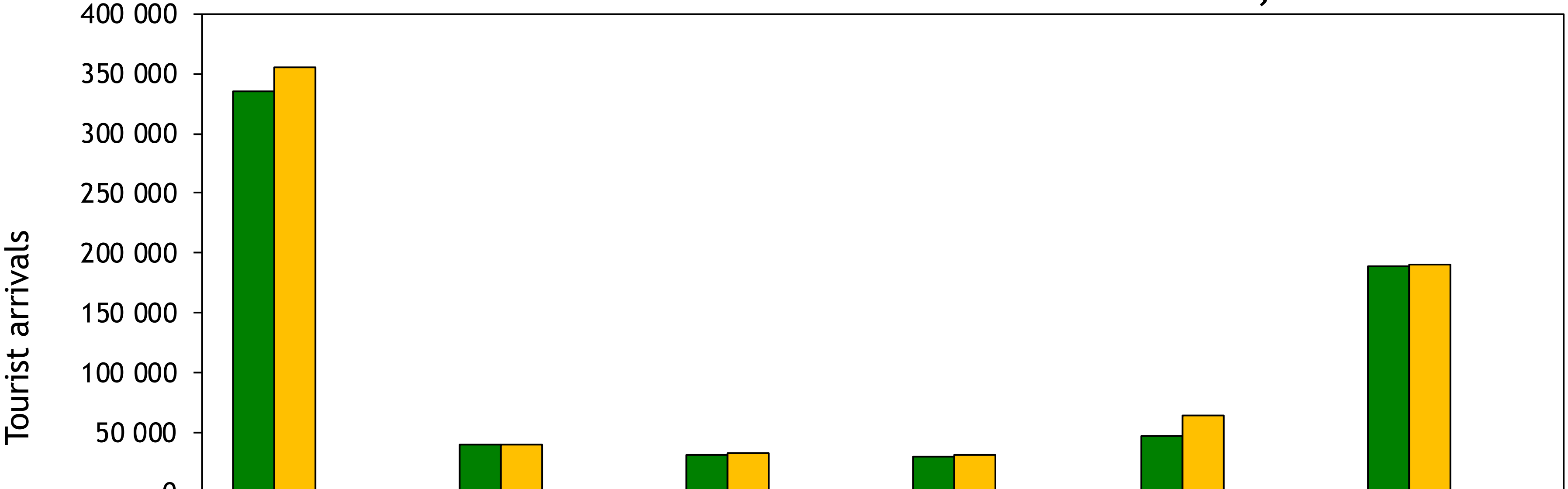
	Total	Africa - Air	Africa - Land	Americas	Asia & Australasia	Europe	Unspecified
2010	8,073,552	335,155	5,455,301	457,981	388,110	1,321,624	115,381
2011	8,339,354	356,191	5,828,128	432,890	420,666	1,275,679	25,800
Difference	265,802	21,036	372,827	-25,091	32,556	-45,945	-89,581
% change	3.3%	6.3%	6.8%	-5.5%	8.4%	-3.5%	-77.6%

Growth excl. World Cup	7.4%	14.3%	8.8%	12.9%	20.1%	2.4%	-77.6%

Source: StatsSA, Tourism & Migration release, SAT analysis

There has been good growth from all African air markets with Nigeria recording exceptional growth of 37.5%

Tourist arrivals to South Africa from Africa air markets, Jan to Dec



	Africa - Air	Angola	DRC	Kenya	Nigeria	Other Africa - Air
2010	335 155	38 543	31 285	29 089	46 853	189 385
2011	356 191	39 217	32 582	30 279	64 402	189 711
Difference	21 036	674	1 297	1 190	17 549	326
% change	6.3%	1.7%	4.1%	4.1%	37.5%	0.2%

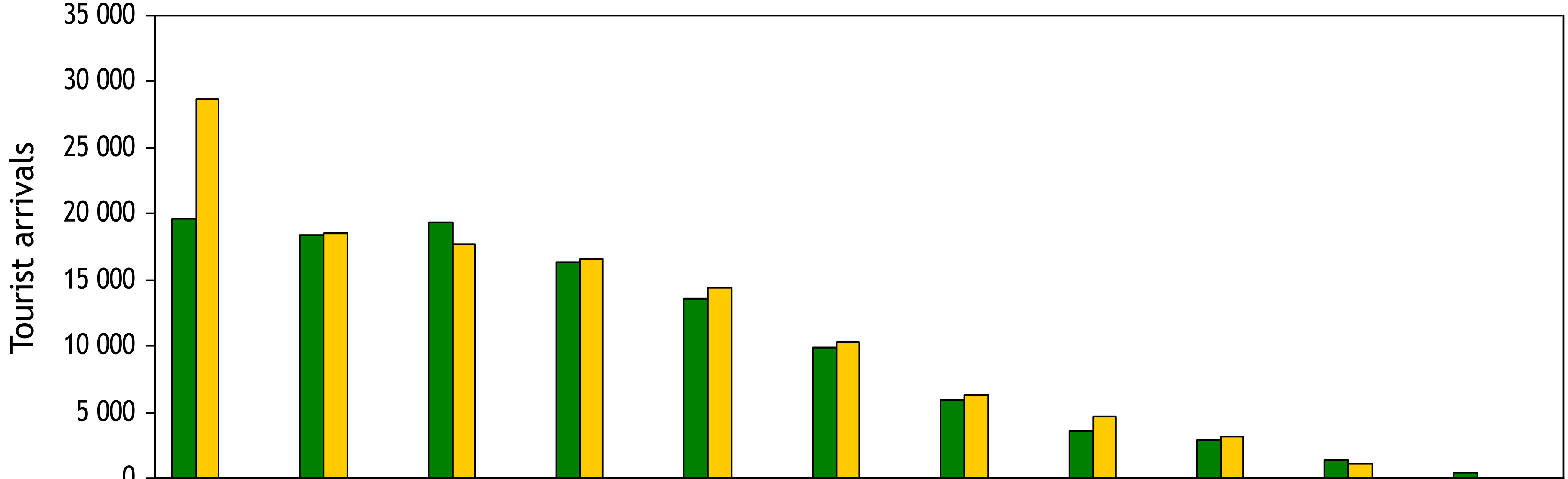
Growth excl. World Cup	14.3%	5.2%	4.6%	12.1%	51.4%	8.5%

Note: Africa Air Markets are markets where at least 60% arrives to SA use air transport; Africa Land Markets are markets where at least 60% of arrivals to SA use road transport. Long-haul markets include all countries outside of Africa

Source: StatsSA, Tourism & Migration release, SAT analysis

Israel, UAE and Reunion were the only markets in this region that recorded declines

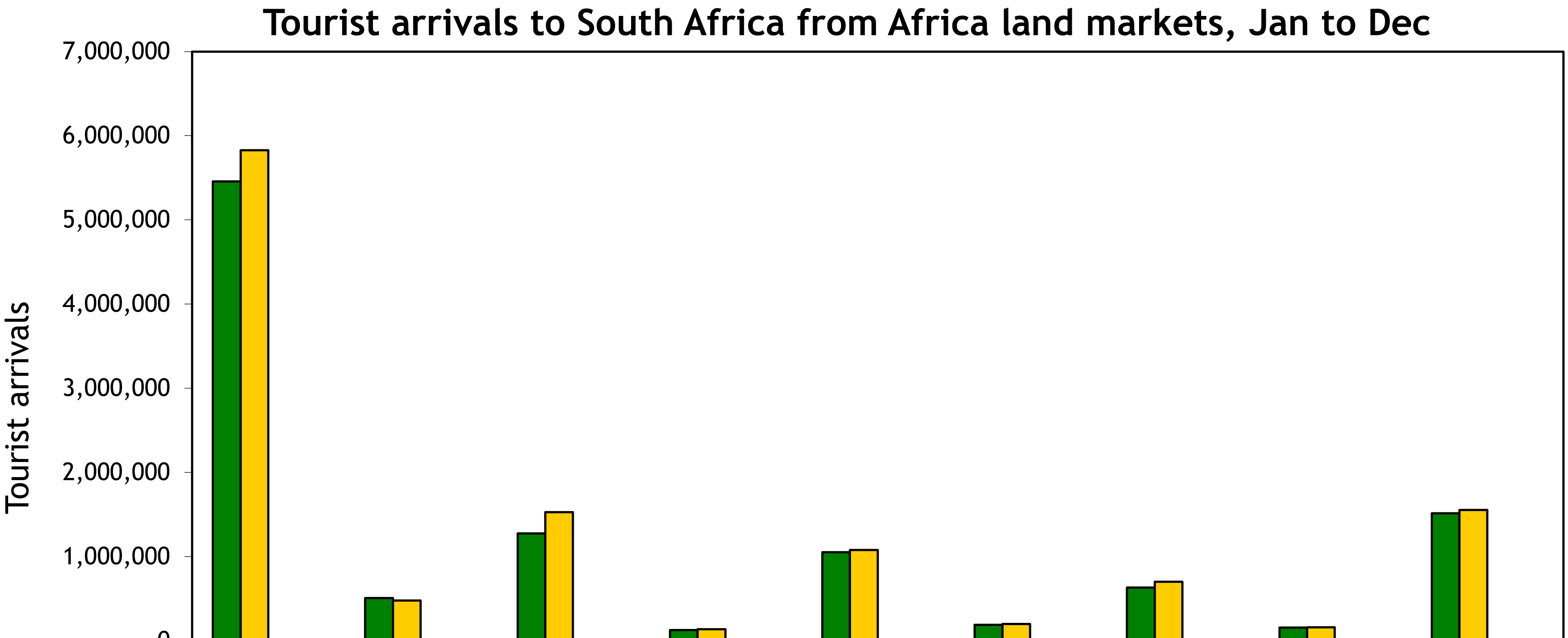
Tourist arrivals to South Africa from the top 10 "Other Africa- air" markets, Jan to Dec



	Tanzania	Ghana	Israel	Mauritius	Uganda	Turkey	Egypt	Saudi Arabia	Seychelles	UAE	Reunion
2010	19 641	18 435	19 353	16 329	13 627	9 915	5 967	3 570	2 861	1 332	348
2011	28 645	18 538	17 751	16 545	14 450	10 348	6 251	4 733	3 182	1 072	3
Difference	9 004	103	-1 602	216	823	433	284	1 163	321	-260	-345
% change	45.8%	0.6%	-8.3%	1.3%	6.0%	4.4%	4.8%	32.6%	11.2%	-19.5%	-99.1%

Source: StatsSA, Tourism & Migration release, SAT analysis

Growth in the Africa land region was driven by growth in Lesotho and Swaziland

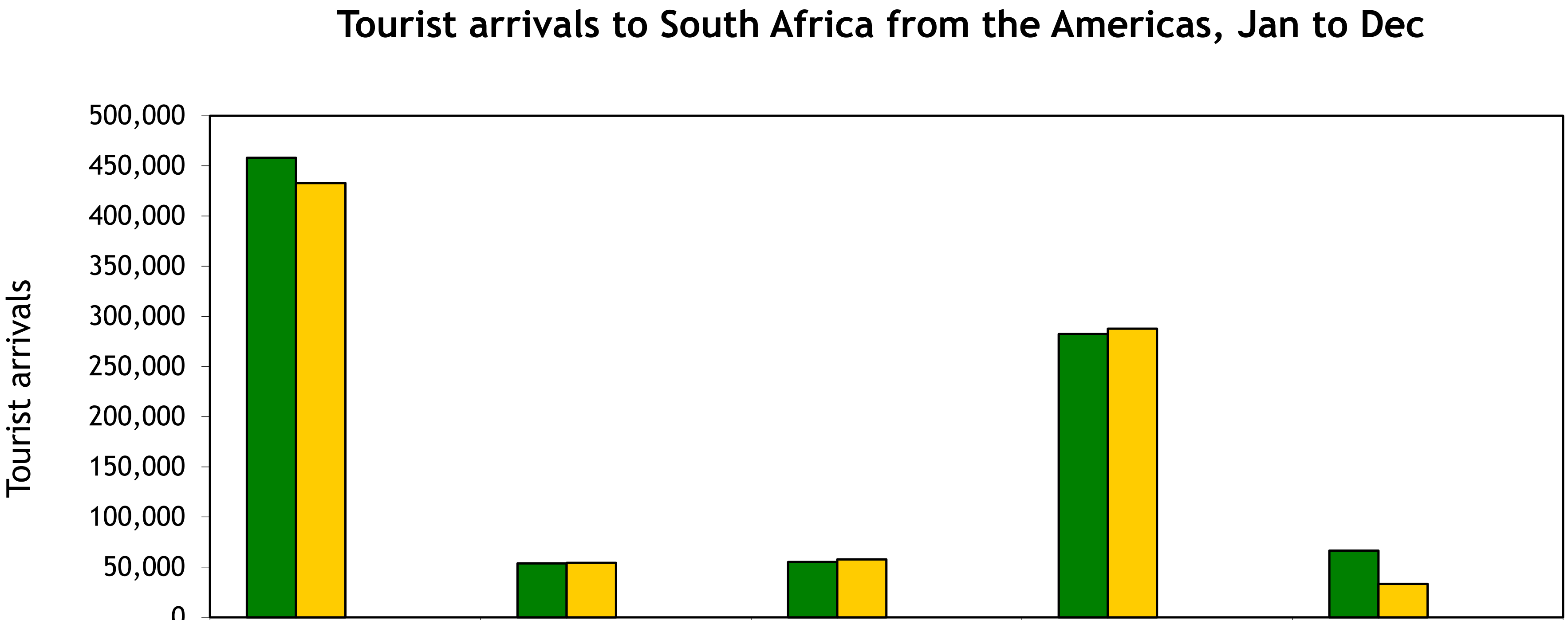


	Africa - land	Botswana	Lesotho	Malawi	Mozambique	Namibia	Swaziland	Zambia	Zimbabwe
2010	5,455,301	507,042	1,275,838	126,120	1,051,502	190,903	632,490	157,692	1,513,714
2011	5,828,128	477,937	1,526,597	135,577	1,076,753	197,835	700,119	160,302	1,553,008
Difference	372,827	-29,105	250,759	9,457	25,251	6,932	67,629	2,610	39,294
% change	6.8%	-5.7%	19.7%	7.5%	2.4%	3.6%	10.7%	1.7%	2.6%

Growth excl. World Cup	8.8%	-2.6%%	20.9%	10.7%	4.8%	6.4%	14.2%	5.4%	3.3%

Note: Africa Air Markets are markets where at least 60% arrives to SA use air transport; Africa Land Markets are markets where at least 60% of arrivals to SA use road transport. Long-haul markets include all countries outside of Africa
Source: StatsSA, Tourism & Migration release, SAT analysis

While the key markets in the Americas region recorded growth over 2010, it was large decline in the “other” markets* in the region which led to the overall decline of 5.5%

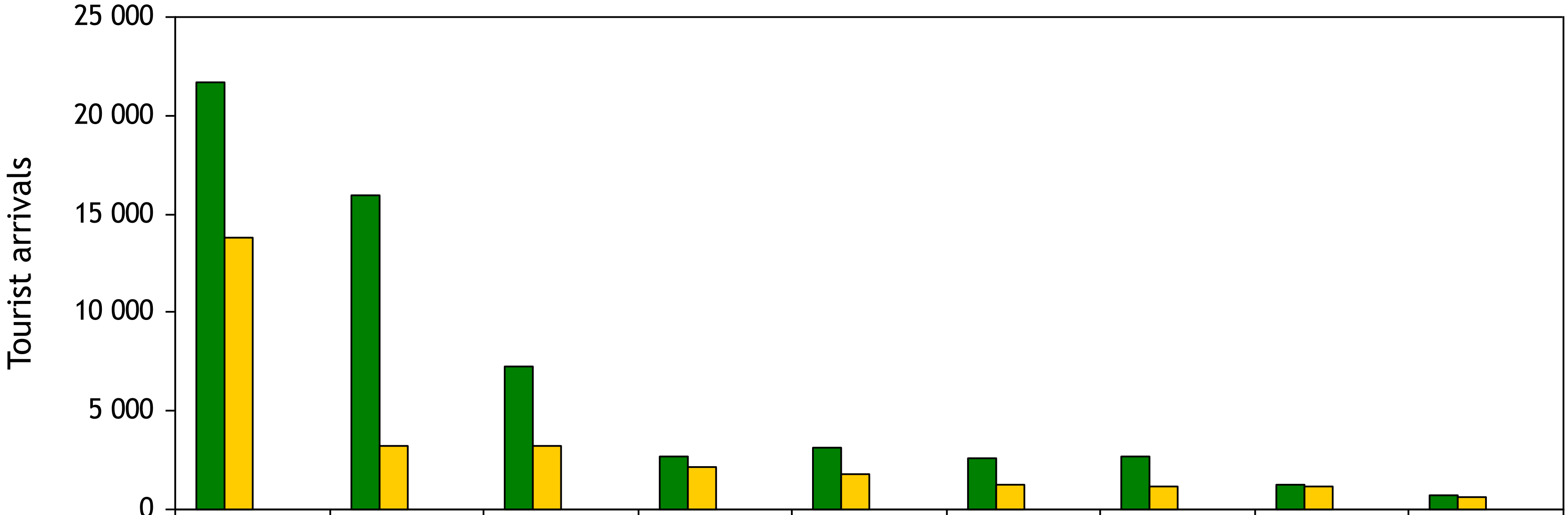


	Americas	Brazil	Canada	USA	Other Americas
2010	457,981	53,756	55,263	282,377	66,585
2011	432,890	54,183	57,767	287,614	33,326
Difference	-25,091	427	2,504	5,237	-33,259
% change	-5.5%	0.8%	4.5%	1.9%	-49.9%
Growth excl. World Cup	12.9%	39.1%	11.9%	14.0%	-17.9%

*Note: There was a large growth in 2010 from these markets as a result of the World Cup
Source: StatsSA, Tourism & Migration release, SAT analysis

The growth in the "Other" Americas region was the result of the 2010 FIFA World Cup

Tourist arrivals to South Africa from the top 10 "Other Americas" markets, Jan to Dec

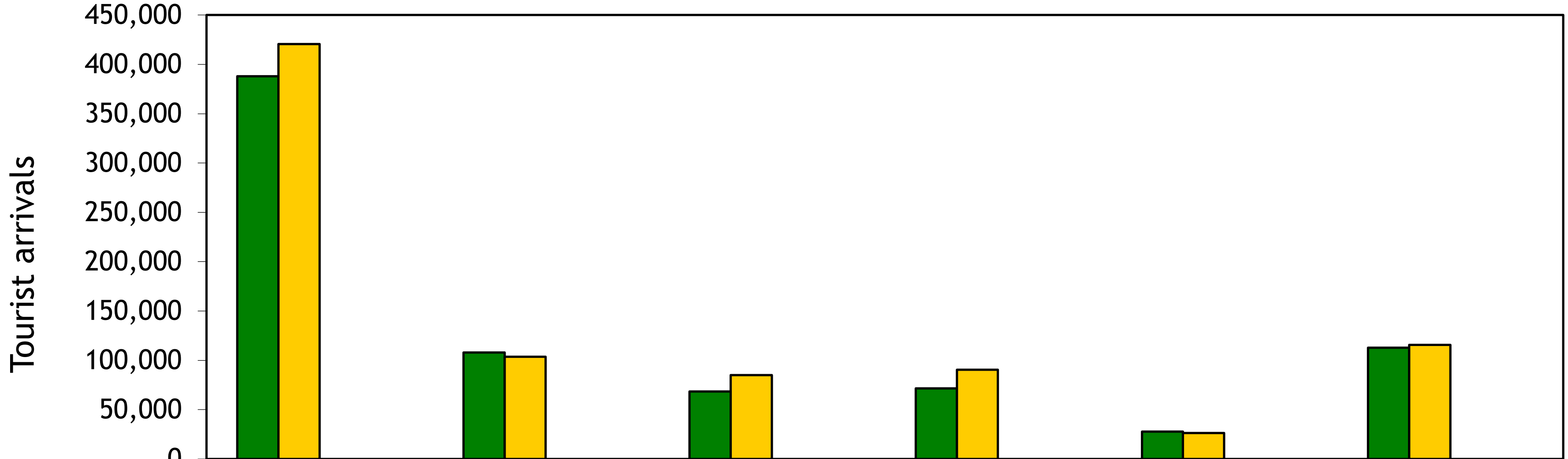


	Argentina	Mexico	Chile	Peru	Columbia	Venezuela	Uruguay	Cuba	Jamaica
2010	21 701	15 923	7 260	2 731	3 146	2 591	2 683	1 247	695
2011	13 817	3 246	3 210	2 185	1 831	1 293	1 162	1 139	663
Difference	-7 884	-12 677	-4 050	-546	-1 315	-1 298	-1 521	-108	-32
% change	-36.3%	-79.6%	-55.8%	-20.0%	-41.8%	-50.1%	-56.7%	-8.7%	-4.6%

Source: StatsSA, Tourism & Migration release, SAT analysis

Tourist arrivals from the Asia & Australasia region increased by 8.4% due to strong performance from China and India

Tourist arrivals to South Africa from Asia & Australasia, Jan to Dec



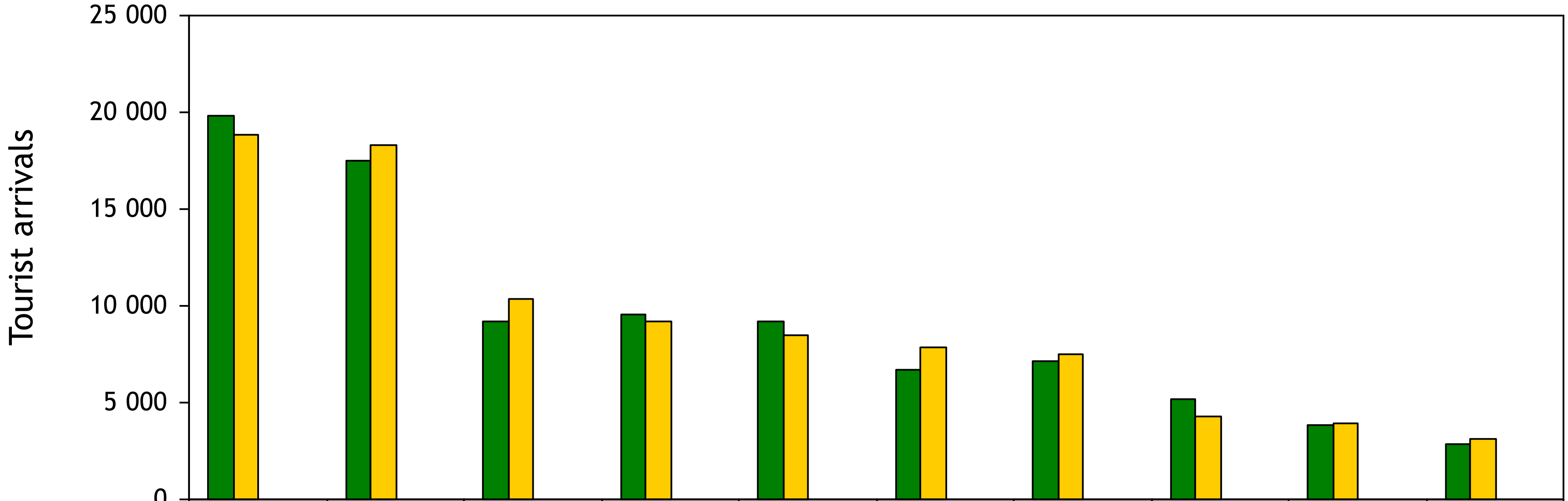
	Asia & Australasia	Australia	China (incl. Hong Kong)	India	Japan	Other Asia & Australasia
2010	388,110	107,905	68,309	71,587	27,577	112,732
2011	420,666	103,506	84,883	90,367	26,284	115,626
Difference	32,556	-4,399	16,574	18,780	-1,293	2,894
% change	8.4%	-4.1%	24.3%	26.2%	-4.7%	2.6%

Growth excl. World Cup	20.1%	8.2%	38.2%	31.9%	14.5%	13.8%

Source: StatsSA, Tourism & Migration release, SAT analysis

New Zealand, Philippines, Taiwan and Indonesia were the only markets in this region that did not record growth in 2011

Tourist arrivals from top 10 “Other Asia & Australasia” markets, Jan to Dec

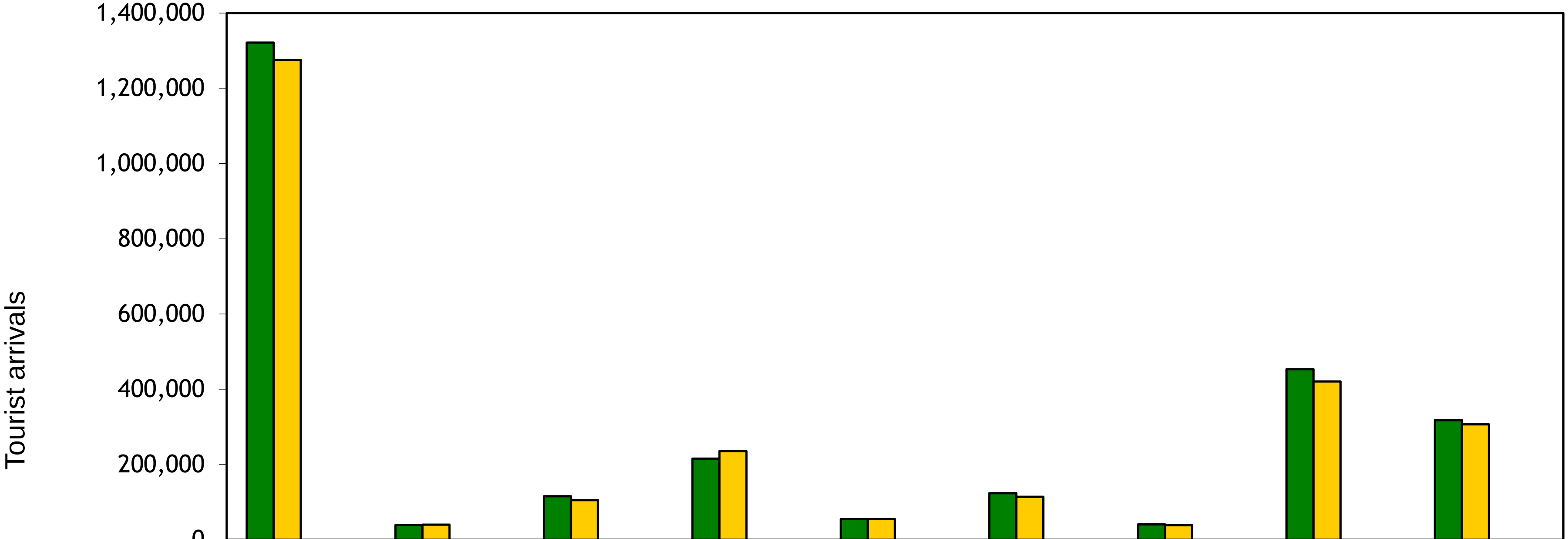


	New Zealand	Rep of Korea	Malaysia	Philippines	Taiwan	Singapore	Thailand	Indonesia	Bangladesh	Sri Lanka
2010	19 801	17 489	9 175	9 553	9 163	6 660	7 174	5 158	3 829	2 872
2011	18 859	18 290	10 337	9 203	8 524	7 874	7 468	4 279	3 900	3 127
Difference	-942	801	1 162	-350	-639	1 214	294	-879	71	255
% change	-4.8%	4.6%	12.7%	-3.7%	-7.0%	18.2%	4.1%	-17.0%	1.9%	8.9%

Source: StatsSA, Tourism & Migration release, SAT analysis

Tourist arrivals from Europe decreased by 3.5% over 2010 with Germany bucking the trend and recording a growth of 9.3%

Tourist arrivals to South Africa from Europe, Jan to Dec



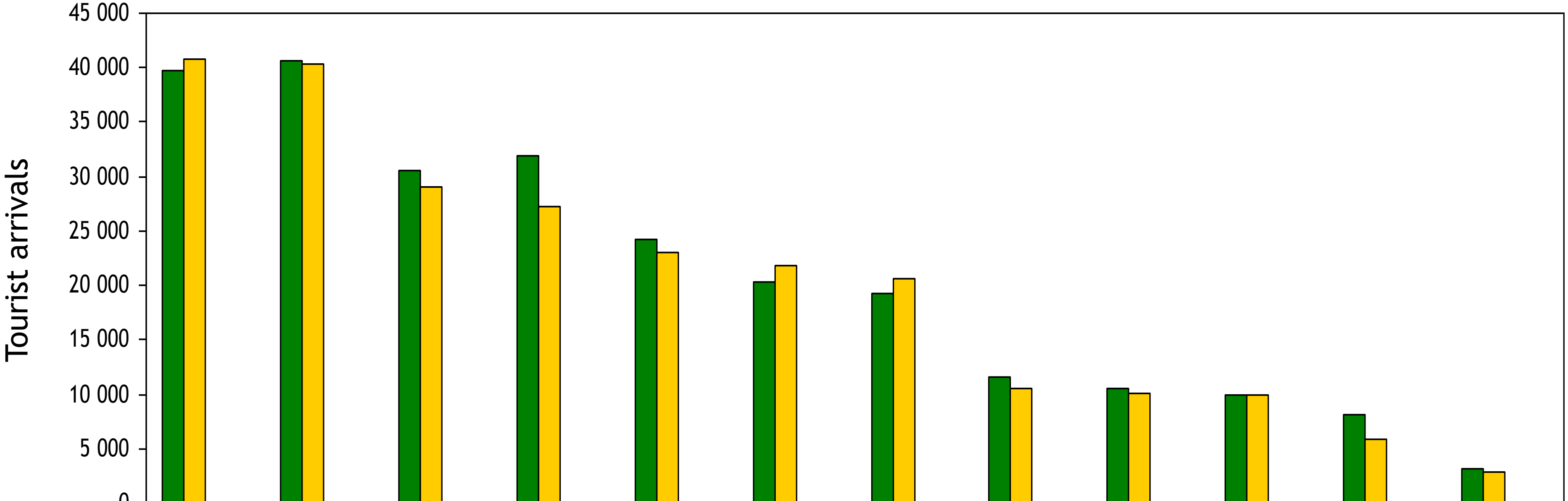
	Europe	Belgium	France	Germany	Italy	Netherlands	Sweden	UK	Other Europe
2010	1,321,624	39,304	115,401	215,800	54,641	124,088	40,662	453,030	318,002
2011	1,275,679	40,478	105,420	235,774	54,628	113,846	38,754	420,483	306,774
Difference	-45,945	1,174	-9,981	19,974	-13	-10,242	-1,908	-32,547	-11,228
% change	-3.5%	3.0%	-8.6%	9.3%	0.0%	-8.3%	-4.7%	-7.2%	-3.5%

Growth excl. World Cup	2.4%	5.6%	-3.0%	13.8%	7.8%	-1.3%	-2.8%	-2.3%	4.4%

Source: StatsSA, Tourism & Migration release, SAT analysis

There was a decline in most markets for this region

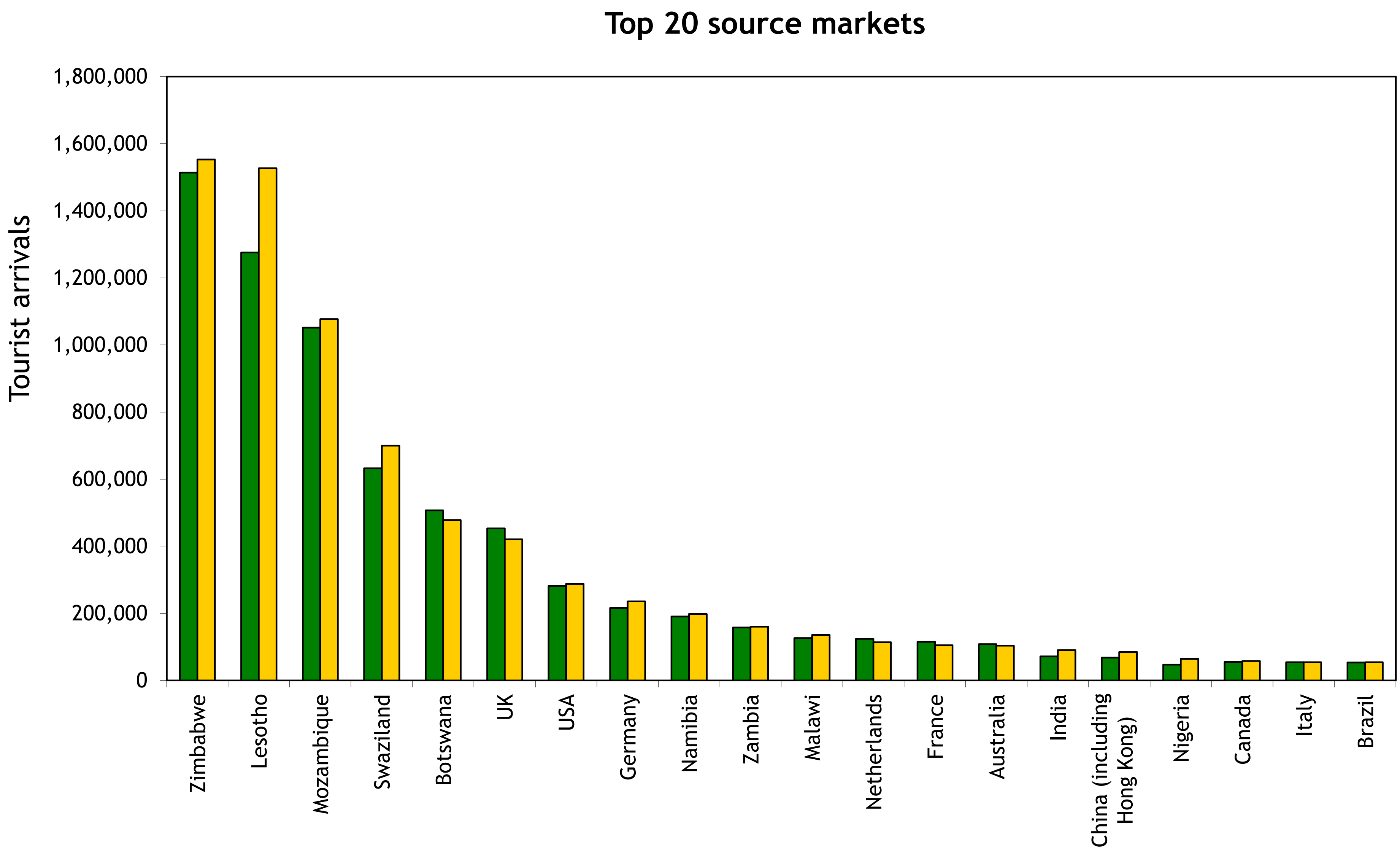
Tourist arrivals to South Africa from the top 10 “Other Europe” markets, Jan to Dec



	Switzerland	Portugal	Ireland	Spain	Denmark	Austria	Norway	Russian Fed	Finland	Poland	Greece	Hungary
2010	39 725	40 655	30 518	31 902	24 212	20 389	19 330	11 551	10 511	9 970	8 169	3 115
2011	40 728	40 301	29 098	27 209	22 970	21 841	20 556	10 487	10 090	9 962	5 822	2 882
Difference	1 003	-354	-1 420	-4 693	-1 242	1 452	1 226	-1 064	-421	-8	-2 347	-233
% change	2.5%	-0.9%	-4.7%	-14.7%	-5.1%	7.1%	6.3%	-9.2%	-4.0%	-0.1%	-28.7%	-7.5%

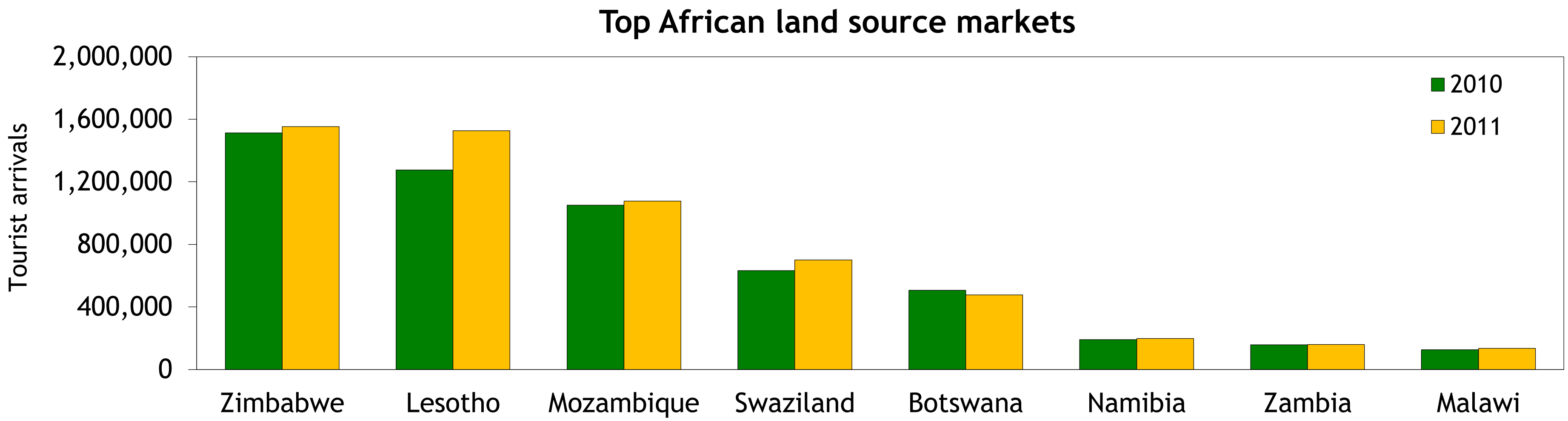
Source: StatsSA, Tourism & Migration release, SAT analysis

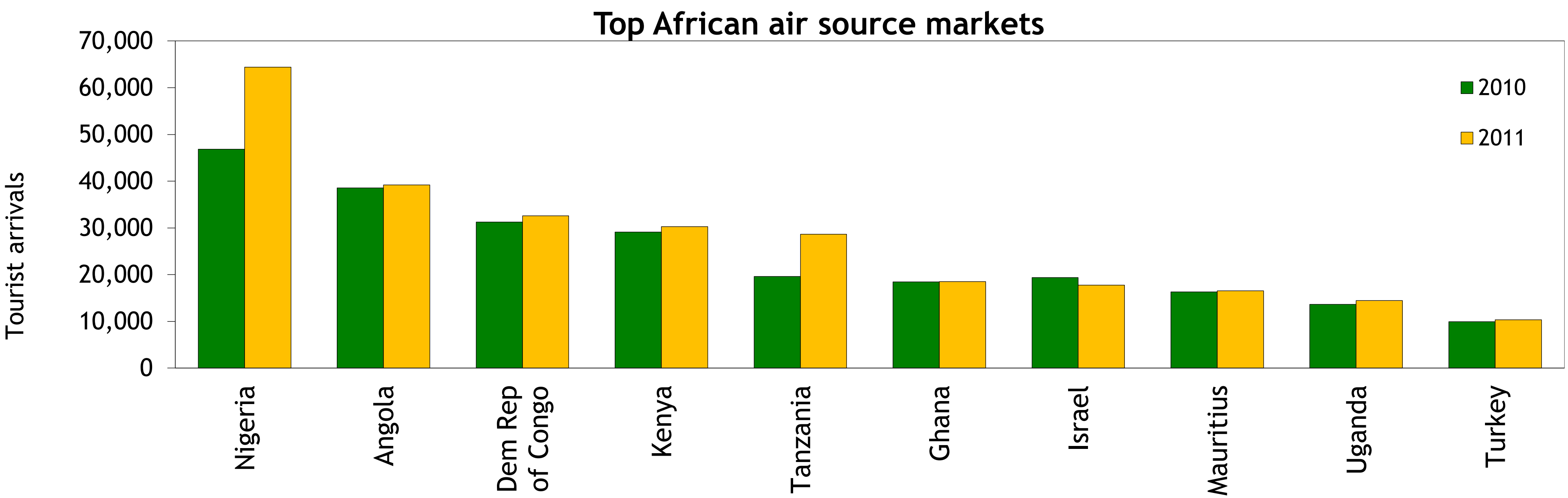
Neighbouring SADC continues to be the major source market with Zimbabwe moving into first position ahead of Lesotho. Nigeria also moved up 3 positions



Source: StatsSA, Tourism & Migration release, SAT analysis

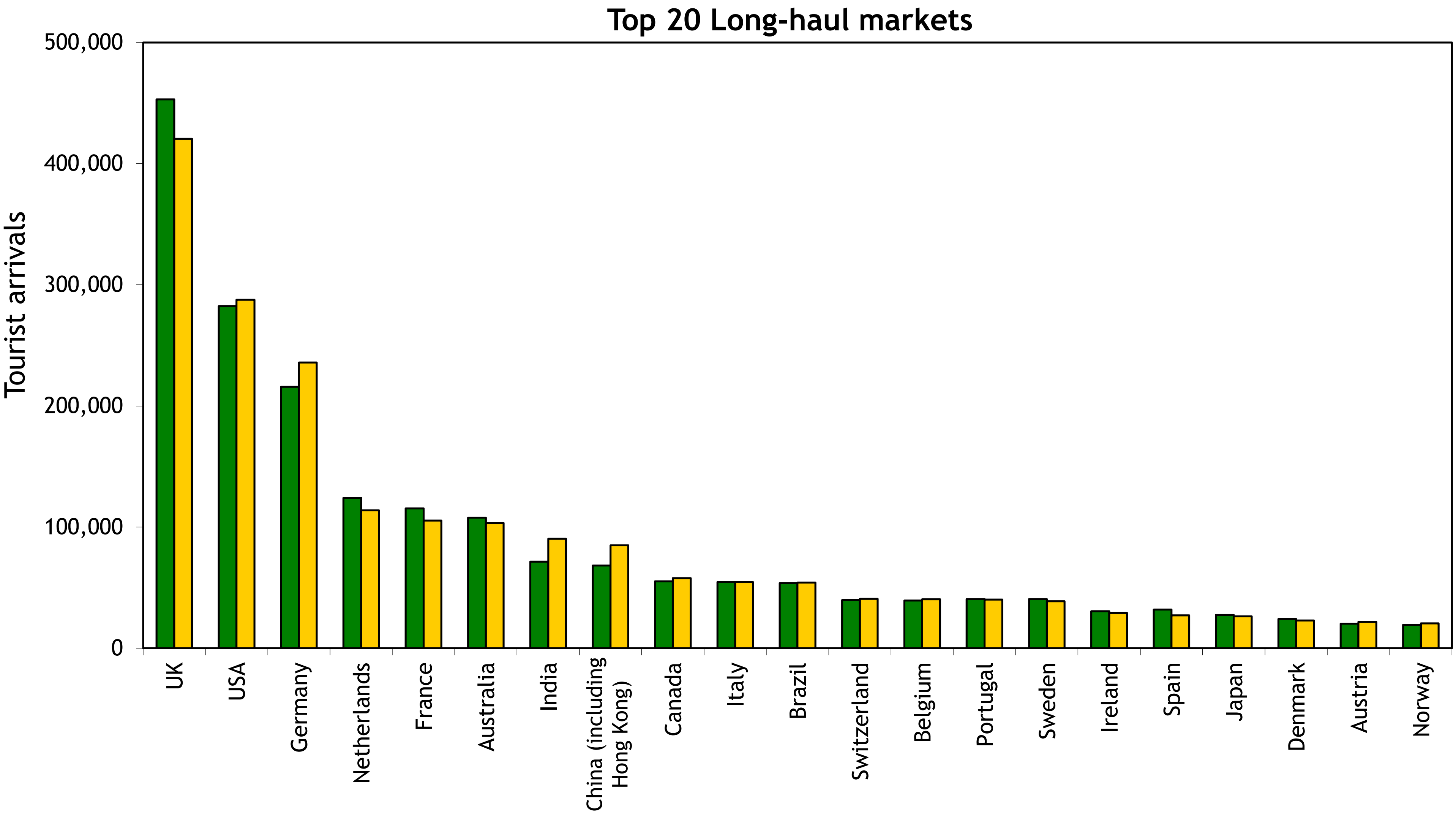
Zimbabwe is the largest land market while Nigeria is the largest source market from the African air markets





Note: Africa Air Markets are markets where at least 60% arrives to SA use air transport; Africa Land Markets are markets where at least 60% of arrivals to SA use road transport. Long-haul markets include all countries outside of Africa
Source: StatsSA, Tourism & Migration release, SAT analysis

The UK, USA, Germany, Netherlands and France remain the top 5 overseas source markets



Source: StatsSA, Tourism & Migration release, SAT analysis

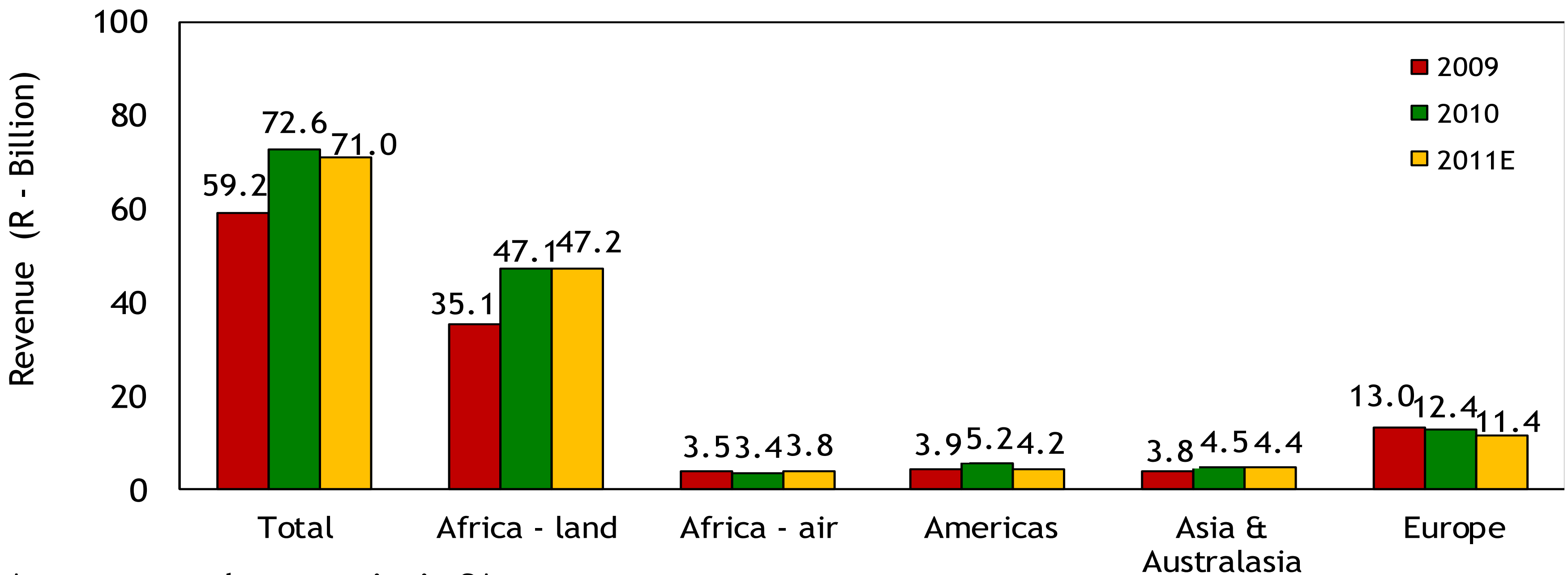
South African tourism key objectives

Increase in tourist volume	**Increase in tourist spend**	Increase length of stay
Improve geographic spread	Improve seasonality patterns	Promote transformation

Total foreign direct spend generated from tourist arrivals decreased by -2.2% between 2010 and 2011.

Africa - land and Africa - air were the only regions that posted an increase in revenue from 2010 to 2011

Total Foreign Direct Spend (excluding capital expenditure), 2009 to 2011E



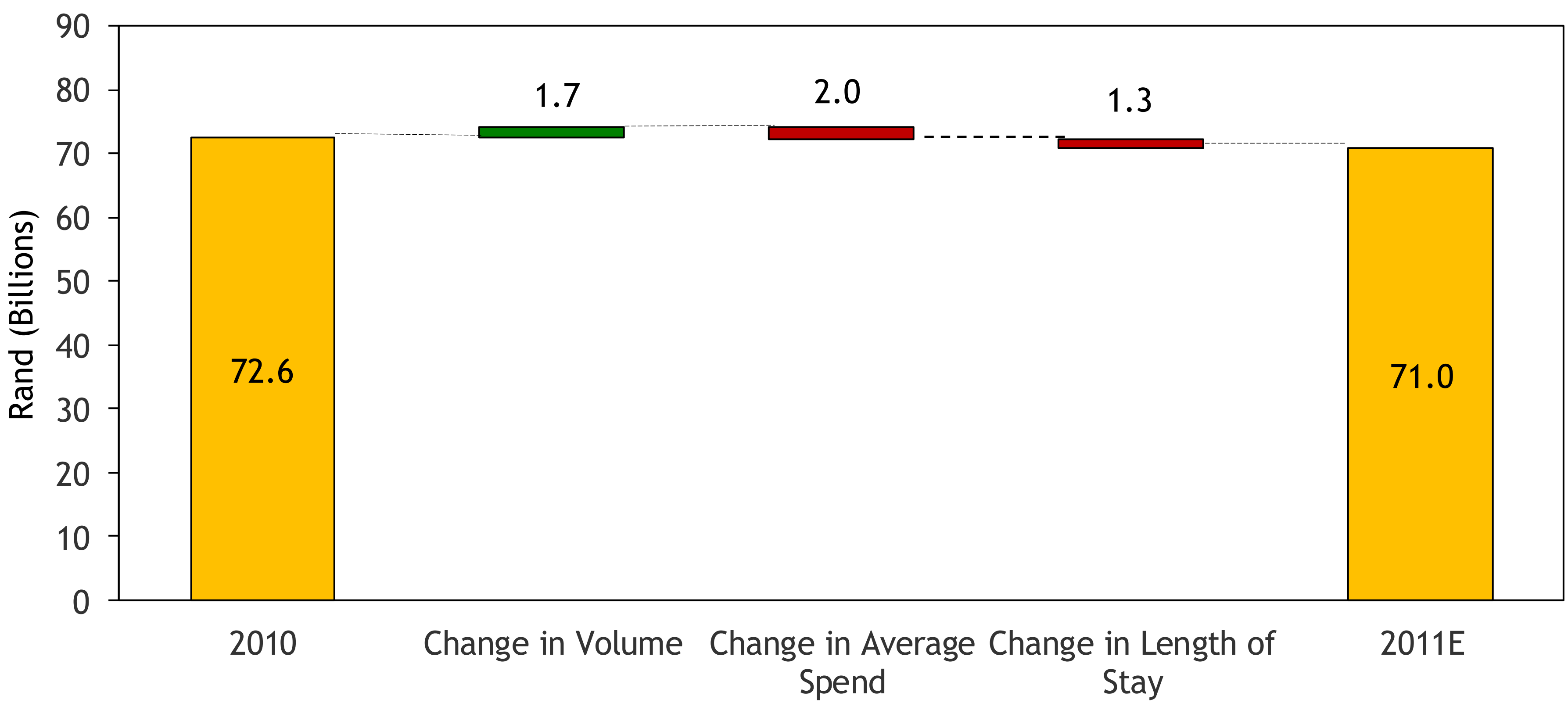
Average spend per tourist in SA

2009	R8,900	R7,300	R14,700	R13,200	R14,900	R12,100
2010	R9,300	R8,300	R12,600	R12,800	R13,400	R10,700
2011E	R8,900	R8,100	R13,300	R11,000	R12,000	R10,300

Note: In 2009, Statistics SA for the first time was able to make the distinction between tourists and day visitors and this started a new data series. As a result of this change, the results in this report are now not comparable to previous reports.
Source: SAT Departure Surveys

The overall decrease in revenue between 2010 and 2011 was driven by decrease in average spend and average length of stay

All Markets - Value Drivers (Total Foreign Direct Spend without Capex), 2010 - 2011E



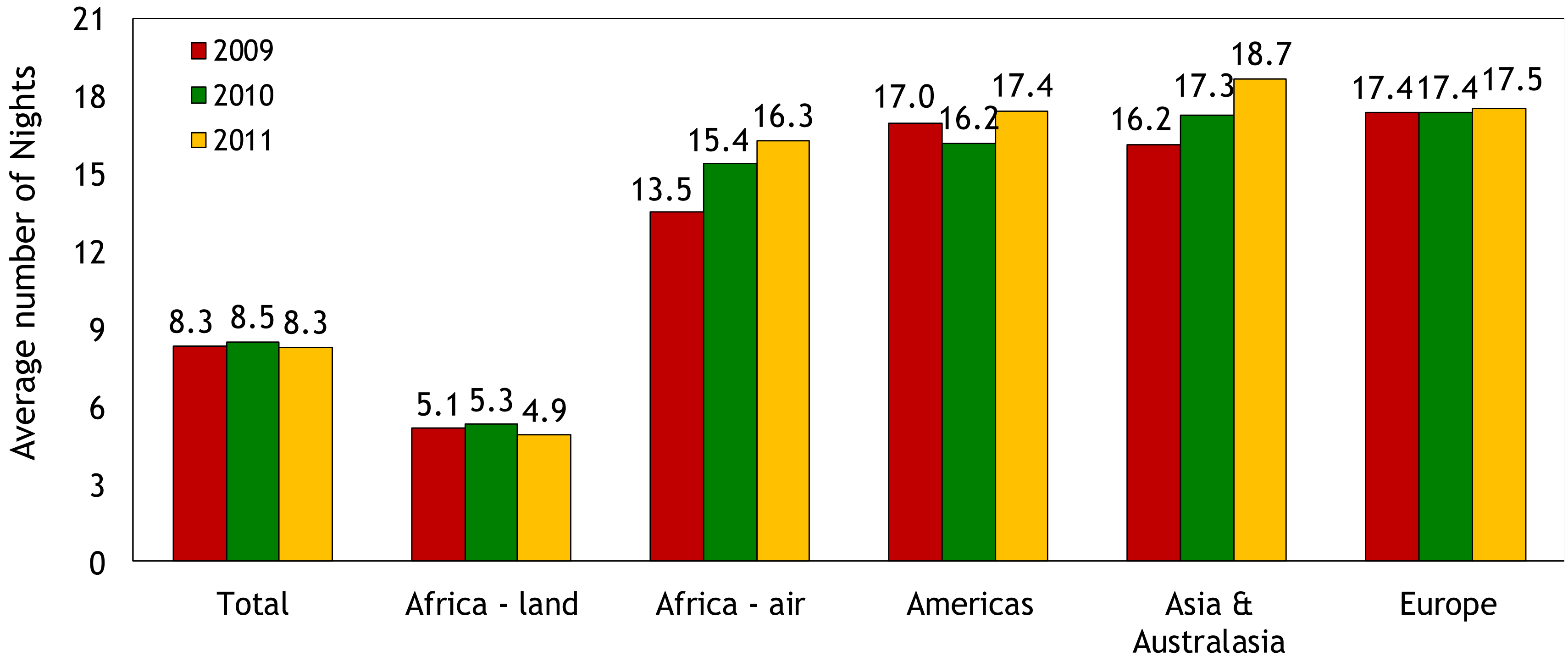
Source: SAT Departure Surveys

South African tourism key objectives

Increase in tourist volume	Increase in tourist spend	**Increase length of stay**
Improve geographic spread	Improve seasonality patterns	Promote transformation

The average length of stay decreased slightly between 2010 and 2011 driven off shorter stays by tourists from Africa land

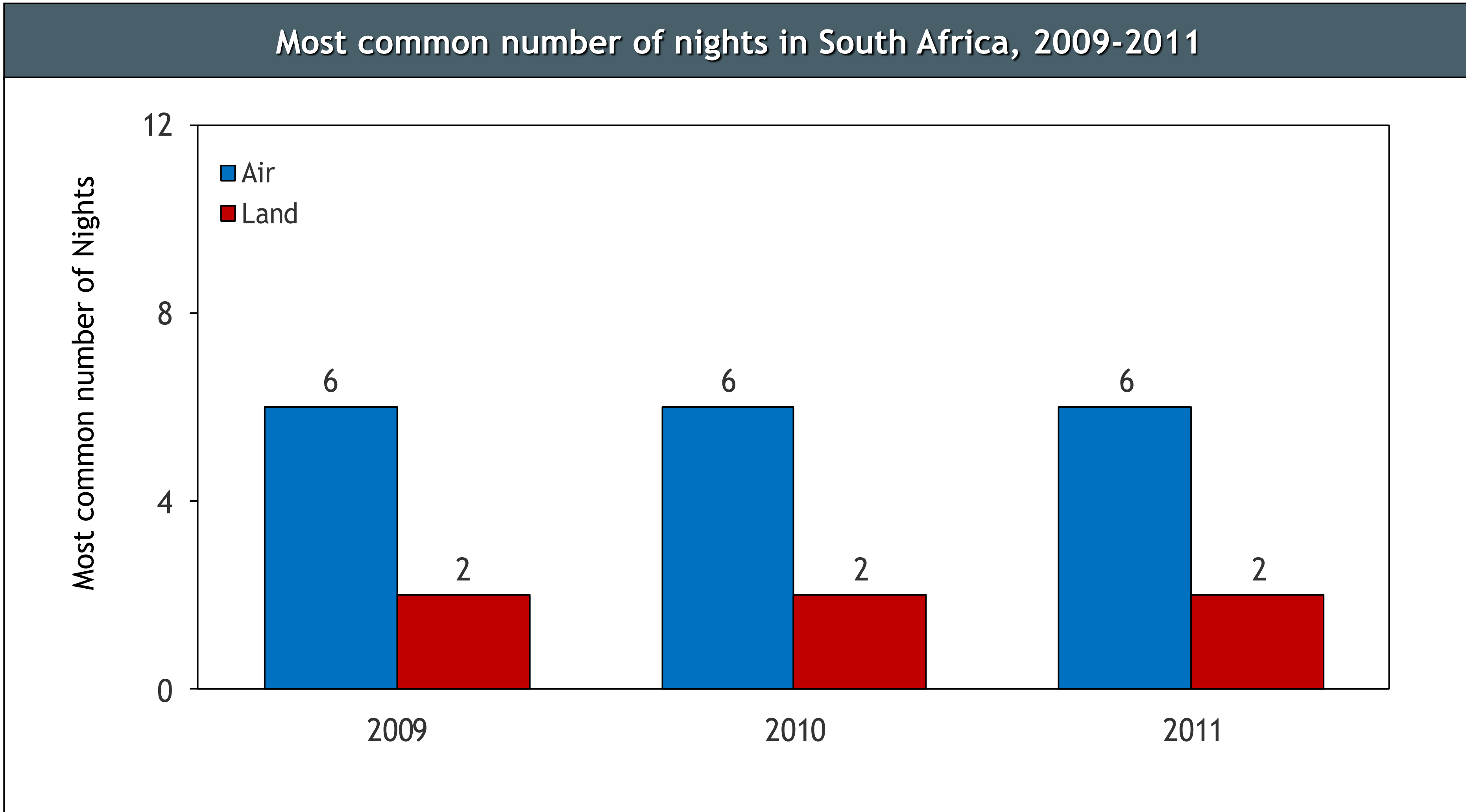
Average Length of Stay in SA for Total Tourist Arrivals, 2009-2011



$CAGR_{09-11}$	-0.2%	-2.4%	9.7%	1.5%	7.5%	0.5%

Source: SAT Departure Surveys

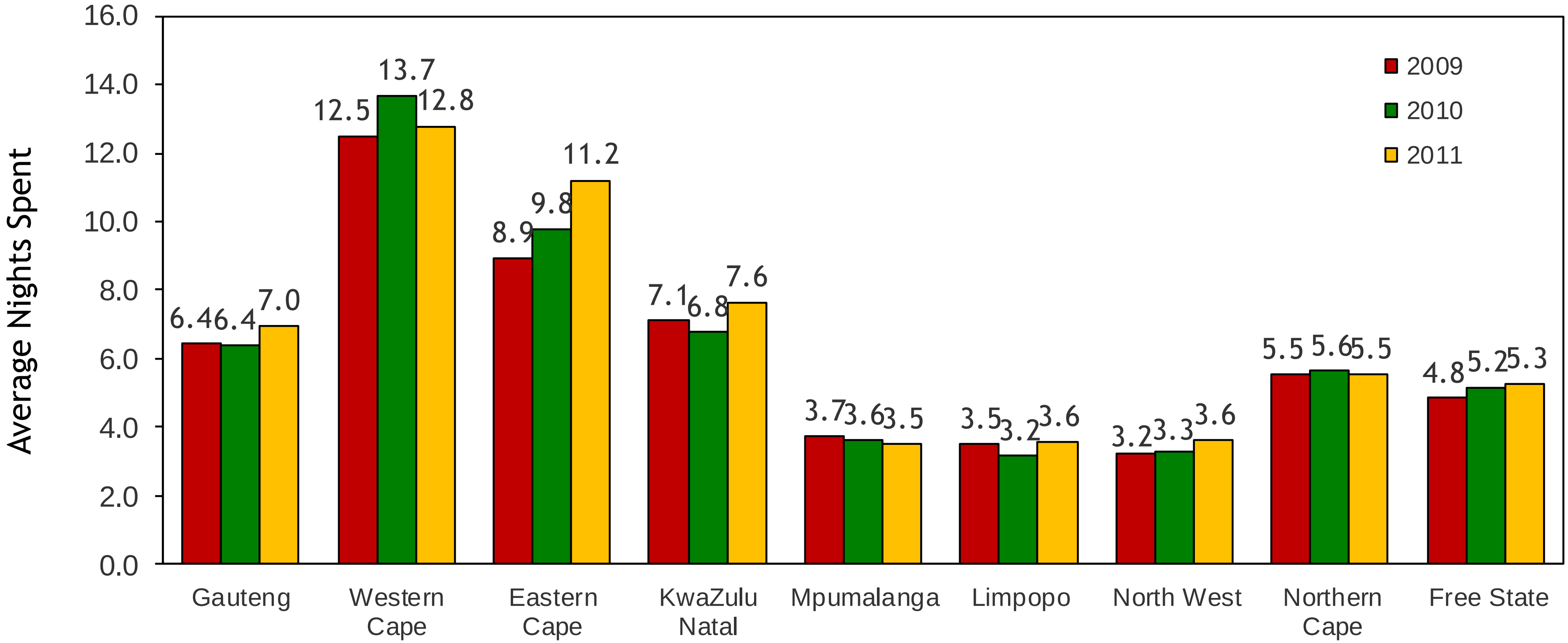
The most common length of stay of tourists from both air and land markets remained flat at 6 and 2 nights respectively



Source: SAT Departure Surveys

Western Cape, Mpumalanga and Northern Cape were the only provinces in which foreign tourists stayed, on average, shorter in 2011

Average Length of Stay by Province, 2009-2011



$CAGR_{09-11}$	3.9%	1.2%	12.1%	3.8%	-3.2%	1.0%	6.2%	0.1%	4.3%

Source: SAT Departure Surveys

South African tourism key objectives

Increase in tourist volume

Increase in tourist spend

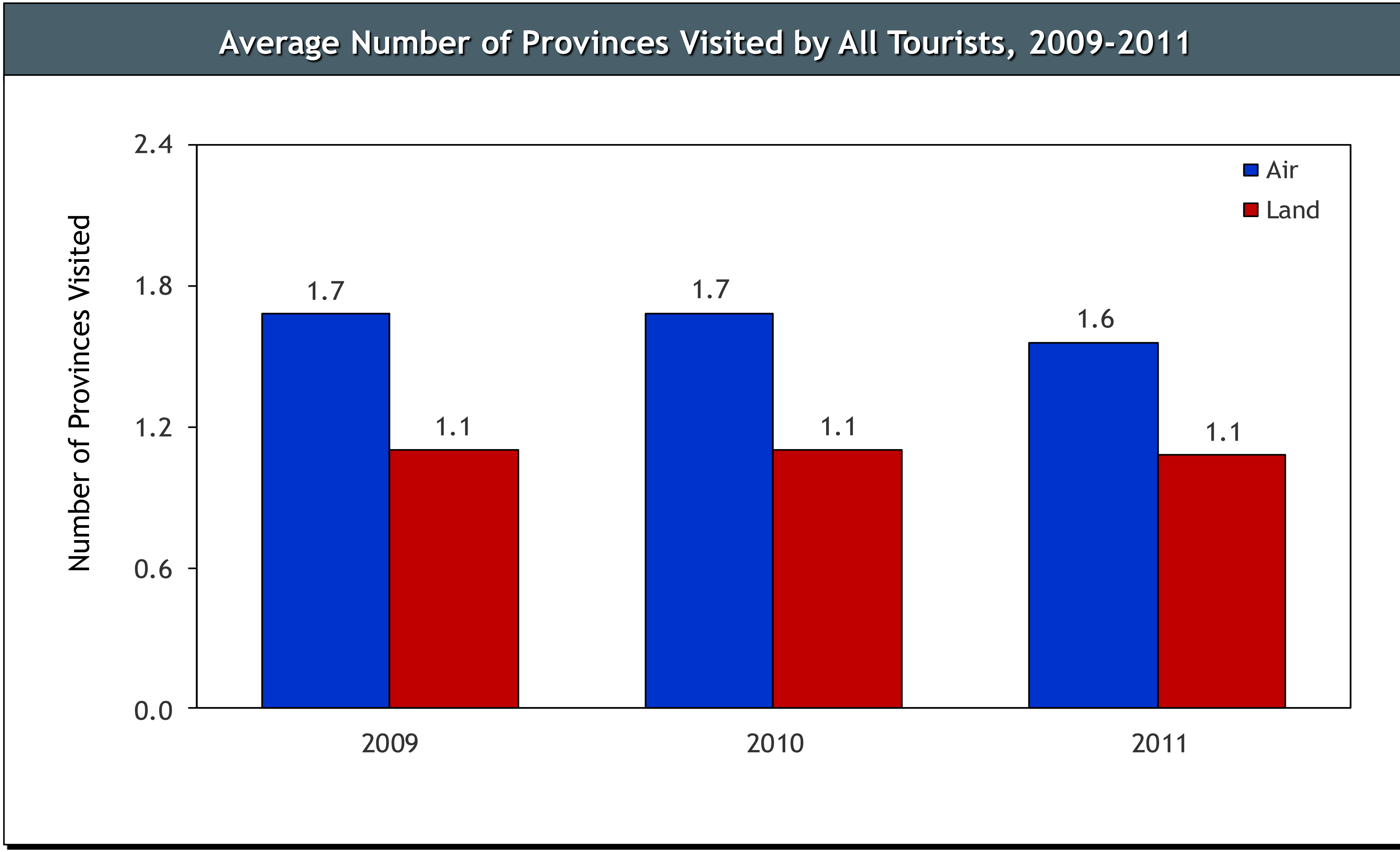
Increase length of stay

Improve geographic spread

Improve seasonality patterns

Promote transformation

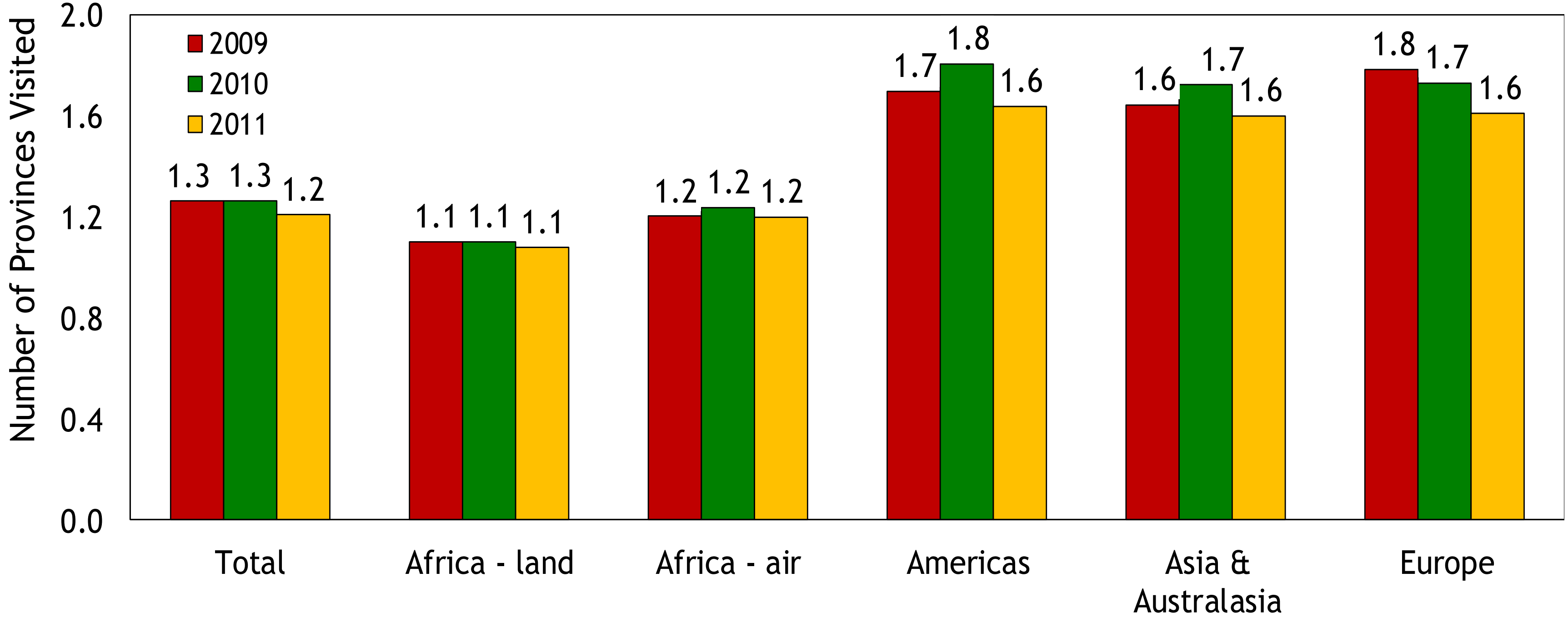
Tourists from air markets continue to visit two provinces in South Africa while their land counterparts visit one province



Source: SAT Departure Surveys

There has been a decrease in the number of provinces visited by all tourists

Average Number of Provinces Visited by All Tourists, 2009 - 2011

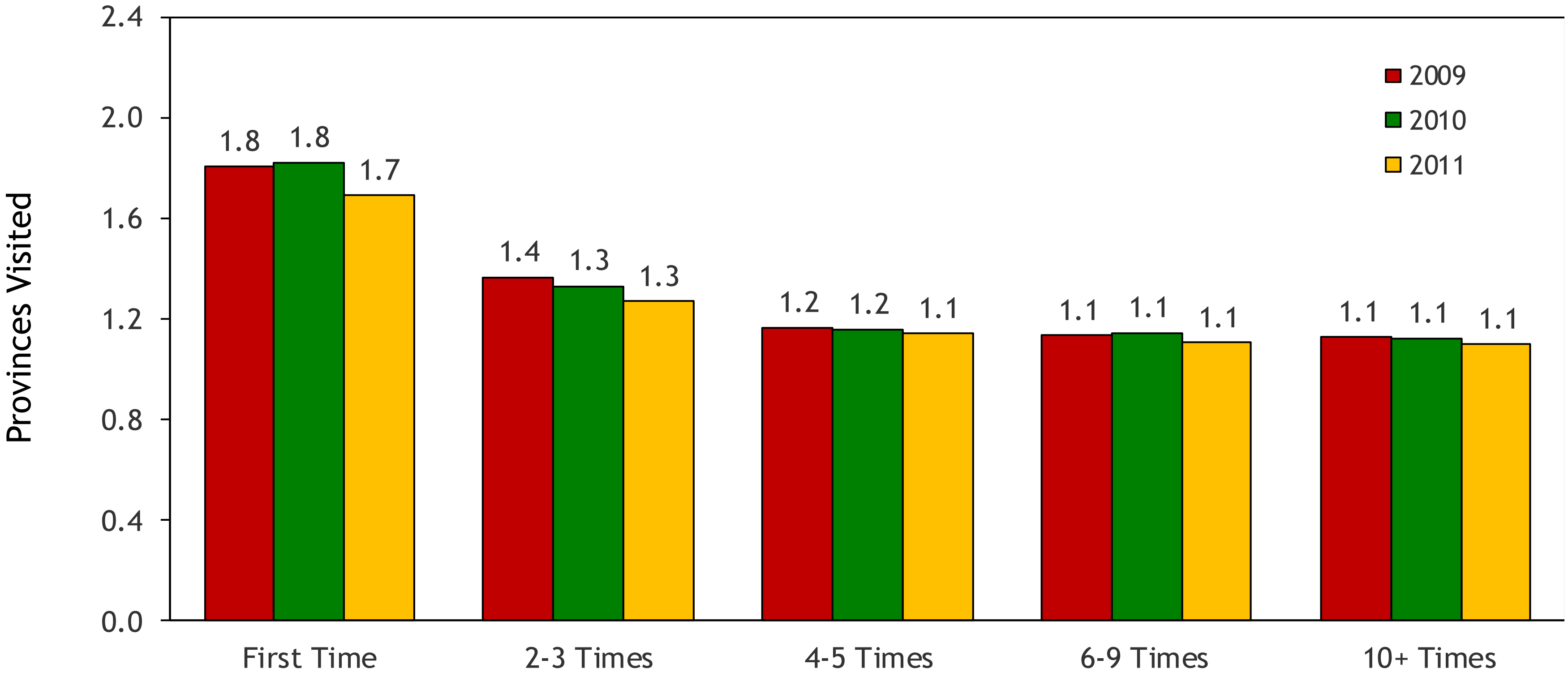


	Total	Africa - land	Africa - air	Americas	Asia & Australasia	Europe
CAGR$_{09-11}$	-2.1%	-1.0%	0.0%	-1.7%	-1.3%	-5.0%

Source: SAT Departure Surveys

Although first-time visitors tend to visit more provinces than repeat visitors, there is a trend towards fewer provinces being visited on a trip

Average Number of Provinces Visited by Frequency of Visits to SA, 2009-2011

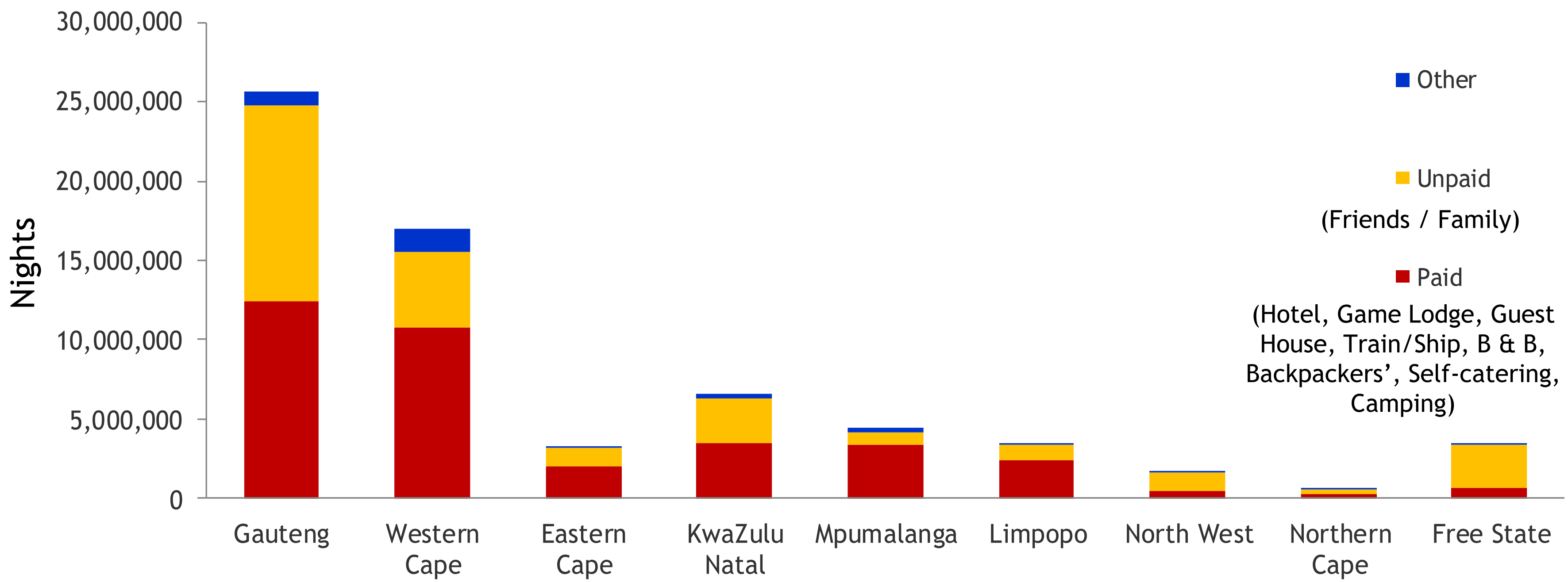


$CAGR_{09-11}$	-3.2%	-3.7%	-1.0%	-1.3%	-1.3%

Source: SAT Departure Surveys

Gauteng and Western Cape are by far the most visited provinces, and account for the bulk of the bednights spent in South Africa

Total Nights Spent in SA by Province and by Type of Accommodation, 2011



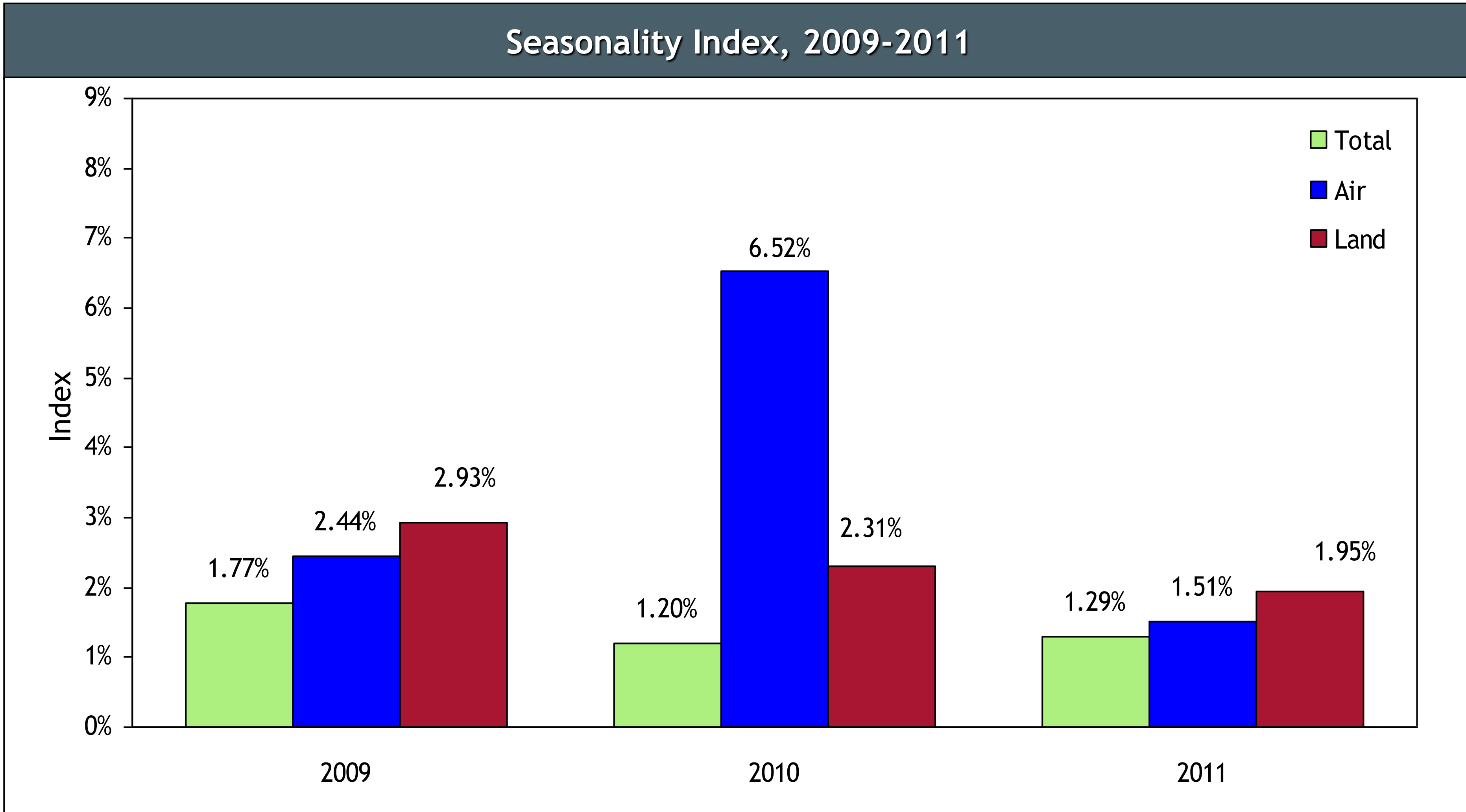
Total Nights ('000s)	25,658	16,962	3,304	6,632	4,418	3,454	1,736	544	3,445
%of Total Nights (2011)	38.8%	25.6%	5.0%	10.0%	6.7%	5.2%	2.6%	0.8%	5.2%

Source: SAT Departure Surveys

South African tourism key objectives

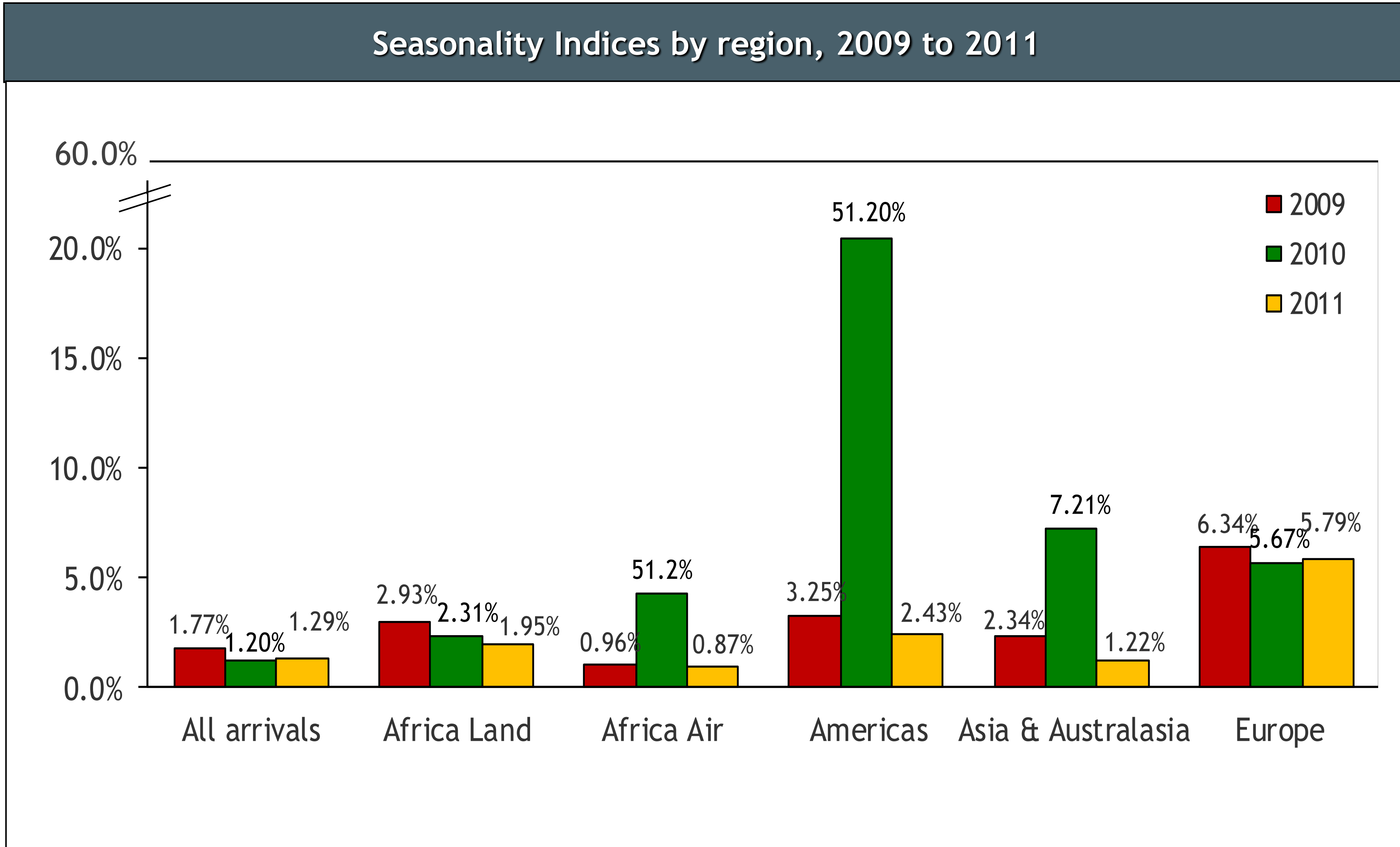
Increase in tourist volume	Increase in tourist spend	Increase length of stay
Improve geographic spread	**Improve seasonality patterns**	Promote transformation

There has been an improvement in seasonality for land and air markets.



Note: Zero percentage represents perfect seasonality while 100% represents the worst seasonality.
Source: StatsSA, Tourism & Migration release; SAT calculations

There has been an improvement in seasonality from all the regions except for Europe



Source: StatsSA, Tourism & Migration release; SAT calculations

Contents

- Overview
- Foreign
- **Domestic**

Overview of 2011 (Domestic)

A total of 13.9 million South Africans took a domestic trip in 2011, 3% more than the 13.5 million who took a domestic trip in 2010. On average there were 1.9 domestic trips taken in 2011 resulting in a total of 26.4 million domestic trips, compared to the 29.7 million in 2010.

Despite a decrease in the share of VFR trips, they continue to be the major reason for domestic trips accounting for 73% of all domestic trips taken in 2011. Holiday trips accounted for 15% of all domestic trips in 2011, business trips 5%, religious trips 6% and medical trips 1%. While there was an overall decline in the number of domestic trips in 2011, the share of holiday trips increased from 13% in 2010 to 15% in 2011.

While the average spend per trip increased from R710 in 2010 to R780 in 2011, total revenue generated from domestic tourism decreased by 3.9% to R20.3 billion in 2011 due to decreased volumes of trips. The average spend per day increased from R160/day in 2010 to R170/day in 2011 whilst the average length of trips remained constant at 4.4 nights.

As the length of stay remained constant, the total bednights decreased by 12.2% from 131 million in 2010 to 115 million in 2011 driven by the decline in the volume of domestic trips.

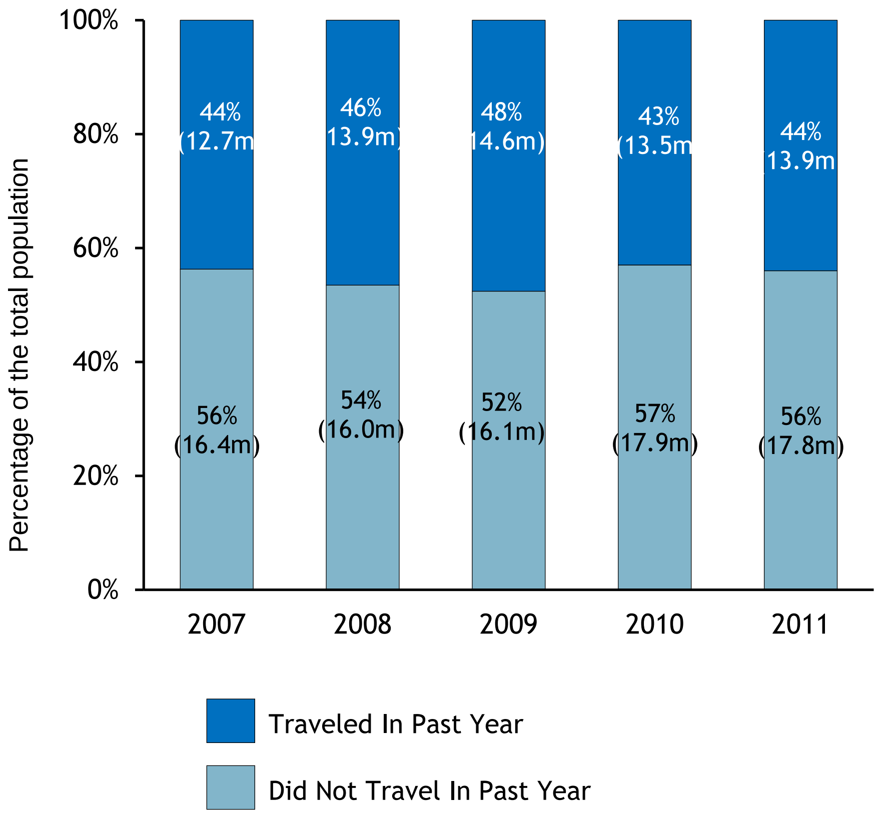
Economic constraints remain the biggest barrier to domestic travel with 32% mentioning that they cannot afford to travel.

Domestic Tourism Indicators

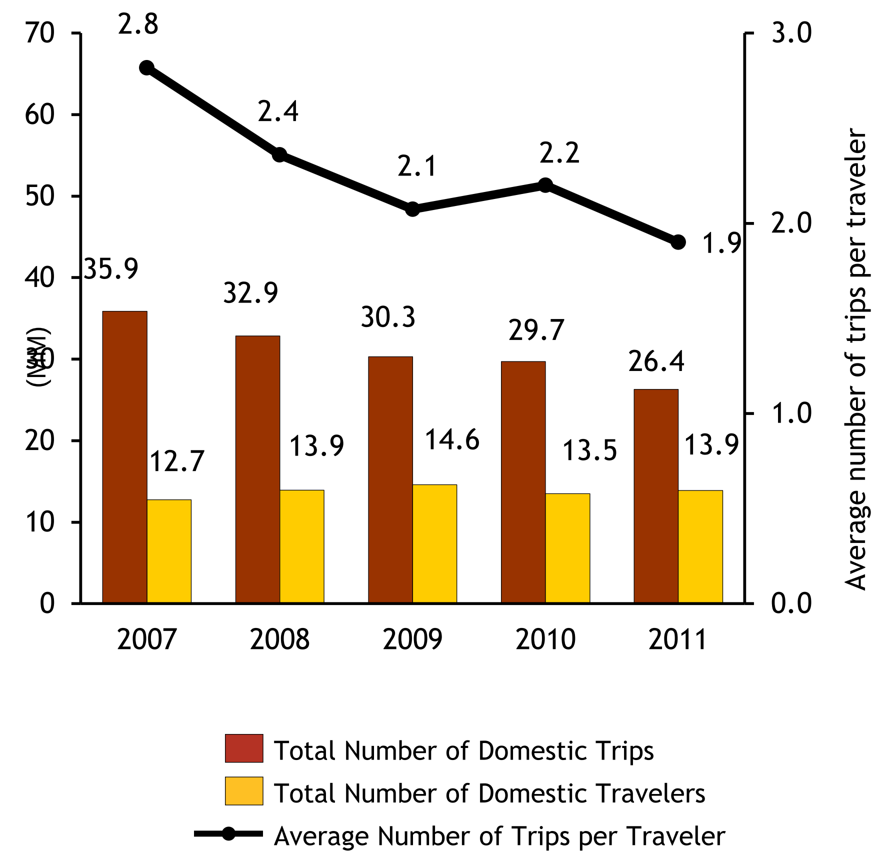
Key Metrics		2007	2008	2009	2010	2011
Domestic Travel Incidence	Annual	43.5%	46.5%	47.6%	43.0%	44.0%
	Monthly[1]	9.9%	9.0%	8.2%	7.9%	7.0%
	Adults	12.7 million	13.9 million	14.6 million	13.5 million	13.9 million
Number of Trips	Annual	35.9 Million	32.9 Million	30.3 Million	29.7 Million	26.4 Million
	By Purpose	VFR: 68%, Holiday: 16%, Business: 7%, Religious: 7%, Medical: 1%	VFR: 71%, Holiday: 16%, Business: 5%, Religious: 5%, Medical: 2%	VFR: 76%, Holiday: 12%, Business: 5%, Religious: 5%, Medical: 1%	VFR: 74%, Holiday: 13%, Business: 5%, Religious: 6%, Medical: 1%	VFR: 73%, Holiday: 15%, Business: 5%, Religious: 6%, Medical: 1%
Spend	Total Annual Spend	R20.0 Billion	R25.8 Billion	R22.4 Billion	R21.1 Billion	R20.3 Billion
	By Purpose	VFR: 45%, Holiday: 37%, Business: 14%, Religious: 3%, Medical: 0%	VFR: 45%, Holiday: 39%, Business: 12%, Religious: 3%, Medical: 2%	VFR: 59%, Holiday: 22%, Business: 17%, Religious: 2%, Medical: 1%	VFR: 51%, Holiday: 31%, Business: 14%, Religious: 3%, Medical: 0%	VFR: 53%, Holiday: 29%, Business: 12%, Religious: 3%, Medical: 1%
	Average Spend per Trip / per Day	R550 / Trip; R120 / Day	R780 / Trip; R170 / Day	R730 / Trip; R170 / Day	R710 / Trip; R160 / Day	R780 / Trip; R170 / Day
Trip Length	Total Annual Bed Nights	157.8 Million	149.0 Million	128.4 Million	130.8 Million	115.2 Million
	Average Nights per Trip	4.4	4.5	4.2	4.4	4.4

In 2011, more South Africans took a domestic trip however, the total number of trips and the average number of trips declined

Percentage of Adult Population That Has Taken A Domestic Trip Over Past Year: 2007-2011



Number of Domestic Trips and Travelers: 2007-2011

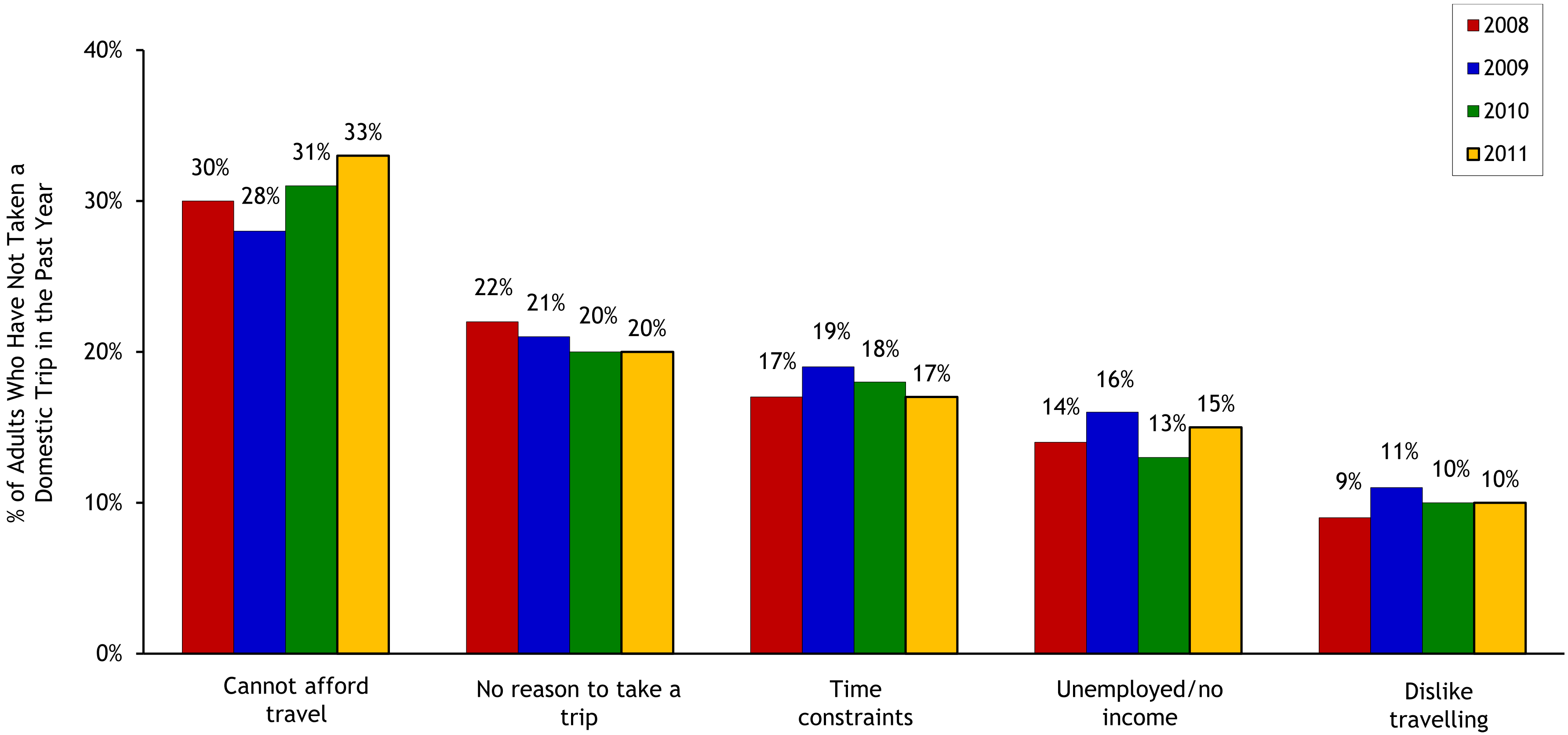


Note:[1]Based on the question "How many domestic trips have you yourself taken in the past 12 months?" asked in **each** of the monthly surveys; therefore, incidence does not correspond to an exact Jan.-Dec. time frame, but rather is an average for any point in time over the course of the year

Source: SAT Domestic Surveys for 2007-2011

While affordability remained the biggest constraint for traveling, there's still a number of people who stated that they have no reason to travel

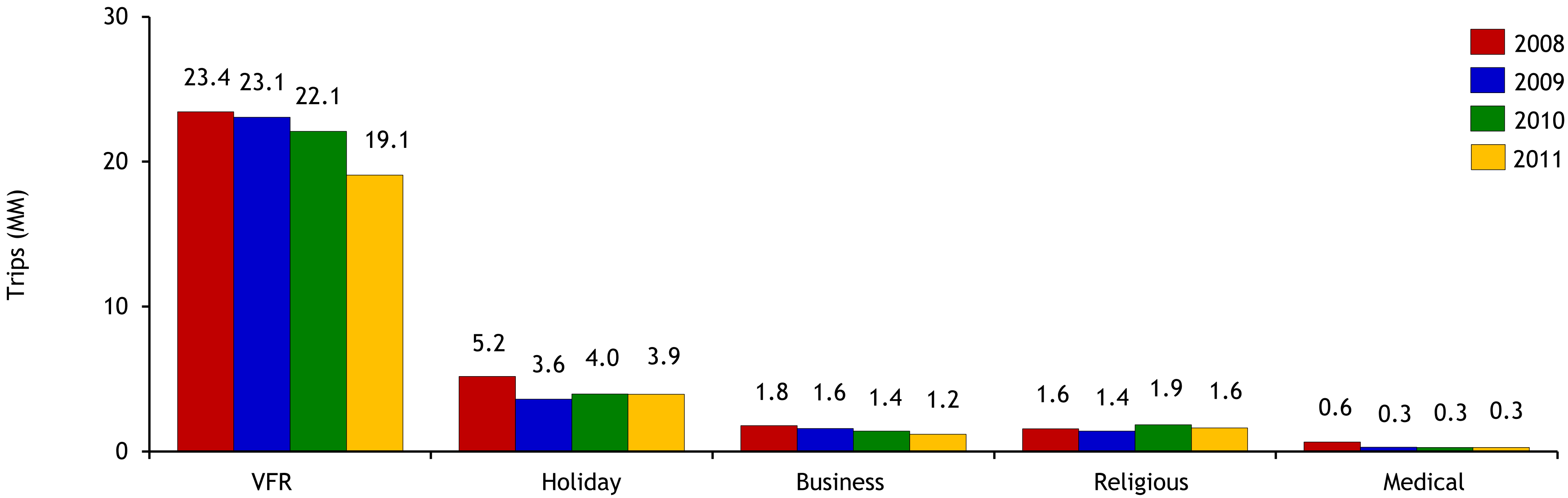
Top Five Reasons For Not Having Taken a Domestic Trip : 2008-2011[1]



[1] Respondents could give more than one reason for not taking a trip
Source: SAT Domestic Surveys for 2008-2011

The main purpose of taking a domestic trip remained VFR, however fewer VFR trips were taken in 2011. While the number of holiday trips declined slightly to 3,9 million in 2011, the share of holiday trips increased to 15% in 2011

Number of Domestic Trips by Purpose (in MM): 2008-2011



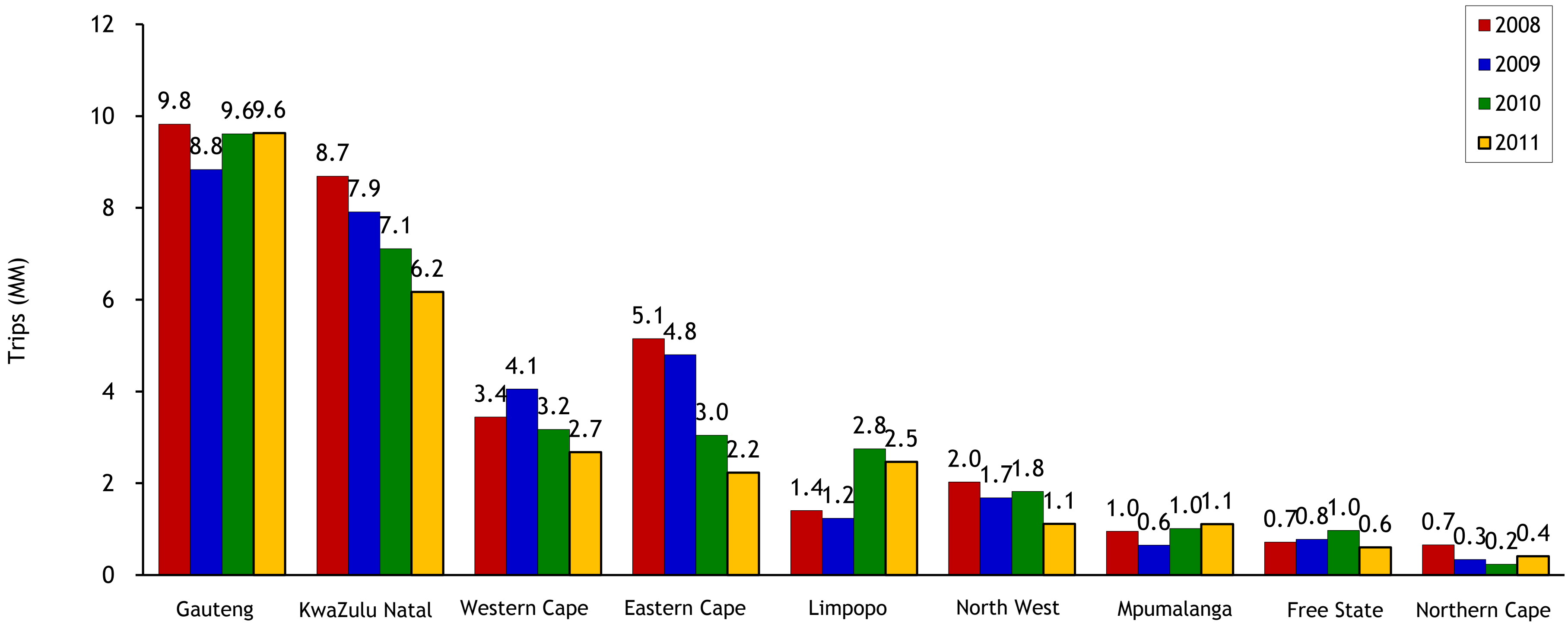
Share of Total Trips by Year

2008	71.4%	15.7%	5.4%	4.8%	2.0%
2009	76.2%	12.0%	5.3%	4.6%	1.0%
2010	74.3%	13.4%	4.7%	6.2%	1.0%
2011	72.6%	15.0%	4.5%	6.2%	1.1%

Note: Share of trips does not add to 100% because of category “Other” that is not shown on the graph; Holiday includes sports (spectator) and shopping (personal); Business includes business (professional), business (MICE), shopping (resale) and sports (participant)
Sum of purpose of visit does not total to 26,4m due to rounding errors.
Source: SAT Domestic Surveys for 2008-2011

Most domestic trips originate from Gauteng followed by KwaZulu-Natal

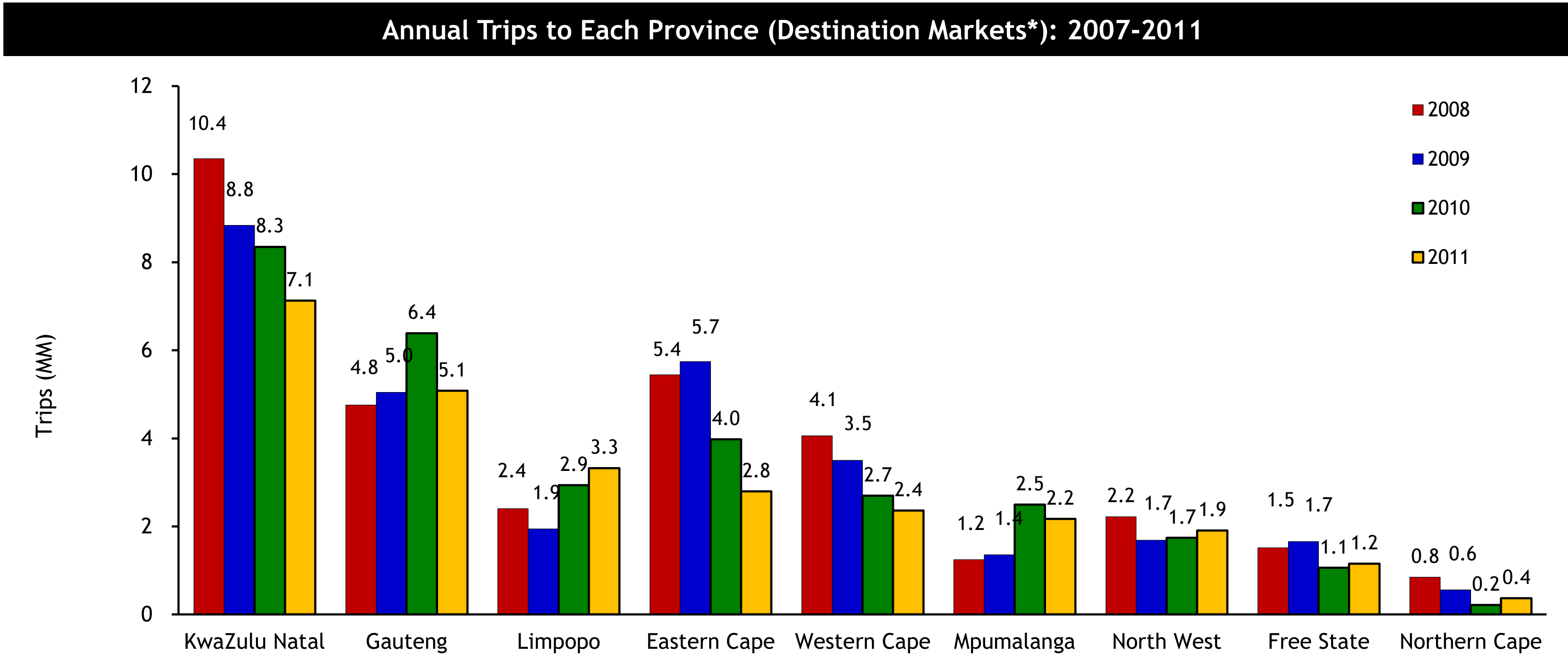
Annual Domestic Trips by Province of Residence (Source Markets): 2008-2011



2008	30%	26%	10%	16%	4%	6%	3%	2%	2%
2009	29%	26%	13%	16%	4%	6%	2%	3%	1%
2010	32%	24%	11%	10%	9%	6%	3%	3%	1%
2011	36%	23%	10%	9%	9%	4%	4%	2%	2%

Source: SAT Domestic Surveys for 2008-2011

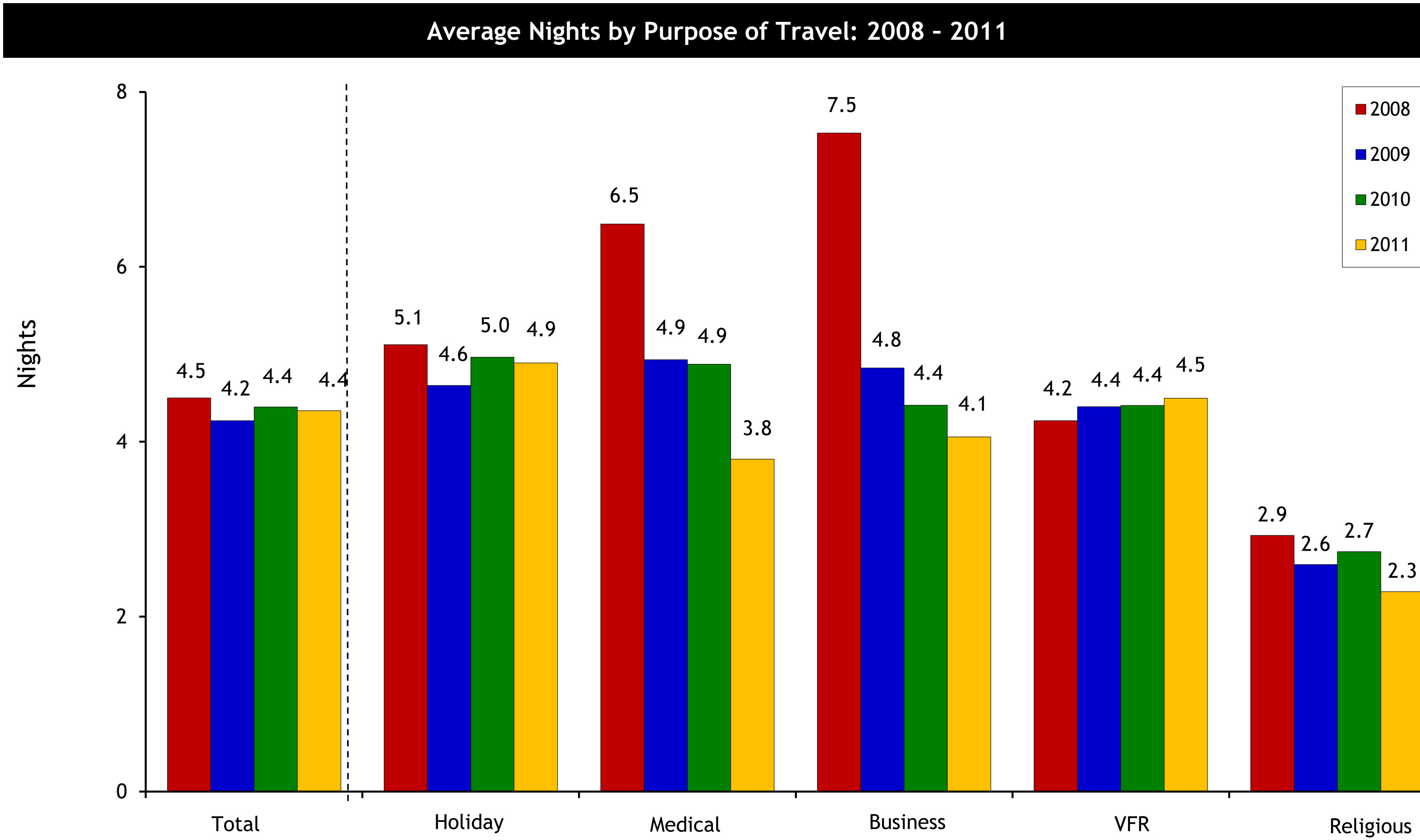
KwaZulu-Natal and Gauteng were the most popular destinations for domestic trips.



2008	32%	14%	7%	17%	12%	4%	7%	5%	3%
2009	29%	17%	6%	19%	12%	4%	6%	5%	2%
2010	28%	21%	10%	13%	9%	8%	6%	4%	1%
2011	27%	19%	13%	11%	9%	8%	7%	4%	1%

Source: SAT Domestic Surveys for 2007-2011
Note: *Trips to Provinces exceeds the total number of trips as one can go to more than one province in one trip

The average domestic trip lasted about 4.4 nights, with holiday trips lasting the longest in 2011

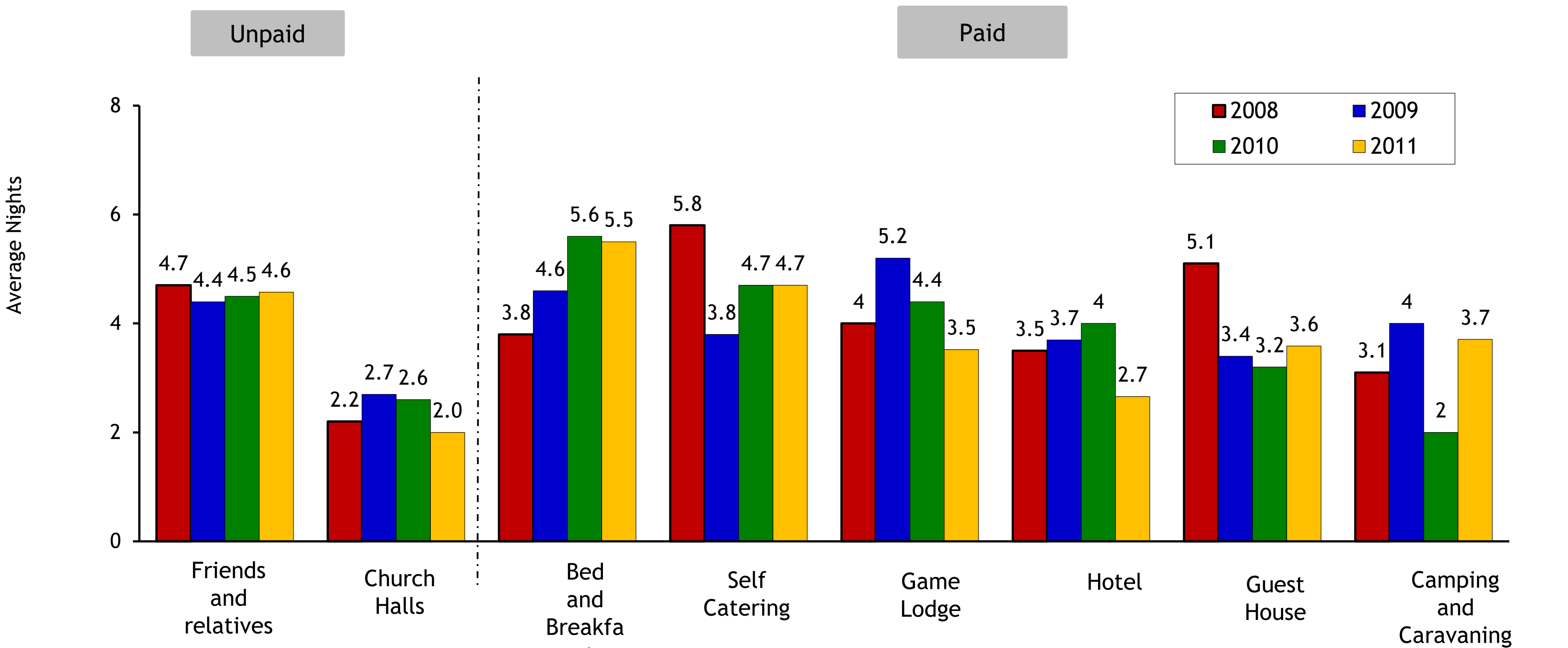


Source: SAT Domestic Surveys for 2008 – 2011

While most nights are spent in unpaid accommodation, the average length of stay in paid accommodation is longer

	2008	2009	2010	2011
Total Domestic Bed-Nights (MM)	149.0	128.4	130.8	115.2

Average length of stay by Accommodation Type: 2008 - 2011

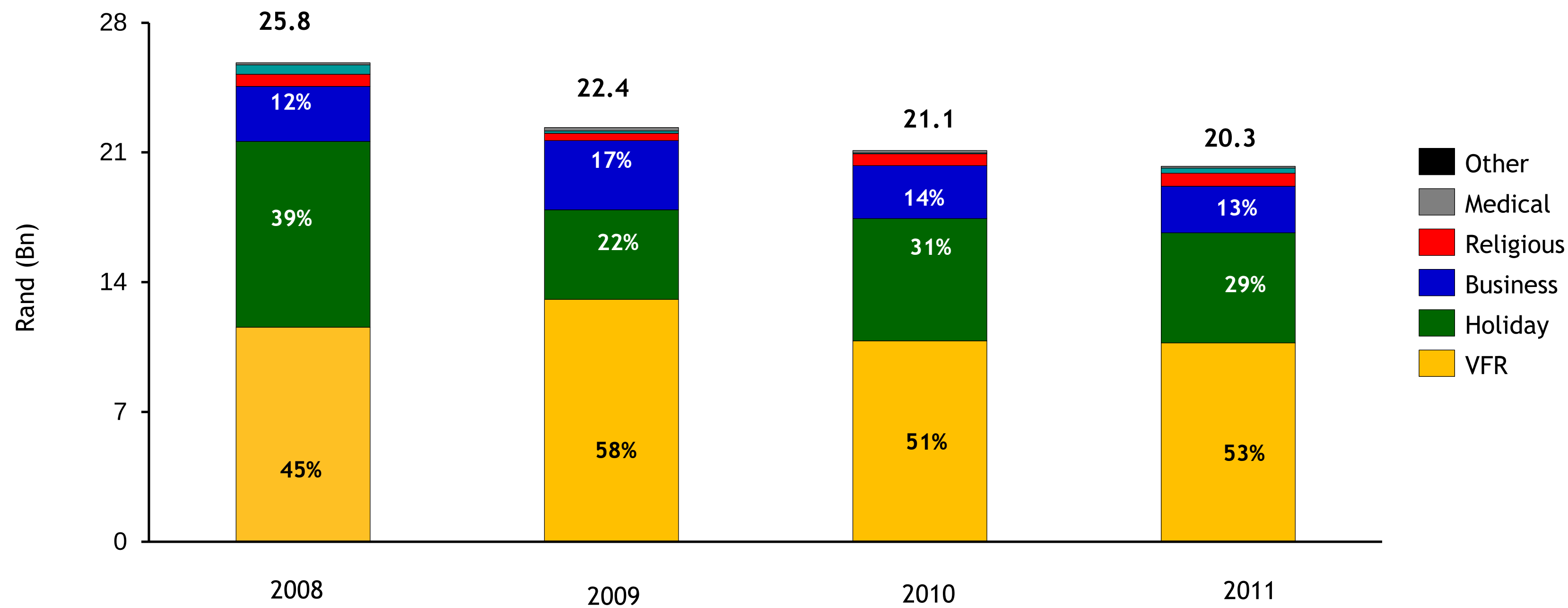


	Friends and relatives	Church Halls	Bed and Breakfast	Self Catering	Game Lodge	Hotel	Guest House	Camping and Caravaning
Share of total bednights '08	81.1%	1.4%	1.8%	4.5%	0.4%	3.9%	2.5%	1.0%
Share of total bednights '09	84.6%	1.8%	2.3%	3.2%	0.6%	3.8%	1.9%	0.6%
Share of total bednights '10	81.0%	2.6%	1.9%	4.1%	0.3%	4.7%	2.3%	0.5%
Share of total bednights '11	83.0%	1.9%	2.3%	3.4%	0.4%	2.1%	4.2%	1.5%

Source: SAT Domestic Surveys for 2008-2011

In 2011, VFR trips contributed 53% to total domestic spend, an increase from the 51% contribution in 2010. Holiday trips accounted for 29% of total spend, down from the 31% of 2010

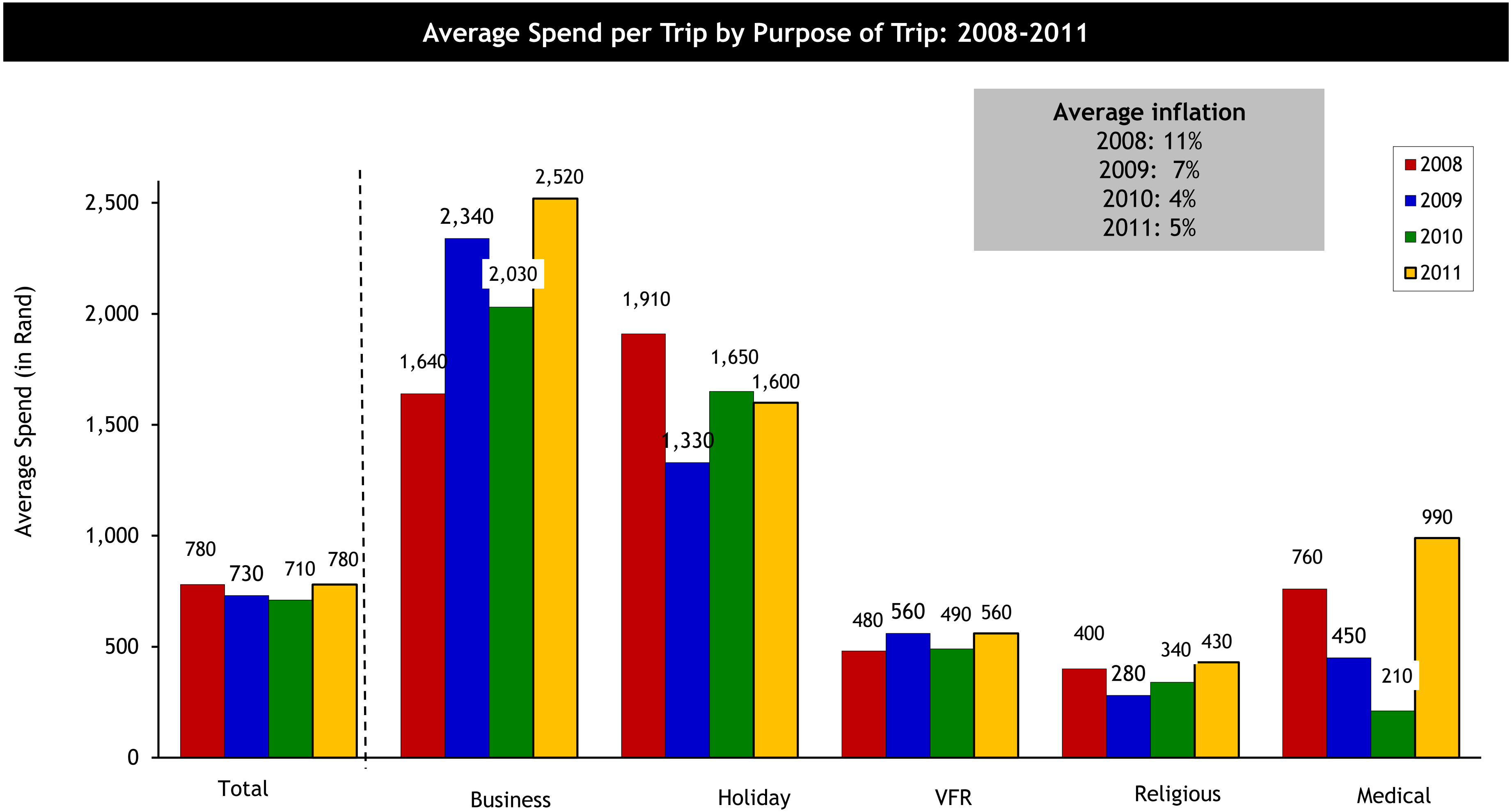
Spending on Domestic Trips by Purpose: 2008-2011



Share of Trips (%)	VFR	Holiday	Business	Religious	Medical	Other
2008	71.4%	15.7%	5.4%	4.8%	2.0%	0.7%
2009	76.2%	12.0%	5.3%	4.6%	1.0%	1.0%
2010	74.3%	13.4%	4.7%	6.2%	1.0%	0.4%
2011	72.6%	15.0%	4.5%	6.2%	1.1%	0.6%

Note: Holiday includes sports (spectator) and shopping (personal); Business includes business (professional), business (MICE), shopping (resale) and sports (participant)
Source: SAT Domestic Surveys for 2008-2011

Between 2010 and 2011, there was an increase in average spend per trip across all purpose of visit categories with the exception of holiday trips



Note: Holiday includes sports (spectator) and shopping (personal); Business includes business (professional), business (MICE), shopping (resale) and sports (participant)
Source: SAT Domestic Surveys for 2008-2011

For more information contact:

South African Tourism

Private Bag X10012

Sandton

Johannesburg

2146

Tel: +2711 895 3000

Email: research@southafrica.net

www.southafrica.net