



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

SOUTH AFRICA: STATE OF TOURISM REPORT 2016/17

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LIST OF ABBREVIATIONS

ABBREVIATION	
ACSA	Airports Company South Africa
ADR	Average Daily Rate
ARR	Average Room Rate
ASK	Available Seat Kilometre
EC	Eastern Cape
FS	Free State
GDP	Gross Domestic Product
GP	Gauteng
IATA	International Air Transport Association
ICCA	International Congress and Convention Association
KZN	KwaZulu-Natal
LP	Limpopo
MICE	Meetings, Incentives, Conferences and Exhibitions
MP	Mpumalanga
NC	Northern Cape
NDP	National Development Plan
NW	North West
PLF	Passenger Load Factor
RPK	Revenue Passenger Kilometres
RevPAR	Revenue Per Available Room
SA	South Africa
SADC	Southern African Development Community
SA Tourism	South African Tourism

LIST OF DEFINITIONS

ADR (Average Daily Rate)	Room revenue/rooms sold: i.e., a measure of the average rate paid for rooms sold is calculated by dividing room revenue by rooms sold.
Available Seat-Kilometres (ASK)	The number of seats carriers have available multiplied by the number of kilometres flown. The ratio of revenue passenger kilometres.
Country of Residence	The country of residence of a household is determined according to the centre of predominant economic interest of its members. If a person resides (or intends to reside) for more than one year in a given country and has there his/her centre of economic interest (for example, where the predominant amount of time is spent), he/she is considered as a resident of this country.
Destination (main destination of a trip)	The main destination of a tourism trip is defined as the place visited that is central to the decision to take the trip.
Domestic Day Trips	A trip outside of the respondent's usual environment, where they leave and return within the same day (i.e., do not stay overnight).
Domestic Overnights	A visitor/tourist who stays at least one night in collective or private accommodation in the place visited.
Domestic Tourism	The tourism of resident visitors within the economic territory of the country of reference.
Inbound Tourism	Which comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip.
Industry	Group of establishments engaged in the same or similar kinds of activity.
International Tourism	The combination of inbound tourism and outbound tourism.
Occupancy	Rooms sold/rooms available: the percentage of available rooms that were sold during a specified period of time. Occupancy is calculated by dividing the number of rooms sold by the number of rooms available.
Outbound Tourism	Comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.

Passenger Load Factor	The ratio of revenue passenger kilometres (RPK) to available seat-kilometres (ASK) is called passenger load factor: i.e., the percentage of capacity used.
Purpose of Visit	The major groups that are recommended for classifying the main purpose of visit (or trip) are: leisure, recreation and holidays; visiting friends and relatives; business and professional reasons; health treatment; religion/pilgrimages and other.
Region	An area, especially part of a country or the world, having definable characteristics but not always fixed boundaries.
Revenue Passenger-Kilometres (RPK)	RPK represents one paying passenger transported over one kilometre, so the number of passengers is multiplied by the distance flown. This means that each long-haul passenger contributes more to total traffic measured in RPKs than each short-haul passenger does.
RevPAR (Revenue per available room)	Room revenue/rooms available (or = occupancy x ADR): the total guest room revenue divided by the total number of available rooms.
Total foreign direct spend in South Africa (TFDS)	The total amount spent directly in South Africa by all foreign tourists including amounts spent on goods for resale and capital investments.
Tourism Demand	Is the sum of tourism consumption, tourism collective consumption and tourism gross fixed capital formation.
Tourism Employment	An activity in which a person performs work for pay, profit or family gain. Such a person can be self-employed, an employer, an employee or a working family member.
Tourism Gross Domestic Product	Tourism GDP is the GDP generated in the economy by the tourism industries and other industries in response to tourism internal consumption.
Tourism Sector	The tourism sector consists of the set of institutional units whose principal economic activity is a tourism-characteristic activity. These units might belong to the following institutional sectors: households; non-financial corporations (private, foreign owned, publicly owned); financial corporations; general government or non-profit institutions serving households.

Tourist	A visitor who stays at least one night in the place visited.
Traveller	A traveller is any person on a trip between two or more countries, or between two or more localities within his/her country of usual residence.
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.
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.

INTRODUCTION

Tourism is an important sector in South Africa as it does not only contribute to the country's economy by creating jobs but also showcases the different historical, natural and cultural attractions for both domestic and international tourists. South Africa's key strategic documents have recognised the tourism sector's potential to bring about economic growth and employment creation in the country.

In the 2018 State of the Nation Address, President Cyril Ramaphosa identified tourism as a one of the key areas that contributes towards the economy and has the potential to have a more significant impact in the coming years (State of the Nation Address, 16 February 2018). South Africa's Growth Path Framework (2011), which aims to create 5-million jobs and reduce unemployment from 25% to 15% over the next 10 years in South Africa, has identified tourism as one of the areas expected to contribute significantly to the growth of the economy, job creation and the development of rural areas within the country (Department of Economic development, 2011). The National Development Plan (NDP), an economic policy framework for the country which aims to eliminate poverty and reduce inequality by 2030, also recognises tourism as a key driver of employment, economic growth and the national transformation agenda (NDP,2012).

In 2011, the Department of Tourism together with key tourism stakeholders developed the National Tourism Sector Strategy (NTSS). The NTSS is a detailed plan that is meant to assist in accelerating the contribution of the tourism sector to the economic development of the country (NTSS, 2011). The NTSS further identifies priority actions for implementation in the short, medium and long term. The strategy has recently been reviewed with targets covering the period 2015 to 2026.

South African Tourism has also developed a 5 in 5 strategy in 2017. The strategy's main goal is to contribute to the inclusive growth of the South African tourism economy by adding 5 million visits (international and domestic) in the next five years (SA Tourism, 2017). There are five key thrusts outlined in the 5 in 5 strategy which are:

- develop and implement a marketing investment strategy that allows SA Tourism to focus on prioritised markets and segments;

- build a recognised, appealing, resilient and competitive tourism brand for South Africa across all markets and segments;
- collaborate with partners, both local and international, to maximise synergies, enhance traveller experience and close sales;
- drive operational efficiency in all activities; and
- build an inspiring and energised organisation.

To monitor the performance of the sector, the Department of Tourism produces an Annual State of Tourism Report which serves as a strategic tool to inform decision-makers and businesses on the sector's performance and developmental aspects. This report is relevant as it can be used to achieve various aims, one of which is to inform government frameworks and plans relating to the performance of the tourism sector. The report can further be used by the private sector to inform planning and decision making on issues relating to the tourism sector.

BACKGROUND

The State of Tourism Report (STR) provides a detailed performance of the tourism sector both in South Africa and globally. To achieve this, secondary data from both global and South African data sources are analysed to develop a comprehensive performance report of the sector. The State of Tourism Report could be used to report on the NTSS targets that monitor the performance of the tourism sector. This report also includes provincial profiles which includes the analysis of key indicators that track tourism performance at a provincial level.

The 2015/16 STR was published in September 2017 and it provides a detailed analysis of the tourism sector's supply and demand side performance. It has been noted that such a detailed report continues to be relevant over some time (a year or so) after it has been released; therefore, this high-level STR report will be produced every two years. It is on this basis that this report is considered high-level and could be used together with the detailed 2015/16 report that was published in 2017. The next detailed STR 2017/18 report will thus be published only in 2019.

The Department has developed an STR framework which is used as a guideline to develop this report. The framework outlines the key variables to be included in the 2016/17 STR. This framework also identifies the data sources and data collection methods for each indicator and outlines the structure of the report. The framework is updated annually in line with the review of the STR.

The 2016/17 STR used secondary data to report on the performance of the tourism sector. This secondary data was sourced from different institutions such as the United World Tourism Organization (UNWTO), the World Travel and Tourism Council (WTTC) and the International Air Transport Association (IATA). These data sources were used to report on the performance of the sector globally. In addition, and specifically for the analysis of the South Africa tourism sector performance, secondary data was sourced from organisations such as SA Tourism, Statistics South Africa (Stats SA), the Airports Company of South Africa (ACSA). In addition, the 2016/17 STR provides provincial profiles which can be used by the provinces to monitor tourism trends and performance at a provincial level based on secondary data.

This report includes the analysis of key indicators such as, but not limited to:

- Section One: Global Tourism Performance
 - Value of tourism to the global economy;
 - Global tourism performance;
 - Global tourism supply performance;
- Section Two: South African Tourism Performance
 - Value of tourism to the South African economy;
 - South Africa's inbound tourism performance;
 - South African domestic tourism performance;
 - Provincial tourism performance;
 - South African visa facilitation and tourism related industries performance
- Annexures: Provincial profiles: domestic and inbound tourism

2017: GLOBAL TOURISM PERFORMANCE



**Tourism Total Contribution to GDP
2017: US\$8. 272.3 billion.
Tourism Direct Contribution to GDP
2017: US\$2 570.1 billion.**

Source: WTTC, data cuts March 2018.



**Tourism Total Employment
Contribution 2017: 313.2 million
jobs.**

**Tourism's Direct Employment
Contribution 2017: 118.5 million
jobs.**

Source: WTTC, data cuts March 2018.



**2017: The majority of
international tourists travelled
for leisure, recreation and
holiday purposes (55%)**

Source: UNWTO Tourism Highlights 2018



**Total Receipts 2017:
US\$1,340 billion.
(4.9% increase compared to
2016)**

Source: UNWTO Barometer October 2018



**Total Tourist Arrivals 2017:
1,323 million.
(6.8% increase compared to 2016)**

Source: UNWTO Barometer March/April 2018

SECTION 1: THE VALUE OF TOURISM TO THE GLOBAL ECONOMY

The tourism sector has made a significant contribution to the world economy over the years by contributing towards economic development and job creation. Countries across the world have become dependent on the tourism sector for improving their economies. This section of the report details the value of the tourism sector to the global economy by analysing key indicators which include the contribution of tourism to the global Gross Domestic Product (GDP) and global total employment for the period 2013-2018. The figures reported in this section are primarily sourced from the World Travel and Tourism Council (WTTC).

1. GLOBAL TOURISM ECONOMY: 2017

The UNWTO Secretary-General, Zurab Pololikashvili, recently stated that *“International travel continues to grow strongly, consolidating the tourism sector as a key driver in economic development. As the third export sector in the world, tourism is essential for job creation and the prosperity of communities around the world”* (UNWTO Barometer, January 2018:1). It can be deduced from this statement that the tourism sector has made a significant economic impact to economies across the world.

Some of the economic benefits of tourism include, amongst others, the creation of new jobs and opportunities, the stimulation of trade, income and entrepreneurship, the generation of foreign exchange and increased regional development (Harcombe, 1999). Tourism is also considered to be an export sector because when tourists visit a country, funds are being transferred from outside the country and remain in the country visited. As an export sector, tourism’s performance over the years has made the sector as competitive as oil exports, food products and the automobile industry (UNWTO, 2017). Tourism also represents one of the main income sources for many developing countries across the world (UNWTO, 2017). In order to show the impact tourism has on the world economy, the contribution of tourism to the Gross Domestic Product (GDP) (direct and indirect) and the number of jobs created (direct and indirect) is often used as a measure; the section below focuses on these indicators.

1.1 Travel and Tourism’s Contribution to Gross Domestic Product 2013-2018

The total (direct and indirect) contribution of the Travel and Tourism sector to GDP for the period 2013-2017, and projected figures for 2018, are indicated in figure 1 and 2 below. Countries with the highest direct contribution in terms of the Travel and Tourism sector to GDP in absolute value in 2017 will also be presented in this section.

1.2 Travel and Tourism’s Total Contribution to Gross Domestic Product: 2013-2018 (estimates)

According to the World Travel and Tourism Council (WTTC, 2018), the total contribution of the Travel and Tourism sector to the global economy was about US\$7,936.7 billion in 2016 (10.3% of global GDP) and it went up to US\$8,272.3 billion (10.4% of global GDP) in 2017 as indicated in figure one. WTTC has projected that the total contribution of tourism to GDP will go up to US\$8,604.5 billion in 2018 (10.5% of global GDP). The total contribution of the Travel and Tourism sector grew by 4.2% from 2016 to 2017.

Figure 1: Tourism Total Contribution to GDP 2013-2018 (estimates)



Source: WTTC, data cuts, 26 March 2018

1.3 Travel and Tourism’s Direct Contribution to Gross Domestic Product: 2013-2018 (estimates)

Figure 2 below indicates that the Travel and Tourism sector’s direct contribution to GDP was about US\$2,456.2 billion (3.2% of global GDP) in 2016 and increased to US\$2,570.1 billion (3.2% of GDP) in 2017. It is estimated that in 2018, the direct contribution of the Travel and Tourism sector will go up to US\$2,674.2 billion (3.3% of total GDP). The direct contribution of the Travel and Tourism sector grew by 4.6% from 2016 to 2017 globally.

Figure 2: Tourism Direct Contribution to GDP 2013-2018 (estimates)



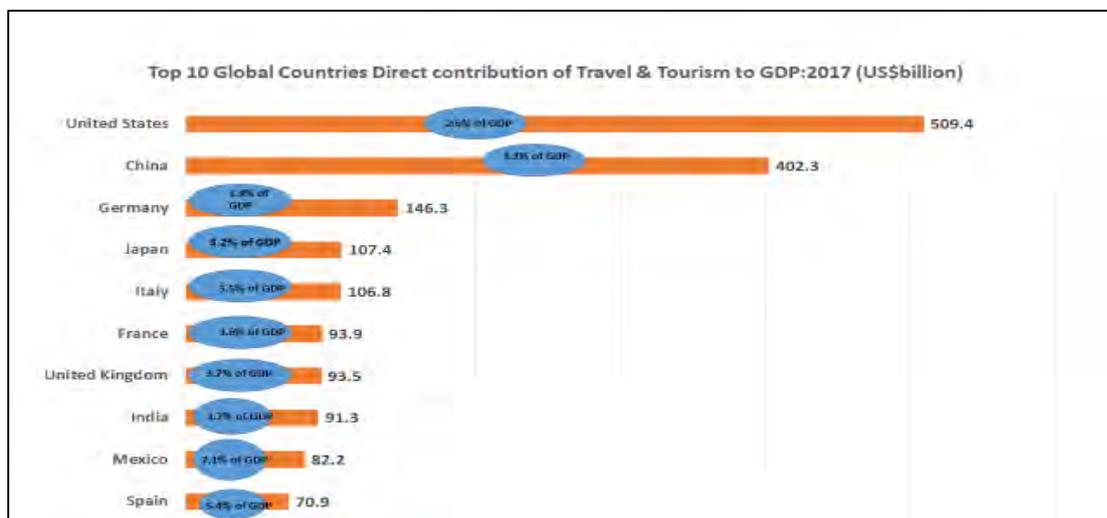
Source: WTTC, data cuts, 26 March 2018

Top ten countries globally by Travel and Tourism sector’s direct contribution to Gross Domestic Product in absolute numbers: 2017

The graph below (Figure 3) ranks the top ten (10) countries by Travel and Tourism sector’s direct contribution to a country’s GDP in absolute value for the period 2017. The United States of America’s travel and tourism sector leads globally, directly contributing US\$509.4 billion to the country’s GDP in 2017, followed by China with a

direct contribution of about US\$402.3 billion. Germany's Travel and Tourism sector's direct contribution was considered the third highest with a total of US\$146.3 billion for the same period under review. The graph also indicates the direct percentage of the contribution of the travel and tourism sector to the GDP of these countries. Amongst the top ten, Mexico leads as the country in which the travel and tourism sector had the highest percentage contribution (7.1%) towards the country's GDP. The results indicated that the direct percentage contribution of travel and tourism to these countries GDP is smaller in percentage share versus absolute value. For example, the USA's travel and tourism sector was leading in terms of the country's travel and tourism sector's contribution in absolute value; however, the USA's travel and tourism sector's percentage share contribution to the country's GDP was only 2.6%. One of the possible reasons for the Travel and Tourism sector's direct percentage share contribution in these countries being small and the absolute value direct contribution being large could be because these countries generally have larger economies in which other industries might dominate the economy, such as the automotive industry, the manufacturing industry, etc., thus contributing a higher percentage share to the country's GDP.

Figure 3: Top 10 Global countries Direct Contribution of Travel and Tourism by GDP: 2017



Source: WTTC world league ranking report: 2017

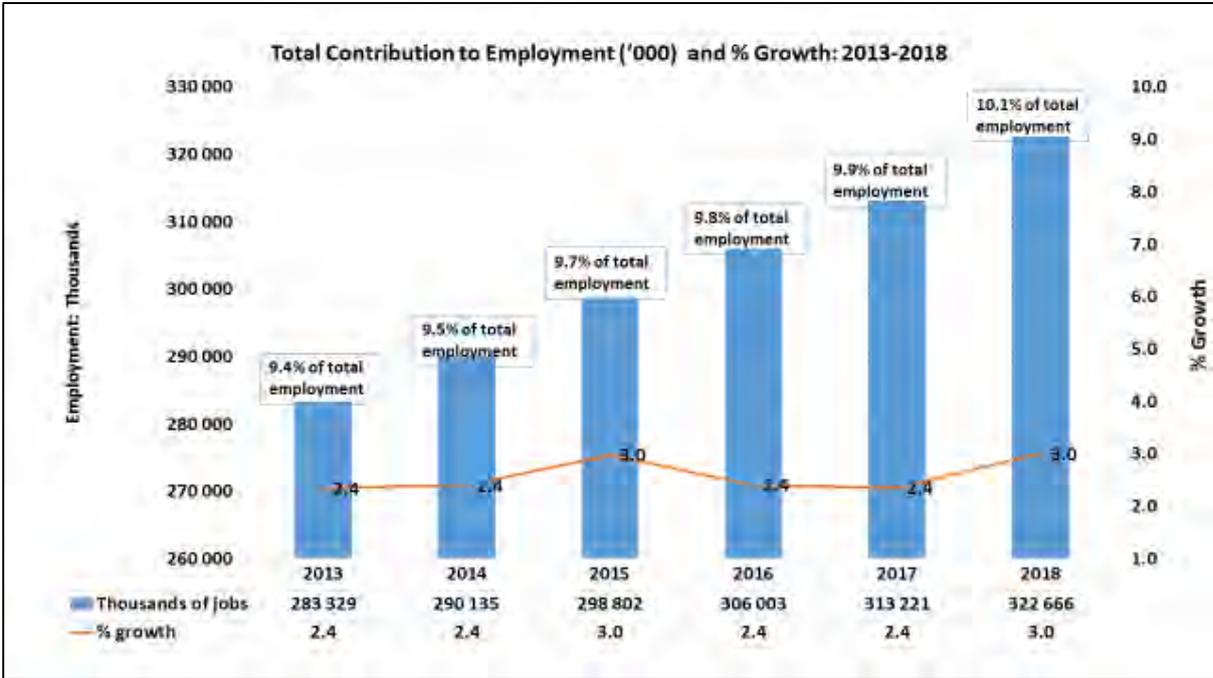
1.4 Travel and Tourism Employment Contribution: 2013-2018 (estimates)

The total (direct and indirect) contribution of the Travel and Tourism sector to global employment for the period 2013-2017 (estimates), and projected figures for 2018, are indicated in figures 4 and 5 below. Countries where the direct contribution of the travel and tourism sector to the total employment was highest in absolute numbers globally are also presented in this section.

1.5 Travel and Tourism Total Employment Contribution: 2013-2018 (estimates)

Figure 4 below indicates that the total contribution of the Travel and Tourism sector to employment was about 306 million jobs (9.8% of total employment) in 2016 globally and went up to 313.2 million in 2017 (9.9% of total employment). It is estimated by WTTC that these jobs will reach about 322.7 million in 2018 (10.1% of total employment).

Figure 4: Total Tourism Contribution to Employment: 2013-2018 (estimates)

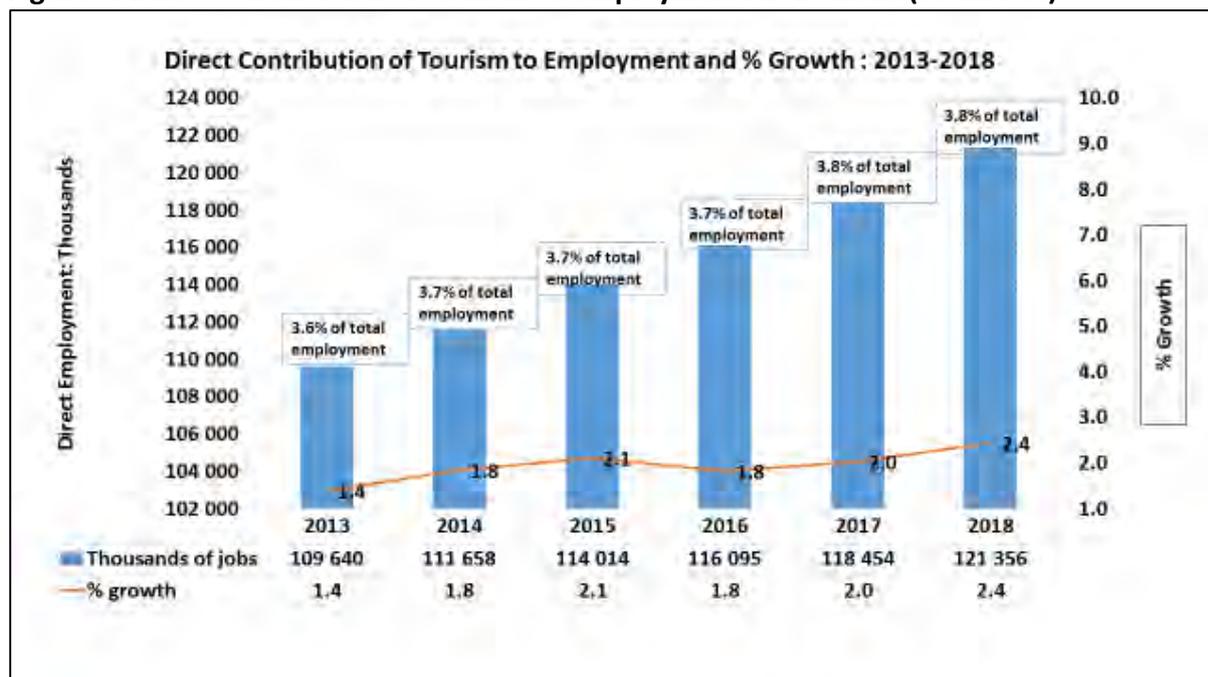


Source: WTTC, data cuts, 26th March 2018

1.6 Travel and Tourism Direct Employment Contribution: 2013-2018 (estimates)

Figure 5 below indicates that the Travel and Tourism sector directly generated about 116.1 million jobs in 2016 contributing about 3.7% of total employment, and these jobs increased to 118.5 million (3.8% of total employment) in 2017. Tourism's direct contribution to employment in 2018 is projected to reach 121.4 million (3.8% of total employment).

Figure 5: Direct contribution of tourism to employment: 2013-2018 (estimates)



Source: WTTC, data cuts, 26th March 2018

Travel and Tourism direct employment numbers by top ten countries: 2017

Figure 6 below ranks countries by the Travel and Tourism sector's direct contribution to employment in numbers. China leads in terms of the number of direct jobs created in a country by the Travel and Tourism sector at 28 250 000, followed by India with 26 148 000, and the United States at 5 286 000. The direct employment percentage contribution of Travel and Tourism to China's total employment was about 3.6%, for India it was 5.0% and in the United States Travel and Tourism's direct contribution to total employment was 5.0% for the same period under review. Among the top 10 countries, Mexico had the highest percentage contribution (7.5%) to total employment in 2017. These results indicate that, for countries where the Travel and Tourism sector has the highest contribution to GDP in absolute numbers (as seen in figure 3), this

does not necessarily translate to these countries also having the highest contribution to employment in absolute value.

Figure 6: Top 10 countries by Travel and Tourism’s direct contribution to employment: 2017



Note: TE is Total Employment

Source: WTTC world league ranking report:2017

1.7 PERFORMANCE OF TOURISM COMPARED TO OTHER SECTORS: 2016

This section compares the Travel and Tourism sector’s performance to other sectors globally, focusing on the direct contribution to GDP and direct contribution to employment for the period 2016 as 2017 data is not yet available from WTTC.

Global Direct GDP Impact by Key Sectors (US\$ billions): 2016

The value of tourism compared to other sectors globally is indicated in Figure 7 below which ranks the different sectors by their direct contribution towards global GDP for the period 2016. The retail sector had the highest direct contribution to GDP compared to other sectors in absolute value. The Travel and Tourism sector was ranked the fourth highest sector globally compared to other sectors such as the chemical and automotive manufacturing sector for the same period under review.

Figure 7: Ranking global direct contribution to GDP impact by the different sectors (US\$ billions): 2016

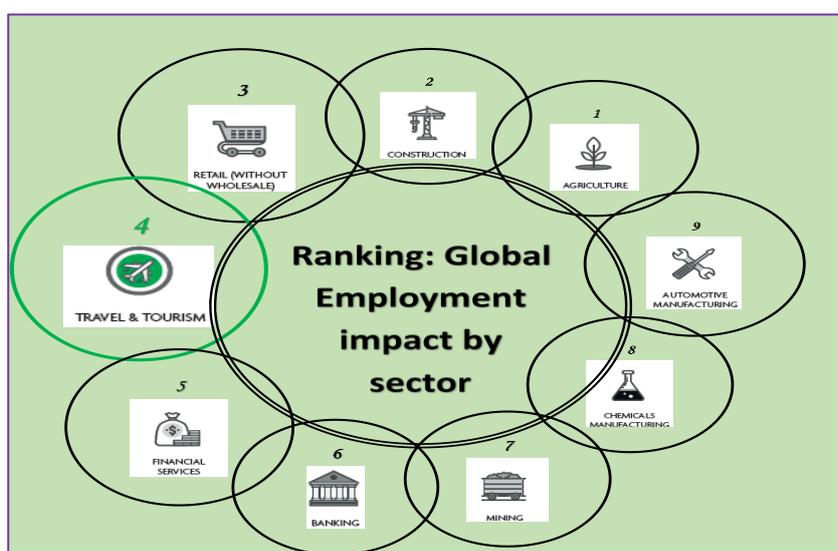


Source: WTTC - Benchmarking report - Tourism compared to other sectors, 2017.

Global Direct Employment Impact by Key Sector (Thousands): 2016

The figure below (Figure 8) ranks the different sectors by their direct contribution towards global employment for the period 2016. The Travel and Tourism sector was ranked as the fourth highest sector contributing towards global employment compared to other sectors such as financial services, the banking sector and the mining sector for the period 2016.

Figure 8: Ranking global direct employment impact by the different sectors (Thousands): 2016



Source: WTTC - Benchmarking report - Tourism compared to other sectors, 2017.

SECTION 2: GLOBAL TOURIST ARRIVALS

This section provides a broad analysis of global tourism performance focusing on outbound tourism markets, total tourist arrivals by region, total international tourism receipts, purpose of visit and mode of transport. The data was mainly sourced from the United Nations World Tourism Organisation (UNWTO).

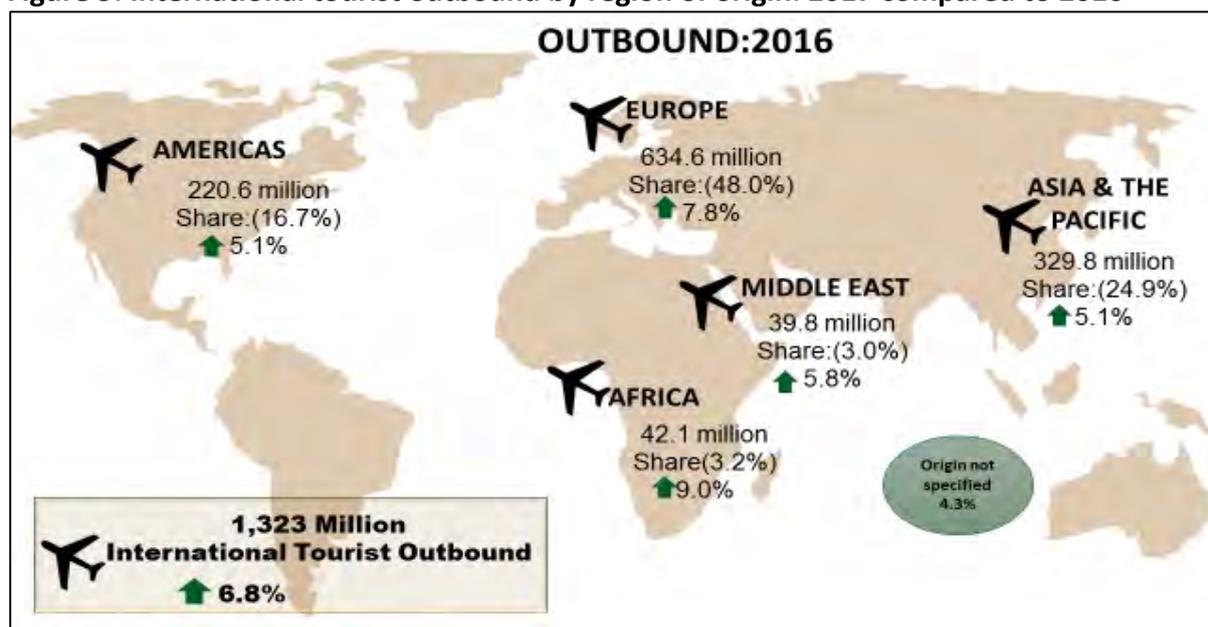
2.1 GLOBAL OUTBOUND: 2016-2017

This following section analyses outbound travellers by region. The UNWTO Tourism Highlights 2018 was used as the source of data for outbound tourism figures for 2017 and 2016.

Outbound travellers by regions: 2017 compared to 2016

Figure 9 below indicates the total number of outbound tourists by different global regions for 2017 compared to 2016. Globally, there was a total of 1,323 million outbound tourists in 2017 which was an increase of 6.8% compared to 1,239 million in 2016. Europe (634.6 million) continued to be the world's largest source region of tourists globally, generating almost half of the world's international tourists in 2016 (48.0%). It was followed by Asia and the Pacific (329.8 million) which generated 24.9% of tourists and the Americas (220.6 million) which generated about 16.7% of total outbound tourists, respectively. Africa contributed 3.2% (42.1 million) to total outbound tourists during the same period under review. The Middle East generated the lowest number of tourists globally, accounting for 3.0% (39.8 million) of total outbound tourists in 2017. Europe is the largest source region for tourist arrivals; however, European tourists often travel within their own region, which is known as intra-regional tourism. UNWTO research indicated that about four out of five outbound worldwide originate from the same region (UNWTO, 2018).

Figure 9: International tourist outbound by region of origin: 2017 compared to 2016



Source: UNWTO Tourism Highlights. 2018 Edition

2.2 International tourism expenditure by top ten countries and international outbound (including same day) for the period 2017 compared to 2016

Table 1 indicates the top ten (10) source markets by expenditure and the international departures for the period 2016-2017. The data for international departures is missing for some of the countries since it was not submitted to UNWTO.

Table 1: Top 10 countries international tourism spenders linked to outbound departures for 2016

Rank 2017	Rank 2016	Country	2017 Expenditure US\$ (billion)	2017 International Departures (million) total including same day	2016 Expenditure US\$ (billion)	2016 International Departures (million) total including same day
1	1	China	257.7	142.7	250.1	135.1
2	2	USA	135.0	-	123.6	-
3	3	Germany	83.7	-	79.8	-
4	4	United Kingdom	63.4	72.3	64.8	70.8
5	5	France	41.4	-	40.3	29.6
6	6	Australia	34.2	10.9	30.8	10.4
7	7	Canada	31.8	55.0	28.7	53.0
8	11	Russian Federation	31.1	39.6	24.0	31.7
9	8	Korea (ROK)	30.6	26.5	27.2	22.4
10	9	Italy	25.0	-	24.1	62.6

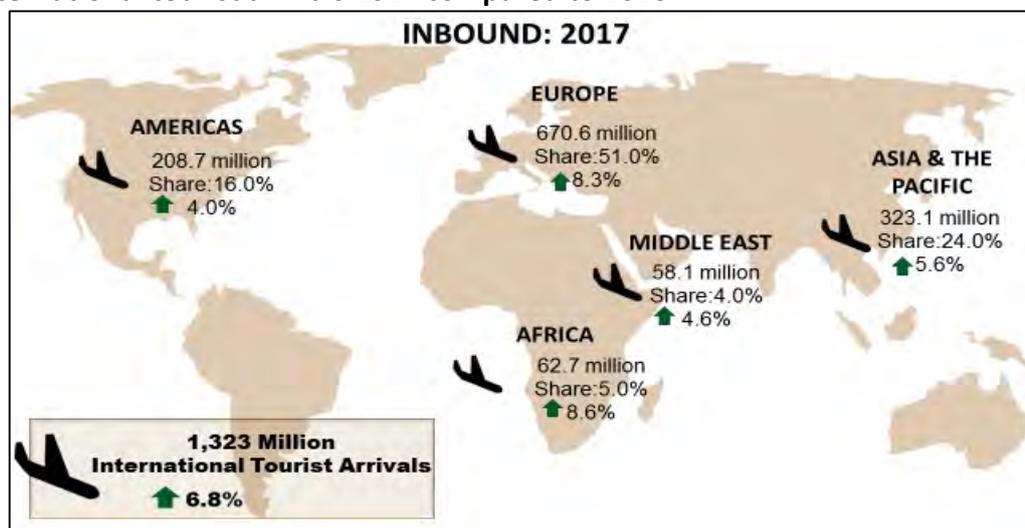
Source: UNWTO Tourism Barometer, June 2018 edition.

According to the UNWTO Barometer (June 2018), China was the top spender globally in 2017 with US\$257.7 billion followed by the USA as the second highest spender with US\$135.0 billion in 2017. Germany was the third highest spender with US\$83.7 billion. The expenditure reported by the UNWTO includes the spending of same day and overnight visitors.

2.3 Global inbound tourists by region: 2017 compared to 2016

The following section compares the 2017 global tourist arrivals to those of 2016, as reported by the UNWTO.

Figure 10: International tourist arrivals 2017 compared to 2016



Source: UNWTO Tourism Highlights, 2018 edition

In 2017, there was a total of 1.323 million international tourists recorded globally which was an increase of 6.8% compared to 2016. This was a higher growth compared to the growth of 3.8% recorded in 2016 compared to 2015. Europe continued to receive the highest number of international tourist arrivals with a share of 51.0% of total arrivals in 2017; this region was followed by Asia and the Pacific region with a share of 24%, and the Americas with 16.0% share.

Africa and the Middle East regions both received the lowest number of tourist arrivals with a share of 5% and 4% respectively during the same period under review. It is

projected that tourist arrivals will grow between 4.0% and 5.0% in 2018 (UNWTO, 2018).

2.4 International tourist receipts by region: 2017 compared to 2016

International tourism receipts are defined as the amount that a country earns from tourists visiting (UNWTO). Total international tourist receipts by region for 2017 compared to 2016 are indicated in the figure below. Total international tourism receipts for 2017 was US\$1,340 billion which was about a 4.9% increase compared to 2016. Europe received US\$519.2 billion receipts with an increase of 8.0% in 2017 compared to 2016, followed by Asia and the Pacific with (US\$389.6 billion) a 2.6% increase and the Americas with (US\$326.2 billion) a 1.3% increase. The Middle East received US\$67.7 billion, showing the highest increase of about 12.8% and Africa received US\$37.3 billion with an increase of 8.0%.

Figure 11: Total international tourism receipts by region: 2017 compared to 2016



Source: UNWTO Tourism Highlights, 2018 edition

Top 10 countries by international tourist receipts and international tourist arrivals: 2016-2017

Table 2: International tourism receipts by top 10 countries: 2016-2017

2017 – International Tourism Receipts (Top 10)						
Rank		Country	US\$ (billion)		% Change 2017 compared to 2016	2017 – Inbound Arrivals (millions)
2017	2016		2016	2017		
1	1	United States	206.9	210.7	1.9%	-
2	2	Spain	60.5	68.0	10.1%	81.8
3	3	France	54.5	60.7	9.0%	87.0
4	4	Thailand	48.8	57.5	13.1%	35.4

2017 – International Tourism Receipts (Top 10)						
Rank		Country	US\$ (billion)		% Change 2017 compared to 2016	2017 – Inbound Arrivals (millions)
2017	2016		2016	2017		
5	7	Italy	40.2	44.2	7.7%	58.3
6	6	United Kingdom	41.5	43.9	10.8%	37.7
7	9	Australia	37.0	41.7	9.3%	29.5
8	8	Germany	37.5	39.8	4.2%	37.5
9	12	Macao (China)	30.4	35.6	17.6%	60.7
10	11	Japan	30.7	34.1	14.4%	28.7

Source: UNWTO Tourism Barometer, Mar/Apr 2018 edition.

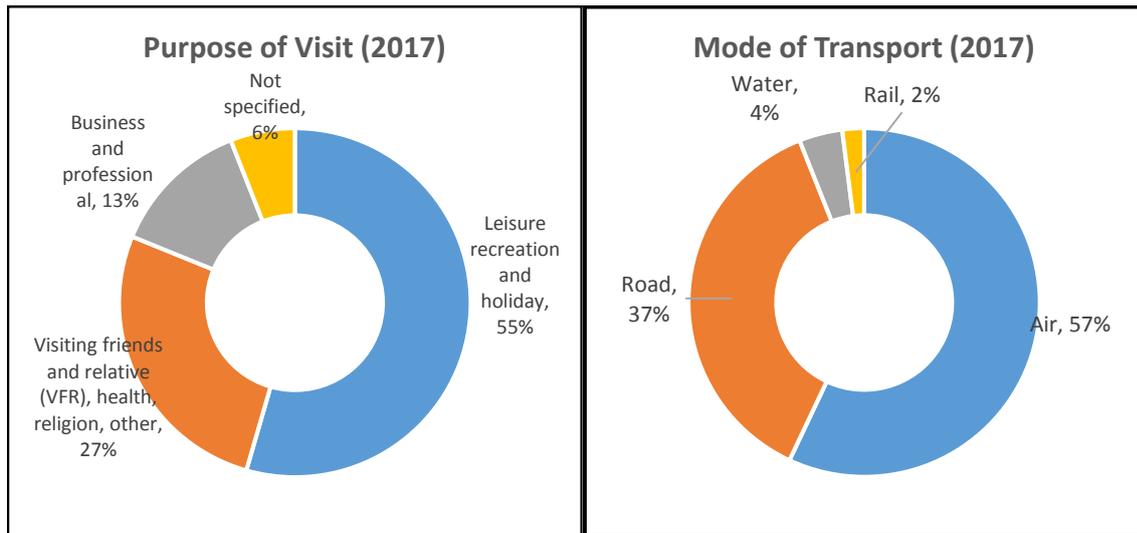
In 2017, the four (4) best performing countries in relation to tourism receipts were the USA (US\$210.7 billion), Spain (US\$68.0 billion), France (US\$60.7 billion) and Thailand (US\$57.5 billion). When comparing countries that were the highest earners for international tourism receipts to the top 10 inbound destinations, the results indicate that there might be no relationship between international receipts earned and inbound arrivals to a destination. In 2017, Thailand was ranked 4th and Italy 5th for total international tourists' receipts earned. However, Turkey received more tourist arrivals than Thailand for the period. Similarly, Macao (China) received more tourist arrivals in comparison to Thailand, Italy, Australia and Germany but is ranked lower than these countries in terms of the total international tourism receipts earned in 2017.

2.5 Inbound Tourism: Purpose and Mode of Transport 2017

Inbound tourists' purpose and mode of travel are presented in Figure 12 below. The majority of international tourists travelled for leisure, recreation and holiday purposes (55%), followed by 27% who travelled to visit friends and relatives (VFR), for health, religious and other reasons, and 13% who travelled for business and professional reasons during 2016. This indicates the key role that leisure and holiday-related tourism products and services play in increasing the number of tourist arrivals globally.

In 2017, inbound tourists mainly used air transport (57%), followed by road transport (37%), water (4%) and rail (2%) as their mode of travel (as seen in figure 12) during 2017.

Figure 12: Inbound tourism purpose of visit and mode of transport:2017



Source: UNWTO Tourism Highlights 2018 Edition

SECTION 3: GLOBAL TOURISM SUPPLY

This section provides an overview of the global tourism-related industries' performance, focusing mainly on the global hotels, passengers and aircrafts movements and the meetings industry. Data for this section was sourced from the UNWTO Barometer March/April 2018, the International Airports Transport Association (IATA) and the International Congress and Convention Association (ICCA).

3.1 Global Hotel industry performance:2016-2017

The data for the performance of the hotel industry was sourced from the UNWTO Barometer. March/April 2018. The performance of the hotel industry globally by region for 2016 and 2017 is indicated in the table below.

Table 3 Hotel performance indicators, 2017 compared to 2016.

Region	Occupancy rate (%)			Average Daily Rate (ADR)		Revenue per available room (RevPAR) US\$	
	2016	2017	% Change	2017 US\$	% Change over 2016(Current)	2017 US\$	% over 2016 Change
Americas	65.0	65.6	0.6%	127.0	2.2%	83.0	3.2%
Asia and the Pacific	69.1	70.9	1.8%	103.0	0.7%	73.0	3.4%
Africa & Middle East	61.2	62.1	0.9%	142.0	-2.9%	88.0	-1.4%
Europe	70.2	71.9	1.7%	125.0	4.5%	90.0	7.0%
Global Average	66.4	67.6	1.2%	124.3	1.1%	83.5	3.1%

Source: UNWTO Barometer. March/April 2018,

Note: 1: Change current US\$ prices (also reflecting exchange rate fluctuations) 2: World figures provided reflect the average of the total regions.

Occupancy rate is one of the key indicators used to evaluate the performance of a hotel, since the indicator measures the percentage of available rooms in a hotel that was sold during a specified period of time. The results in the table above indicate that the global hotel industry average occupancy rate was about 67.6% in 2017 which was a difference of 1.2% compared to the global hotel occupancy rate of 66.4% in 2016. Therefore, there were more available rooms sold globally in 2017 compared to 2016.

All regions recorded an increase in occupancy rate, with Asia and the Pacific having the highest increase (1.8%) followed by Europe (1.7%), then Africa and the Middle East, and the Americas with 0.9% and 0.6% increases, respectively, during this period.

Another key indicator used to measure hotel performance is the Average Daily Rate (ADR) which provides the average rate paid for rooms sold and is calculated by dividing room revenue by rooms sold. The global ADR in 2017 was US\$124. Most regions recorded an increase in their ADR, except for Africa and the Middle East region which experienced a decrease of -2.9%. The decline in the Africa and Middle East region was influenced by the ADR declining in countries that are within the Middle East region (UNWTO, 2018).

Finally, the Revenue per available room (RevPar) is a measure that the hotel industry uses to determine the revenue generation capability of a hotel. The RevPar is calculated by dividing the total room revenue with the total number of available rooms in a hotel. RevPar differs from the ADR in that the RevPAR is affected by the share of unoccupied available rooms, while ADR shows only the average rate of rooms actually sold (UNWTO, 2018). The global RevPar for 2017 was US\$83.5 which shows an increase of 1.9%. Most regions also recorded as increase in RevPar during 2017, apart from the Africa and Middle East region.

3.2 AVIATION INDUSTRY: 2016-2017

Transportation has been identified as one of the key industries related to tourism since tourists require transportation to their destination. Air transportation has allowed tourists to travel to many destinations across the world. Over the years, statistics have often shown that when the aviation industry performs better the tourism sector also experiences an increase.

The data for the performance of the aviation industry was sourced from the UNWTO Barometer March/April 2018 and the International Airports Transport Association (IATA).

Table 4: Aviation performance indicator 2017 compared to 2016

Total Market	RPK Year on year % Change		ASK Year on year % Change		PLF Year on year % Change	
	2016	2017	2016	2017	2016	2017

Total Market	RPK		ASK		PLF	
	Year on year % Change		Year on year % Change		Year on year % Change	
International	6.7%	7.9%	6.9%	6.4%	79.6%	80.6%
Domestic	5.7%	7.0%	5.1%	6.2%	82.2%	83.0%
Total Market	6.3%	7.6%	6.2%	6.3%	80.5%	81.4%

Source: IATA, Air Passenger Market Analysis, 2017

RPK – Revenue Passenger Kilometres

ASK – Available Seats Kilometres

PLF – Passenger Load Factor

According to IATA data, airlines around the world recorded over 4 billion passengers on both domestic and international routes for the period 2017.

The total market Revenue Passenger Kilometre (RPK), which is calculated by the total number of revenue passengers multiplied by the total distance travelled, indicates that there was a 7.6% increase in 2017 compared to 2016. The increase in RPK indicates that there was a higher growth in longer distance flights in 2017 compared to 2016. RPK also increased for international and domestic markets in 2017.

The total market results for the Available Seat Kilometres (ASK: number of seat carriers have available multiplied by the number of kilometres flown) indicated that there was a 6.3% growth in 2017 compared to 2016. An increase in ASK was also experienced in the international and domestic markets.

Passenger Load Factor (PLF) is an airline industry indicator that measures how much of an airline's passenger carrying capacity is used (UNWTO, 2018). The PLF for the total market inc

reased slightly from 80.5% in 2016 to 81.4% in 2017. In 2017, the international market had a PLF of 80.6% and the domestic market had a PLF of 83.0% which indicates that there were slightly more seats filled with paying passengers on domestic flights compared to international flights in 2017.

3.3: GLOBAL MEETINGS INDUSTRY: 2015-2016

The meetings and events industry also plays a key role in the performance of the tourism sector. Travellers that attend meetings/events/conferences that are hosted in other destinations are classified as business tourists. These business tourists often

spend on food, drinks, shopping, entertainment, transport and accommodation in the destinations in which the meetings/events/conferences are hosted. The success of the tourism sector is therefore dependent on the performance of the meetings and events industry.

The data for the performance of the meetings industry was sourced from the International Congress and Convention Association (ICCA). Data for 2017 has not yet been released by ICCA; 2016 performance will therefore be compared with 2015.

Table 5: Number of meetings per region: 2015-2016

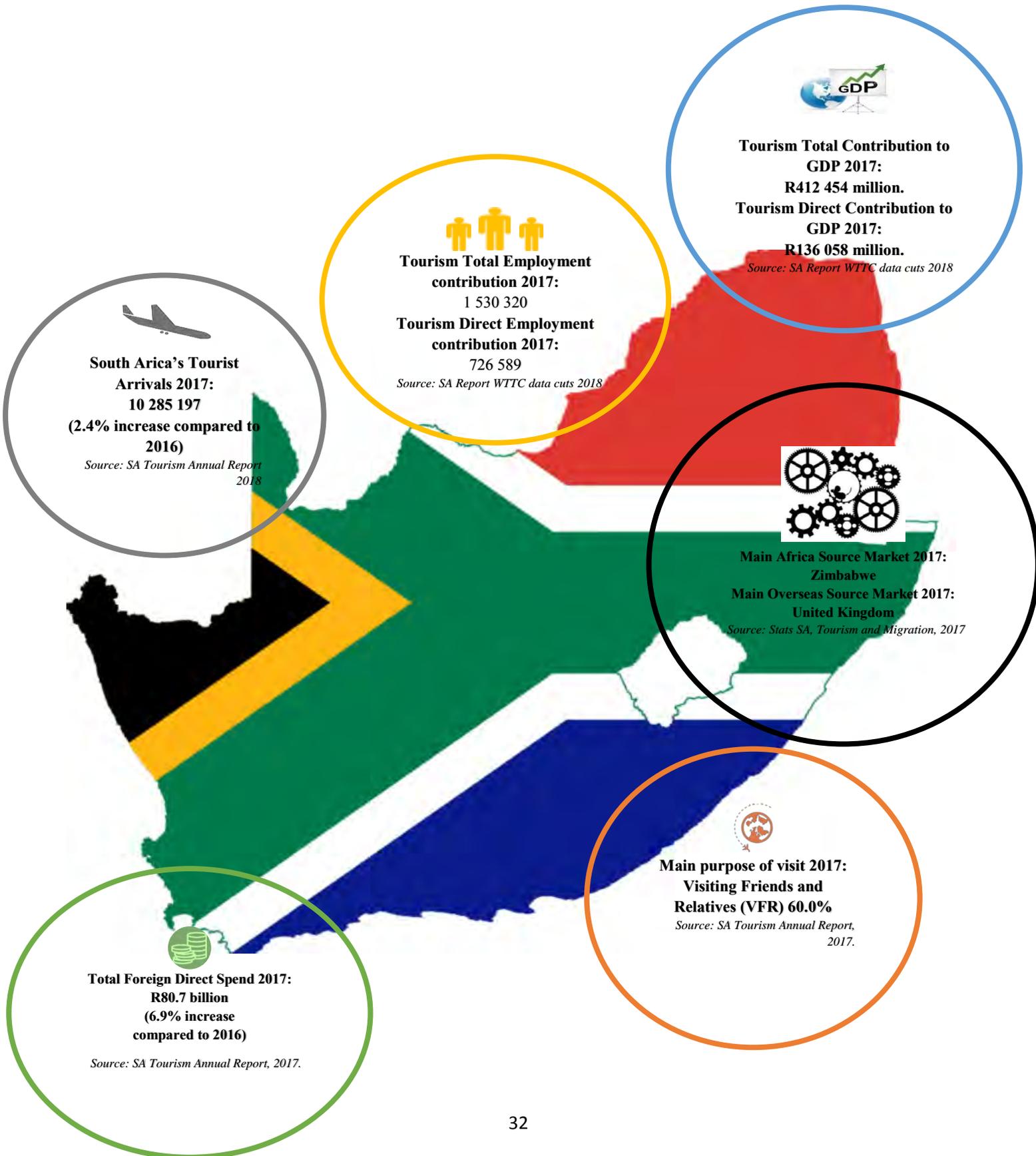
Europe Ranking: Number of Meetings per City							
Rank		Country	2016		2015		2016
2016	2015		Number	% Share	Number	% Share	% Growth
		TOTAL EUROPE	6 548		6 565		-0.3
1	1	Germany	689	10.5	667	10.2	3.3
2	2	UK	582	8.9	582	8.9	0.0
3	4	France	545	8.3	522	8.0	4.4
4	3	Spain	533	8.1	572	8.7	-6.8
5	5	Italy	468	7.1	504	7.7	-7.1
		OTHER	3 731	57.0	3 718	56.6	0.3
Asia Pacific & Middle East Ranking: Number of Meetings per City							
Rank		Country	2016		2015		2016
2016	2015		Number	% Share	Number	% Share	% Growth
		TOTAL Asia Pacific & Middle East	2 749		2 546		8.0
1	2	China (R.P)	410	14.9	333	13.1	23.1
1	1	Japan	410	14.9	355	13.9	15.5
3	3	Republic of Korea	267	9.7	267	10.5	0.0
4	4	Australia	211	7.7	247	9.7	-14.6
5	6	Thailand	174	6.3	151	5.9	15.2
		OTHER	1 277	46.5	1 193	46.9	7.0
Latin & North America Ranking: Number of Meetings per City							
Rank		Country	2016		2015		2016
2016	2015		Number	% Share	Number	% Share	% Growth
		TOTAL Latin & North America	2 568		2627		-2.2
1	1	USA	934	36.4	925	35.2	1.0
1	2	Canada	287	11.2	308	11.7	-6.8
3	3	Brazil	244	9.5	292	11.1	-16.4
4	5	Argentina	188	7.3	181	6.9	3.9
5	4	Mexico	182	7.1	184	7.0	-1.1
		OTHER	7 33	28.5	737	28.1	-0.5
Africa Ranking: Number of Meetings per City							

Rank		Country	2016		2015		2016
2016	2015		Number	% Share	Number	% Share	% Growth
		TOTAL Africa	362		338		7.1
1	1	South Africa	125	34.5	108	32.0	15.7
2	2	Morocco	37	10.2	36	10.7	2.8
3	3	Egypt	18	5.0	22	6.5	-18.2
3	4	Kenya	18	5.0	19	5.6	-5.3
3	7	Rwanda	18	5.0	13	3.8	38.5
		OTHER	146	40.3	140	41.4	4.3
		TOTALS	12 227		12 076		

Source: 2015 & 2016 ICCA Statistics Report Country & City Rankings

ICCA recorded a total of 12,227 meetings in 2016 which was an additional 151 meetings compared to 2015 (12,076). The table above indicates the number of ICCA recorded meetings hosted per region worldwide, also showcasing the top five (5) countries where meetings are hosted in these regions. In 2016, Europe was the strongest competing region, hosting 6 548 meetings (53.6% share), followed by Asia and the Pacific, with a total of 2 749 meetings (22.5% share), Latin and North America with 2 568 meetings (21.0% share). During this period, Africa only hosted 362 meetings (3.0% share), which was lower than the other regions. Within Africa, South Africa is ranked as the number one country for hosting ICCA recorded meetings. In a recent document published by the OECD, hosting events and international meetings in a country has proven over the years to expand the host country's visitor economy, provide media exposure and promoting regional development. The countries within the Africa region, including South Africa, should therefore consider hosting more events and international meetings in the region.

2017:SOUTH AFRICA TOURISM PERFORMANCE: VALUE TO THE ECONOMY AND INBOUND TOURISM PERFORMANCE

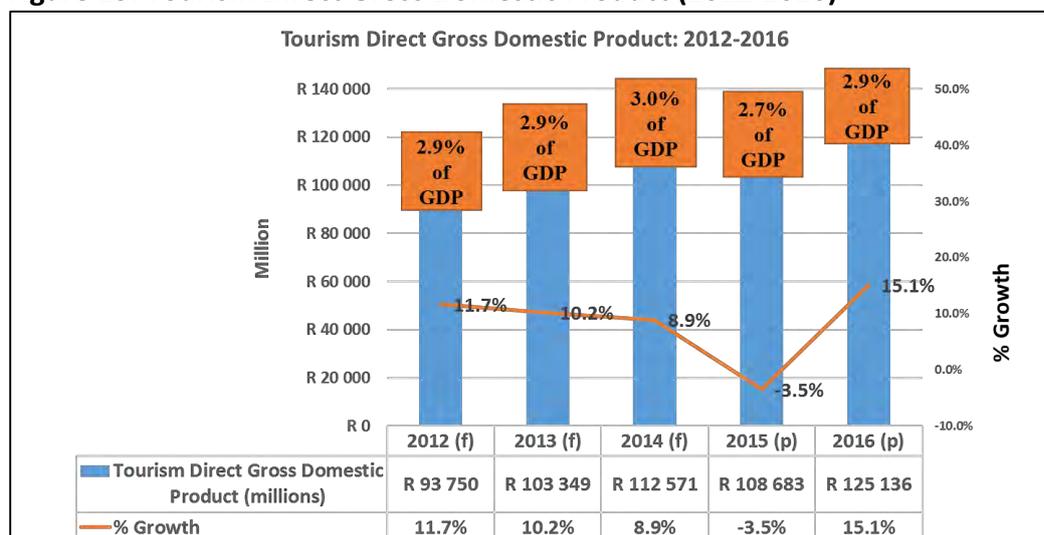


SECTION 4: VALUE OF TOURISM TO THE SOUTH AFRICAN ECONOMY

This section analyses key indicators which include tourism’s total (direct and indirect) contribution to South Africa’s Gross Domestic Product (GDP) and tourism’s total (direct and indirect) contribution to South Africa’s employment. Data for this section has been sourced from the World Travel and Tourism Council (WTTTC) and Tourism Satellite Account (TSA) developed by Statistics South Africa.

4.1 Tourism’s direct contribution to South Africa’s Gross Domestic Product: 2012-2016

Figure 13: Tourism Direct Gross Domestic Product (2012-2016)



*Note: (f)=Final and (p)=preliminary

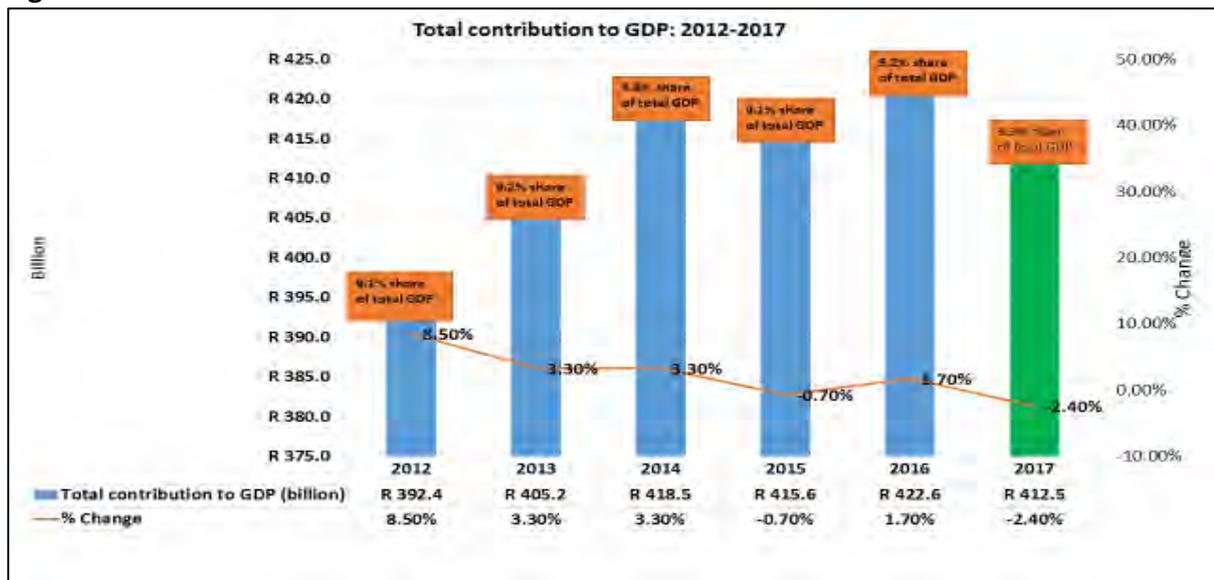
Source: 2012-2016-Tourism SA Tourism Satellite Account, Stats SA.

Figure 13 above indicates the provisional results for 2015 and 2016 in the Tourism SA Tourism Satellite Account published by Stats SA. The direct contribution of tourism towards the country’s Gross Domestic Product (GDP) increased from R108, 683 million in 2015 (2.7% of GDP) to R125, 136 million in 2016 (2.9% of GDP) which reflects a growth of 15.1% compared to 2015.

4.2 Tourism’s Total contribution to South Africa’s Gross Domestic Product: 2012-2017

Given that Stats SA’s TSA does not produce results for the tourism sector’s total contribution (direct and indirect) to GDP and employment, this data was sourced from the WTTC. For the period 2015-2016, the results indicate that the total contribution of tourism to South Africa’s Gross Domestic Product (GDP) increased from R415.6 billion in 2015 (9.2% of GDP) to R422.6 billion in 2016 (9.2% of GDP) which was a growth of 1.7% compared to 2015. The total contribution of tourism to GDP in 2017 was R412.5 billion which was a decrease of -2.4% compared to 2016 results.

Figure 14: South Africa's total contribution to GDP:2012-2017



Source: WTTC, South Africa, data cuts 2017

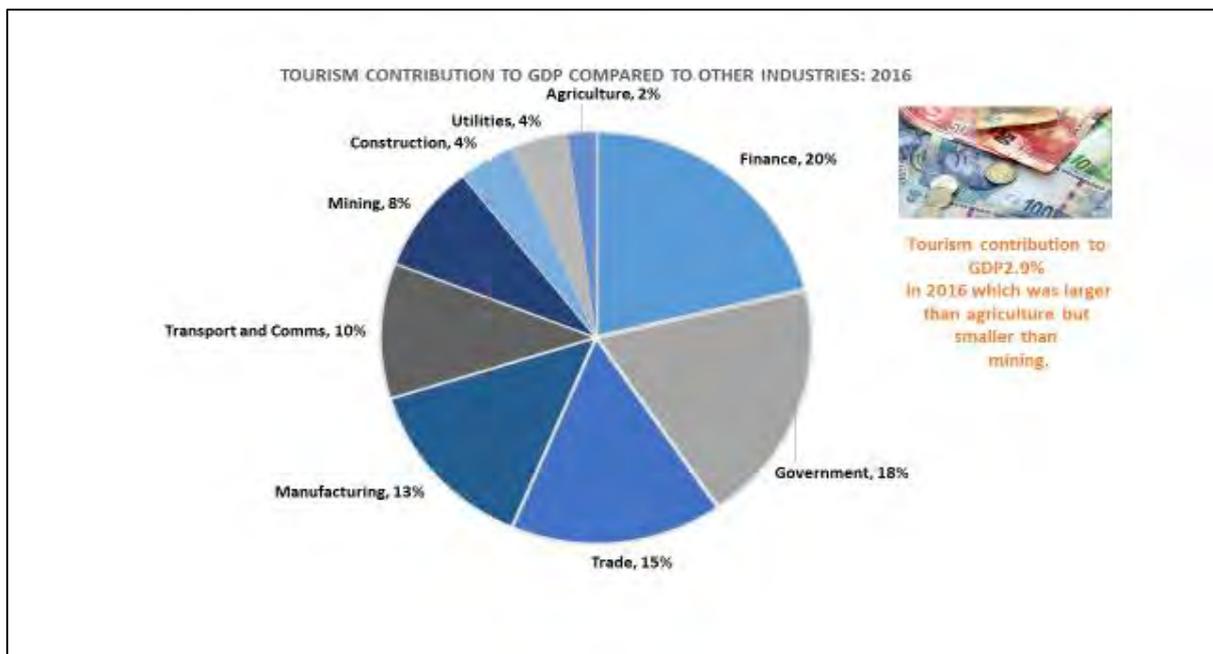
4.3 South Africa’s Tourism direct percentage contribution to GDP compared to other industries: 2016

The figure below (Figure 15) indicates the direct percentage contribution of South African industries towards South Africa’s total GDP in 2016 as reported by Statistics South Africa. As mentioned in the TSA, “the tourism sector is not measured as a sector in its own right in the national accounts, because tourism is not a clearly defined industry in the International Standard Industrial Classification of all Economic Activities

(ISIC), but rather an amalgamation of industries such as transportation, accommodation, food and beverage services, recreation and entertainment, travel agencies, etc.” (Stats SA, 2016). It is for this reason that the tourism sector does not feature as a separate industry in the graph below.

The results show that the finance sector (20%), the government sector (18%) and the manufacturing sector (13%) are the leading contributors towards the country’s GDP which is seen in Figure 15 below. The tourism sector’s direct percentage contribution to GDP in 2016 was 2.9% which is larger than agriculture (2%) but smaller than mining (8%).

Figure 15: Tourism direct percentage contribution to GDP compared to other sub-sectors: 2016



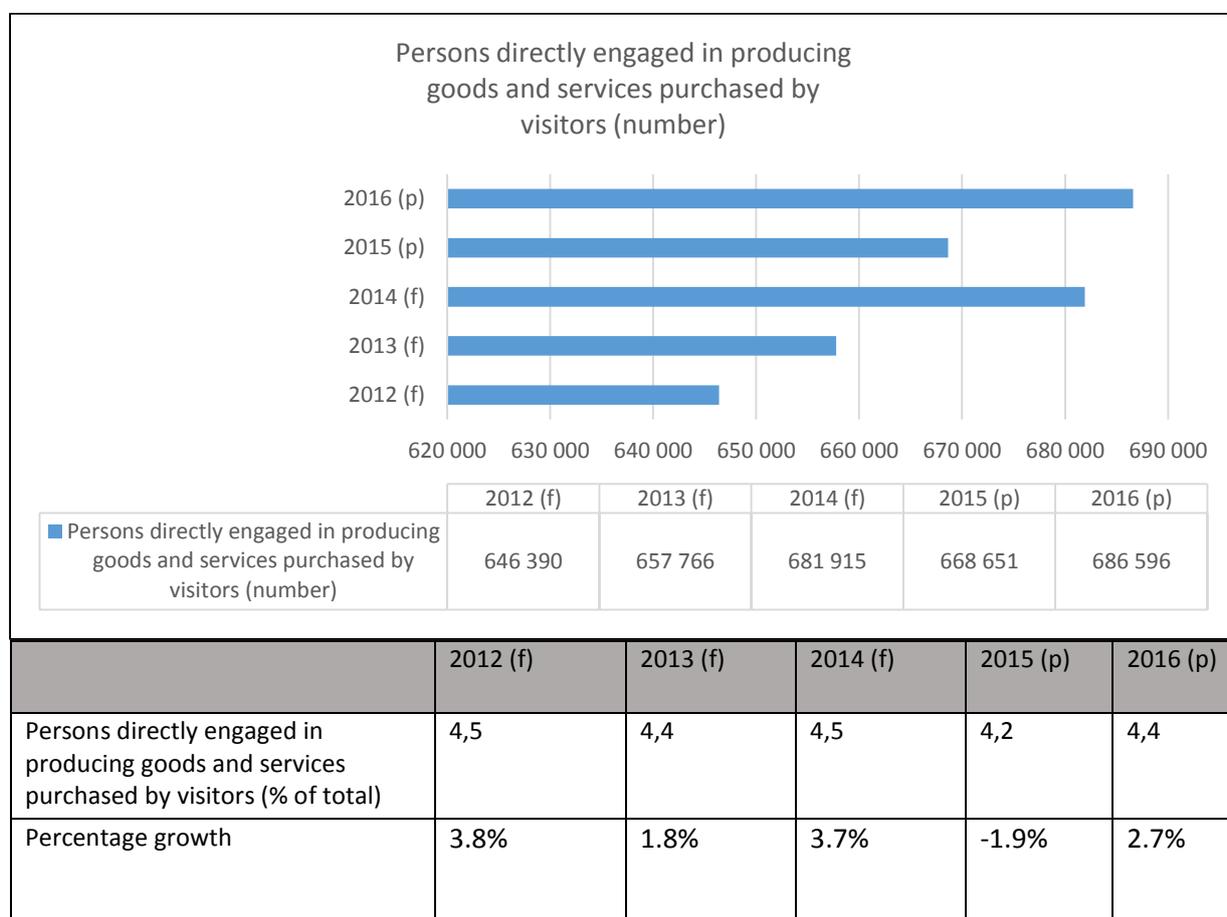
Source: Tourism SA Tourism Satellite Account, Stats SA, 2016

4.4 Tourism Direct Employment: 2012-2016

Tourism has become one of the major employers for South Africa’s workers. The figure provides preliminary figures for 2015 and 2016. The results indicate that there were 668 651 workers directly employed within the sector, contributing about 4.2 % to the country’s total employment. In 2016, there were 686 596 number of workers directly employed in the sector (contributing 4.4% to total employment). This was an increase

of 2.7% increase in the number of jobs created by the tourism sector in 2016 compared to 2015.

Figure 16: Direct Tourism Employment (2011-2016)

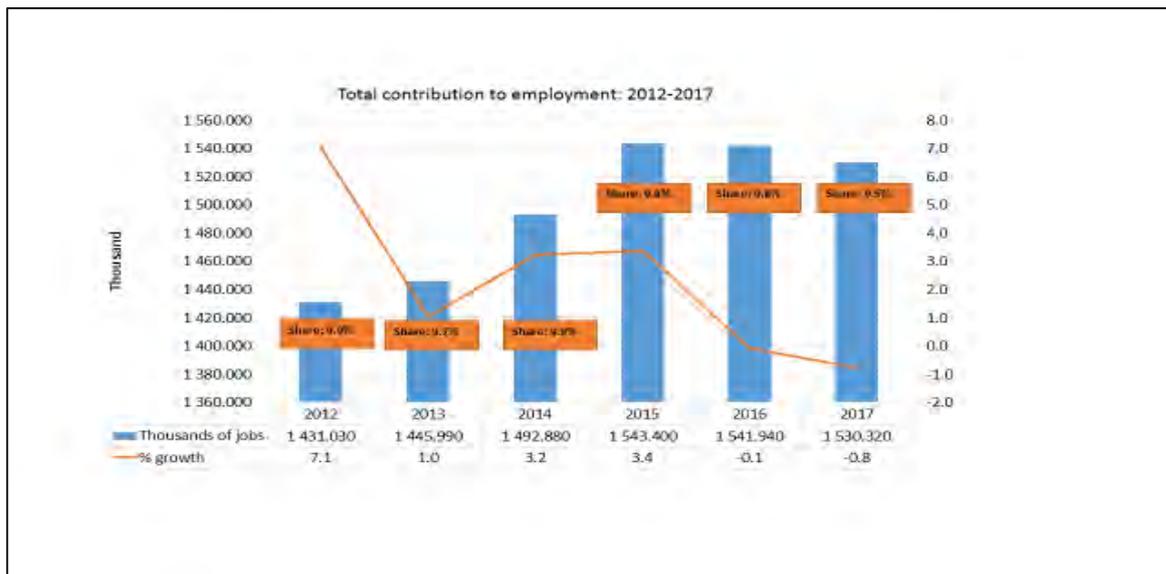


Source: Tourism Satellite Account, Stats SA, 2018
 *Note: (f)=Final and (p)=preliminary

4.5 Tourism Total Employment: 2012-2017

The results below indicate that there were 1 543 400 workers employed within the tourism sector, contributing about 9.8 % to the country’s total employment in 2015. In 2016, there were 1 541 940 workers employed in the sector (contributing 9.8% to total employment), which was a decrease of 0.1% compared to 2015 results. Total tourism employment in 2017 was estimated at about 1 530 320, which contributed about 9.5% to the country’s total employment and this was a declining growth of 0.8%.

Figure 17: Total Contribution to Employment (2012-2017)

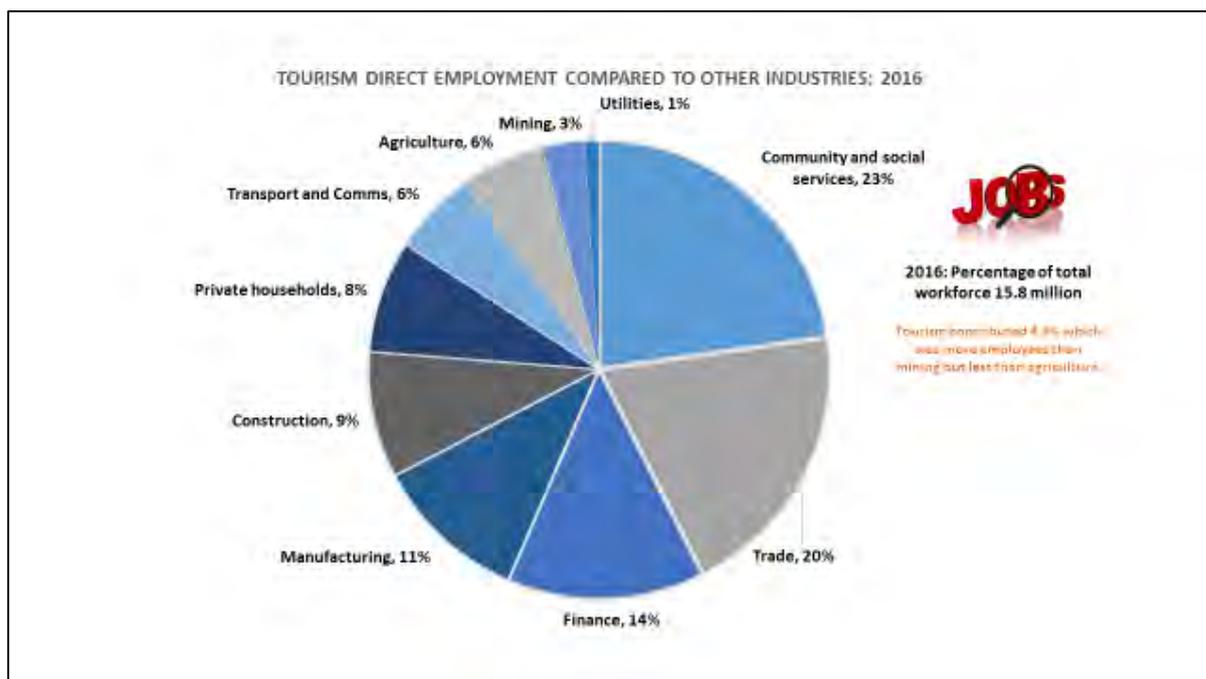


Source: WTTC data cuts , South Africa, 2017

4.6 South Africa’s Tourism direct contribution to employment compared to other industries: 2016

The figure below (Figure 18) indicates the direct percentage contribution of South African industries towards the country’s total employment in 2016. The results provided indicate that the community and social services sector (23%), the trade sector (20%) and the finance sector (14%) are the leading industries contributing more towards the country’s total employment. As seen in figure 16 above, the tourism sector’s direct percentage contribution to total employment in 2016 was 4.4% which was larger than the mining sector (3%) but smaller than the agriculture sector (6%).

Figure 18: Direct Tourism Employment (2011-2016)



Source: Tourism Satellite Account, Stats SA, 2016

4.7 South Africa’s economic performance compared to competitors: 2017

Table 6: South Africa Economic performance to main competitors:2017

Indicators	Australia	Brazil	Kenya	Thailand	South Africa
					
2017					
Travel and Tourism direct contribution to GDP	US\$41.7bn	US\$59.6bn	US\$2.8bn	USD\$42.2bn	US\$10.2bn
Travel and Tourism direct GDP (% of GDP)	3.0	2.9	3.7	9.4	2.9
Persons directly engaged in producing goods and services purchased by visitors	531 697	2 337 010	429 376	2 336 580	726 589
Persons directly engaged in producing goods and services purchased by visitors (% of total)	4.3	2.6	3.4	6.2	4.5

Source: WTTTC data-cuts, 2017.

Table 6 above compares South Africa’s economic performance with the country’s main competitors identified by South Africa Tourism (SA Tourism) in the 2012 annual report (SA Tourism, 2013): Australia, Brazil, Kenya and Thailand. SA Tourism indicated that

South Africa's 'competitors' were selected from a consumer standpoint, given that these destinations were high up on the consumer consideration list (SA Tourism, 2013). Two indicators were used to compare South Africa's economic performance with that of its competitors, namely tourism's direct contribution to GDP and the number of persons directly engaged in producing goods and services purchased by visitors. For comparability purposes, the 2017 data was sourced from the World Travel and Tourism Council (WTTC) for all the countries including South Africa.

Among South Africa's tourism competitors (Australia, Brazil, Kenya and Thailand), South Africa came in fourth for travel and tourism's contribution to GDP in value. Brazil had the highest direct contribution of tourism to GDP with a total value of US\$59.6bn, followed by Thailand (USD\$42.2bn) and, closely thereafter by Australia (US\$41.7bn). In terms percentage contribution of tourism to total GDP, Thailand led with 9.4% of total GDP followed by Kenya (3.7% of total GDP), Australia (3.0% of total GDP), Brazil (2.9% of total GDP) and South Africa (2.9% of total GDP).

In 2016, Brazil had more people directly employed in the tourism sector (2 337 010) compared to other countries. Thailand had the highest percentage (6.2%) contribution to total employment compared to other countries. South Africa had the second highest percentage contribution to total employment (4.5%) compared to the country's competitors.

SECTION 5: SOUTH AFRICA INBOUND TOURISM PERFORMANCE

Inbound tourism is important for the South African economy since it contributed about 46% to the total tourism expenditure in 2016 as reported in the TSA by Stats SA. Tourism is regarded as an export industry as tourist arrivals from other countries spend on tourism products and services such as accommodation, transport and other related products within the country. By generating tourist exports through receipts, countries increase their foreign currency earnings and contribution to the economy's growth.

This section provides an analysis of South Africa's tourism inbound performance focusing on key indicators such as total tourist arrivals, total direct foreign expenditure, purpose of visit and length of stay. The data for this section was mainly sourced from Statistics South Africa (tourist arrivals) and South Africa Tourism.

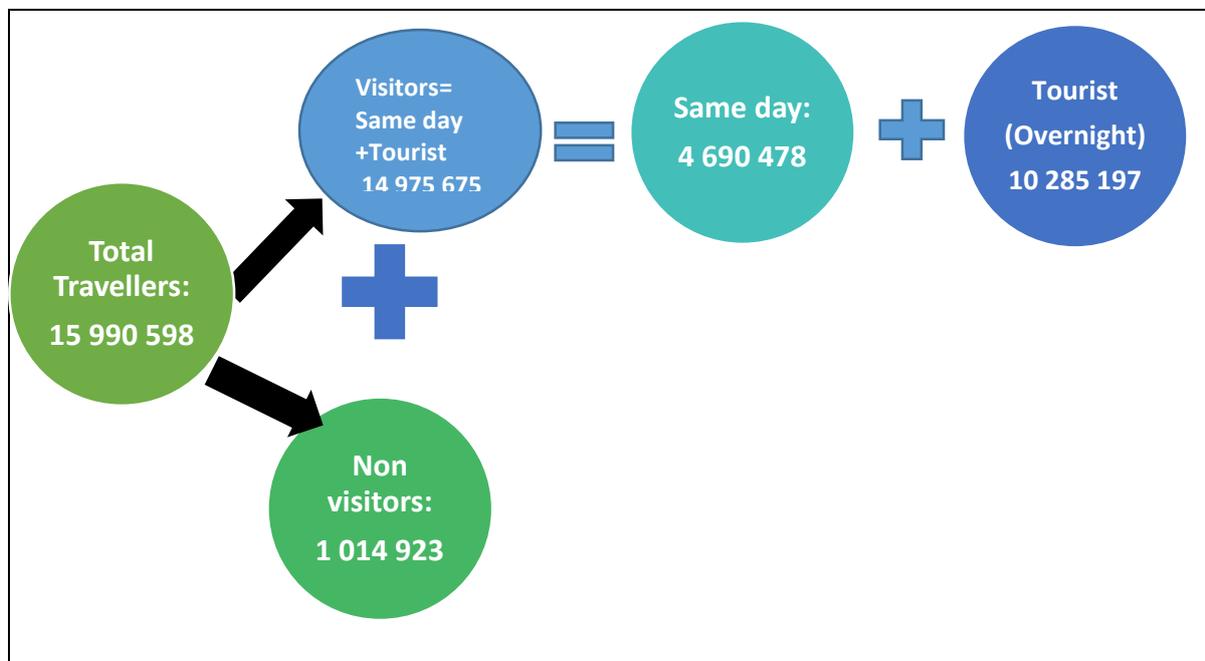
5.1. Total foreign arrivals to South Africa versus tourist arrivals: 2017

There is often a misunderstanding between a tourist and a traveller which can sometimes lead to the wrong data being reported for tourists and travellers. According to UNWTO, a traveller is classified as someone who moves between different geographic locations for any purpose and for any duration. Tourism, however, includes the activities of visitors as a subset of travellers. A visitor is a traveller taking a trip to a main destination outside his/her usual environment for less than a year, for any main purpose (business, leisure or other personal purpose) other than employment by a resident entity in the country or place visited (UNWTO, 2018). Visitors can then be subdivided into tourists (or overnight visitors), if the trip includes an overnight stay but is less than 365 days, and excursionists (same-day visitors). The figure below aims to indicate the difference between total travellers and total tourists that South Africa received in 2017.

South Africa received a total of 15 990 598 travellers in 2017 which includes visitors and non-visitors (Stats SA, 2017). Of the total visitors that South Africa received during

this period, 4 690 478 were same-day visitors and 10 285 197 were overnight visitors who are classified as tourists. This is an indication that about 64% of arrivals to the country during this year were tourists.

Figure 19: Number of Foreign Arrivals by type of Visitors: 2017

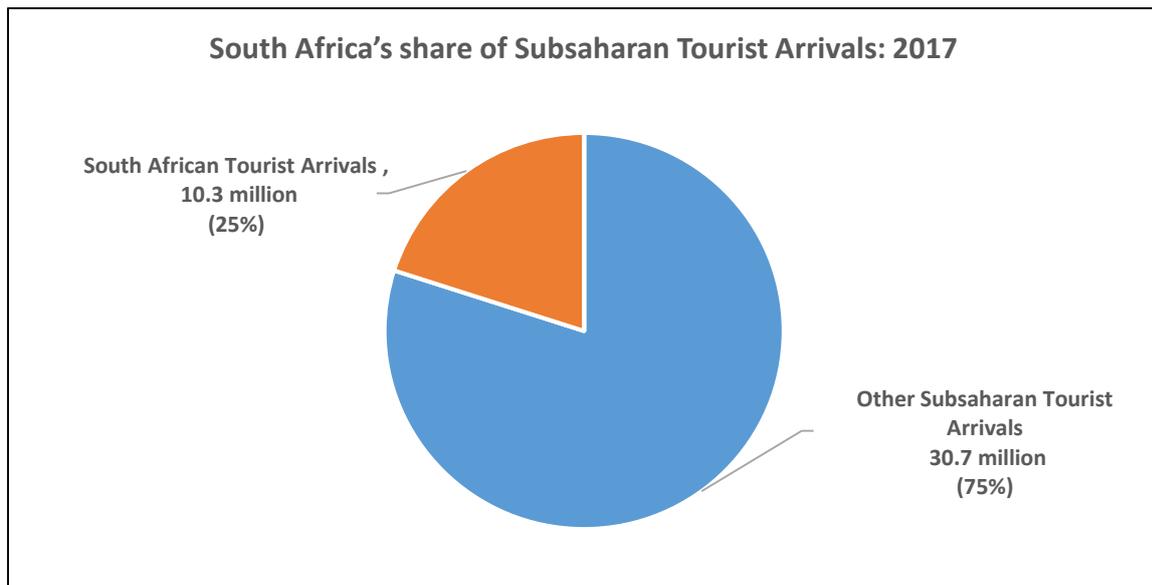


Source: Stats SA Tourism Report 2017

5.2. South Africa's contribution to total Sub-Saharan tourist arrivals: 2017

Figure 20 below indicates that there was a total of 40.1 million tourist arrivals to sub-Saharan countries during 2017. South Africa contributed about 25% to this total and about 16.4% to total arrival to the continent. This could be an indication of the importance of South African tourism performance in contributing to the performance of the region. South Africa was followed by Zimbabwe with arrivals of 2.5 million during the same period under review, this was a contribution about 5.9% and 3.9% to arrivals to the Sub-Saharan region and the continent respectively.

Figure 20: South Africa's share of total sub-Saharan arrivals: 2017

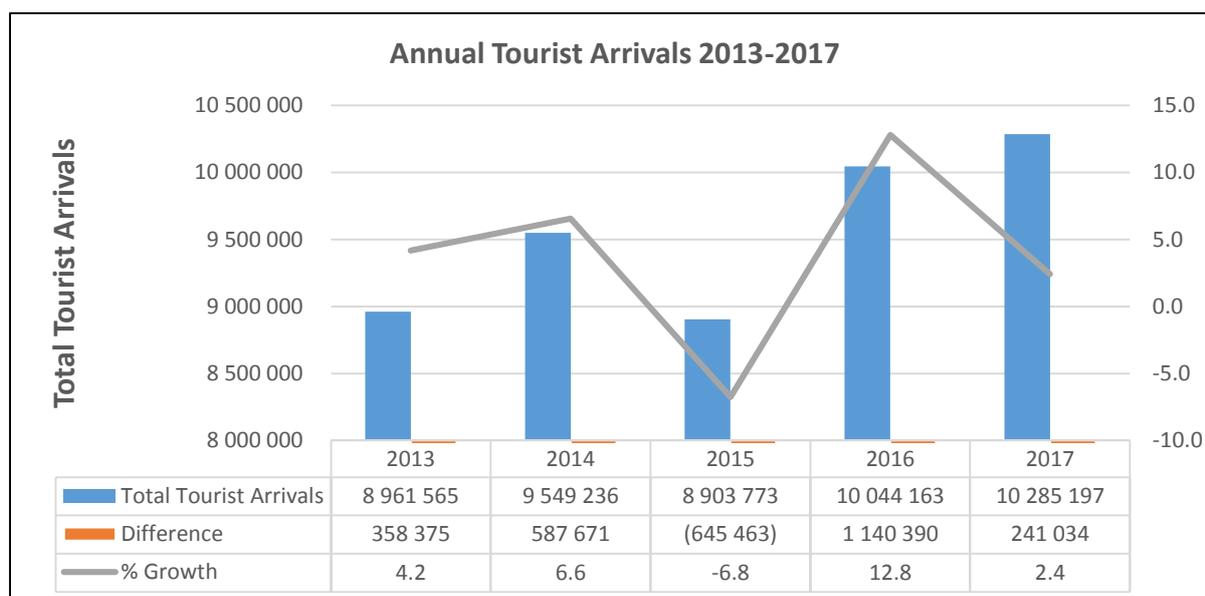


Source: UNWTO Tourism Highlights, 2018 edition and Stats SA Tourism & Migration December report 2017

5.3 South Africa Inbound Tourism Performance: 2017

A total of 10 285 197 tourist arrivals was recorded for 2017, which was an increase of 2.4% (241 034) compared to 2016. Figure 21 below indicates tourist arrivals for the period 2013 to 2017. Tourist arrivals increased from 8 961 565 in 2013 to 9 549 236 in 2014, which was an increase of about 6.6%. Tourist arrivals, however, decreased in 2015 by -6.8% (-645 463) compared to 2014. Comparing 2016 with 2015, there was an increase in tourist arrivals of 12.8% (1 140 390). The figure for 2017 also increased by 2.4% (241 034) when compared to 2016. Comparing 2017 with 2016 indicates that, while the growth was lower, it still indicates an improvement over the decline of 6.8% experienced in 2015 compared to 2014. To further improve the performance of inbound tourism, SA Tourism aims to add 4 million more tourists between the period 2017–2021. The Department of Tourism's revised NTSS (pillar one) also requires that there be effective international marketing that would attract tourists from prioritised markets and segments, as well as enhanced brand management (NTSS, 2017).

Figure 21: Number of International tourist arrivals:2013-2017



Source: Stats SA Tourism & Migration report December 2017

African markets remain the main sources of tourist arrivals to South Africa contributing almost 73.5% to the total tourist arrivals in 2017. The remaining 27.5% of South Africa's International tourist markets are from long-haul destinations, the majority of these overseas markets consisting of travel from Europe (61%), North America (16%) and Asia (12%) in 2017.

Table 7 below shows tourist arrivals by region for 2017 compared to 2016. Total tourist arrivals from overseas grew by 7.2% (182 087) while arrivals from Africa showed a slight growth of 0.8% (57 830) in 2017 compared to 2016. Compared to other sub-regions, the Central and South America region had the highest growth of 59.3% (40 036) for the period under review. The growth in this region was mainly driven by Argentina (56,3%), Chile (77,5%) and Brazil (74,7%). However, Brazil led with regards to volume with about 67 797 more tourists arriving in 2017 compared to 2016. Asia recorded a declining growth of -3,3% driven by China which recorded a declining growth of -17% during the same period under review.

Table 7: International tourist arrivals by region: 2016-2017

Region	2016	2017	Difference	% Difference
EUROPE	1 544 026	1 660 848	116 822	7.6%
NORTH AMERICA	406 192	437 903	31 711	7.8%

CENTRAL & SOUTH AMERICA	67 546	107 582	40 036	59.3%
AUSTRALASIA	131 856	133 713	1 857	1.4%
MIDDLE EAST	53 536	55 906	2 370	4.4%
ASIA	327 890	317 181	-10 709	-3.3%
TOTAL OVERSEAS	2 531 046	2 713 133	182 087	7.2%
TOTAL AFRICA	7 501 512	7 559 342	57 830	0.8%
Unspecified	11 605	12 722	1 117	9.6%
GRAND TOTAL	10 044 163	10 285 197	241 034	2.4%

Source: Stats SA Tourism & Migration report December 2017

Top International Overseas and African Tourist Source Markets: 2017 compared to 2016

Table 8 below shows rankings of top ten overseas source markets for the same period under review. Comparing 2017 with 2016, Brazil recorded a significant growth of 74.7% and moved up from 15th position in 2016 to the 9th position in 2017, overtaking Italy, which fell off the top ten markets. Canada also moved position, shifting from 9th position to 10th. Australia moved from 7th position in 2016 to the 6th position in 2017 overtaking China, which moved from the 6th position to the 8th position during the same period under review. It should be noted that India became the main source market from Asia, overtaking China to take up the 7th position. The poor performance of China was due to a declining growth rate of -17,0% recorded during the period under review.

Table 8: Top ten overseas international tourist markets:2017 compared to 2016

Country 2017	RANK-2017	Tourist Arrivals 2017	RANK-2016	TOURIST ARRIVALS 2016	% Change from 2016 to 2017
UK	1	447 901	1	447 840	0.01
USA	2	370 747	2	345 013	7.5
Germany	3	349 211	3	311 832	12.0
France	4	196 165	4	154 226	27.2
Netherlands	5	159 621	5	147 973	7.9
Australia	6	116 257	7	109 146	6.5
India	7	97 921	8	95 377	2.7
China	8	97 069	6	116 946	-17.0
Brazil	9	67 797	15	38814	74.7
Canada	10	67 156	9	61 179	9.8

Source: Stats SA Tourism & Migration report December 2017

Table 9 below ranks the top ten African source markets for the period 2016 and 2017. Most of the top ten African source markets remained at the same position for the period under review, apart for Malawi and Zambia which exchanged positions. Some of the top ten countries recorded a declining growth, with Nigeria recording the highest declining growth rate of -22,4%. Zimbabwe, Lesotho and Mozambique remain the top source markets from the continent, even though Lesotho recorded a declining growth of -0.6% during this period.

Table 9: Top ten African tourist source markets:2017 compared to 2016

Country 2017	RANK-2017	Tourist Arrivals 2017	RANK-2016	TOURIST ARRIVALS 2016	% Change from 2016 to 2017
Zimbabwe	1	2 039 932	1	2 028 881	0.5
Lesotho	2	1 747 211	2	1 757 058	-0.6
Mozambique	3	1 339 245	3	1 268 258	5.6
Swaziland	4	876 992	4	893 618	-1.9
Botswana	5	681 379	5	679 828	0.2
Namibia	6	208 747	6	214 664	-2.8
Malawi	7	175 014	8	154 017	13.6
Zambia	8	173 033	7	174 767	-1.0
Nigeria	9	50 921	9	65 599	-22.4
Angola	10	49 299	10	43 608	13.1

Source: Stats SA Tourism & Migration report December 2017

Share of South African tourist arrivals from global outbound: 2017

As already indicated, the total number of tourists to South Africa was 10.3 million in 2017, receiving about 0.8% of total global tourist arrivals. Most of the arrivals to the country were from the African region which accounts for was about 18% of total tourists from this region travelling globally. Table 10 also indicates that, of the total tourists who travelled from Europe, South Africa received 0.3% (1 660 848) of these tourists. From the Asia and the Pacific region, South Africa received 0.1% (450 894) of the total tourists who travelled in 2017. In 2017, South Africa received 0.2% (545 485) of tourists from the Americas region. South Africa received 18% (7 559 342) of the total African tourists who travelled in 2017. South Africa received 0.1% (55 906) of the total

tourists who travelled from the Middle East in 2017. One of the reasons for South Africa receiving more tourists from African countries could be due to the shorter distance it takes to travel to South Africa for African countries, as compared to overseas countries. In addition, tourists from African countries also travel to South Africa to visit their friends and relatives who are residing in South Africa. This can be seen in the purpose of visit results by region which are discussed later in this section.

Table 10: Share of South Africa’s arrivals from global outbound by region: 2017

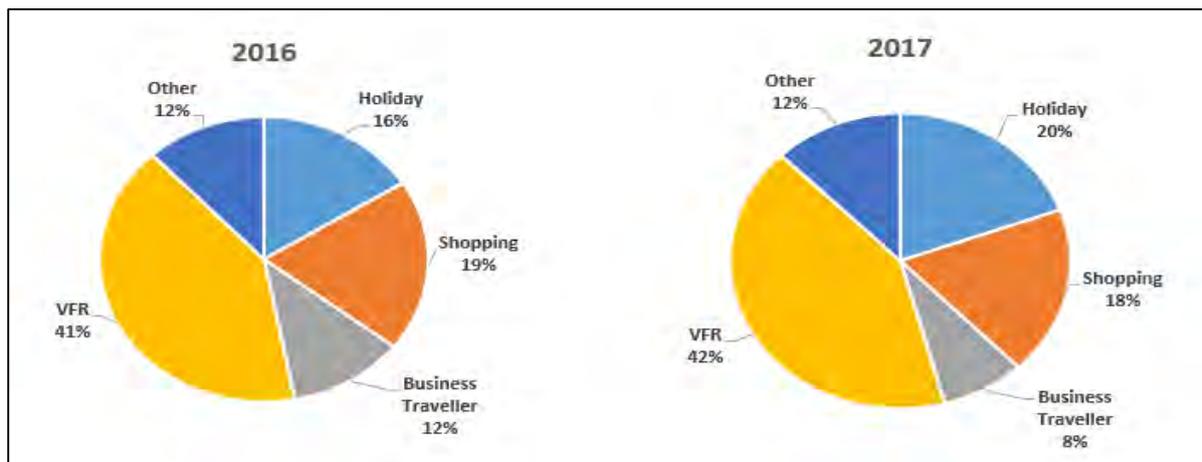
Region	Global Outbound	South Africa Inbound	SA % Share
Europe	634 600 000	1 660 848	0.3
Asia and the Pacific	329 800 000	450 894	0.1
Americas	220 600 000	545 485	0.2
Africa	42 100 000	7 559 342	18
Middle East	39 800 000	55 906	0.1
Total	1 323 000 000	10 285 197	0.8

Source: UNWTO Tourism Highlights, 2018 edition, Stats SA Tourism & Migration report 2017, arrivals

5.4 Main purpose of visit for tourist arrivals: 2016-2017

Tourists often travel to different destinations for different purposes. Understanding the different purpose of visit categories that influence tourists’ travel is important when it comes to marketing a destination. The business category includes tourists travelling for business and MICE purposes. The main reasons for international tourists to visit South Africa in 2017 were: visiting friends and relatives (VFR) (42%); holiday (20.0%); and shopping (18%), as indicated in the figure below. The shopping category includes tourists who were shopping for personal reasons (10.0%) and shopping for business reasons (8.4%). In 2017, 12% of tourists who travelled for other reasons, including medical (1.2%), religion (1.9%) and other (9.2%).

Figure 22: Share of purpose of visit (2016-2017)

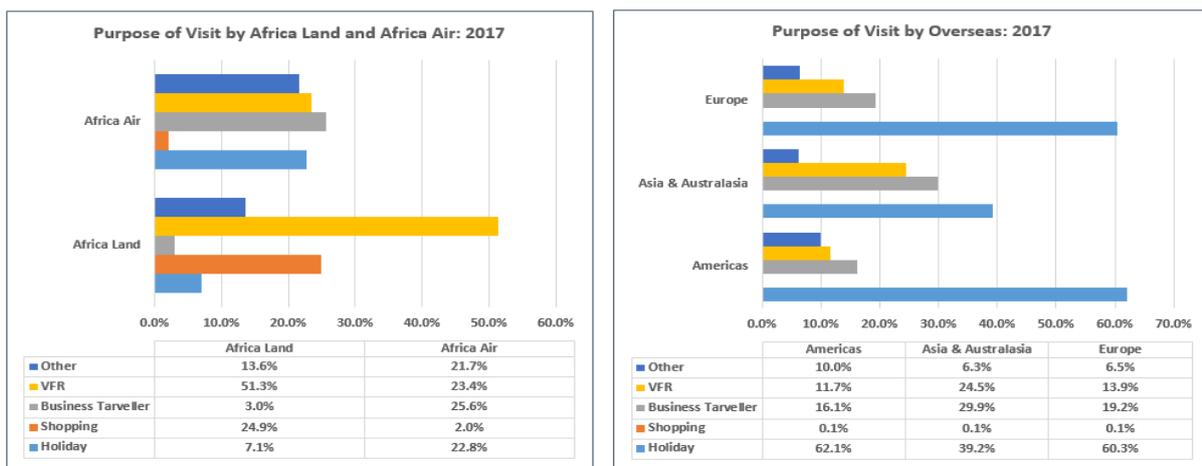


Source: SA Tourism annual report, 2017

International Markets Purpose of Visit by Overseas and Africa regions: 2017

Figure 23 below indicates the purpose of travel by different regions.

Figure 23: Purpose of Visit by region: 2017



Source: SA Tourism annual report, 2017

The results indicate that, in 2017, countries that are categorised within the Africa Air region visited travelled to South Africa for business purposes (25.6%) followed by VFR (23.4%) and holiday (22.8%) purposes. Countries that are classified within the Africa land region predominantly visited South Africa for VFR purposes (51.3%) and shopping purposes (24.9%) in 2017. Less than 10% of tourists from the Africa land region visited South Africa for business (3%) and holiday (7.1%) purposes for the same period.

The results for the regions within the overseas markets indicated that more than 60% of tourists from the Americas (62.1%) and Europe (60.3%) visited the country for holiday purposes. Asia and Australia were leading with tourist arrivals for business purposes, accounting for which was about 29.9% of tourists arriving from this region. The same region was leading with tourists arriving in the country for VFR purposes (24.5%). This analysis highlights the importance of market agencies catering to the different purposes of travel for international markets.

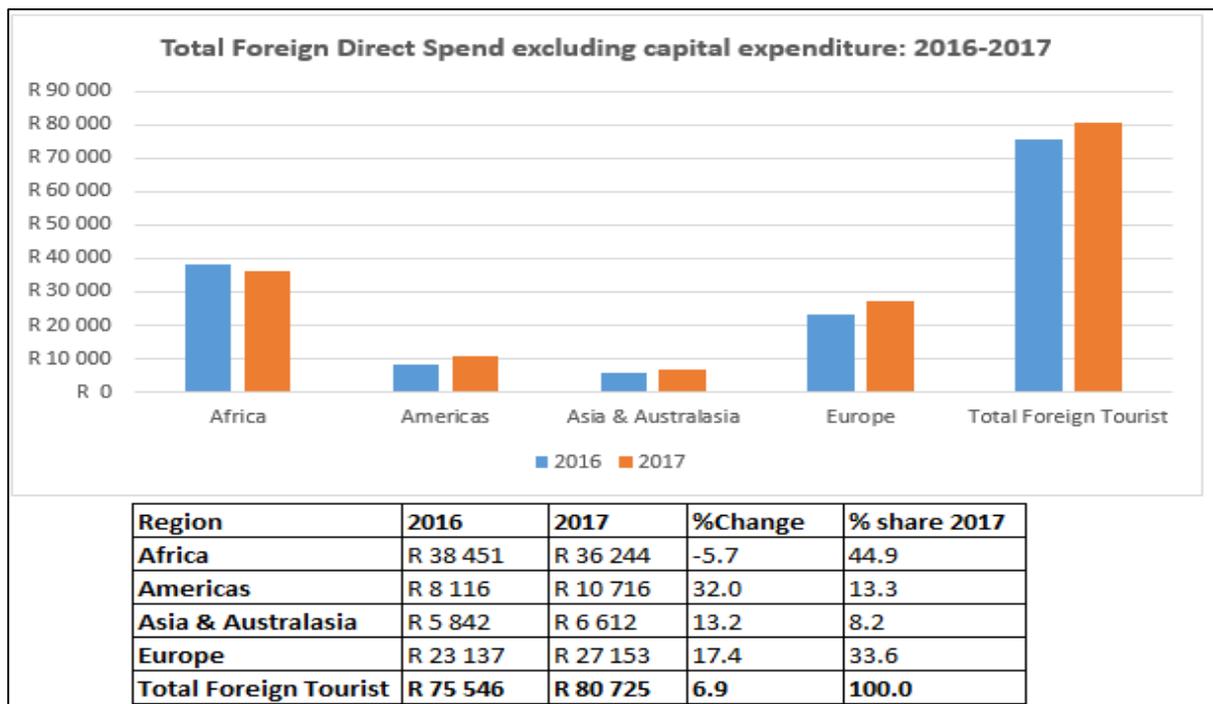
5.5 Length of stay:2016-2017

In 2017, tourist arrivals to the country were staying longer compared to 2016. 2017 results indicate that the number of nights spent by international tourists went up from 9.2 nights in 2016 to 12.2 nights in 2017. Increasing the length of stay of tourist arrivals should be one of the key targets to increase the contribution of tourism to the economy of any country because, the longer tourists stay in a country, the more they are likely to spend.

5.6 Total Foreign Direct Spend (excluding capital expenditure): 2016-2017

One of the indicators that is used to measure the importance of tourism for the economy is how much tourists spend while they are travelling within the country, given that their expenditure contributes to the country's economy as well as job creation. According to South African Tourism, total foreign direct spend was R80.7 billion in 2017, which was an increase of 6.9 % moving from R75.5 billion in 2016. This increase could have been driven by the increase in average spend, length of stay as well as the increase in tourist arrivals in general.

Figure 24: Total Foreign Direct Spend excluding capital expenditure:2016-2017



Source: SA Tourism, data cuts, 2017.

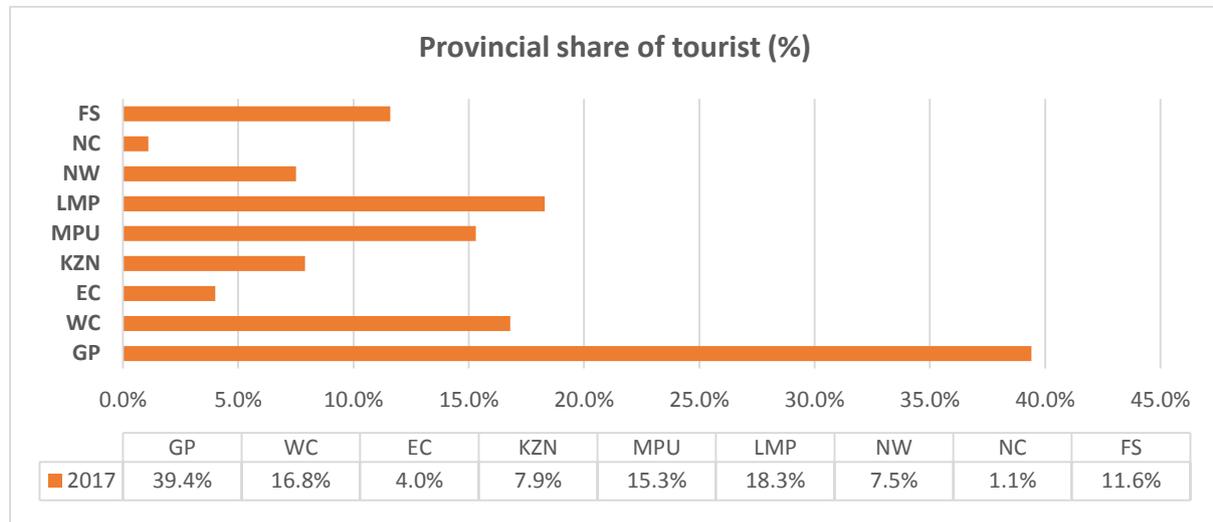
Figure 24 above indicates the total spend by region for 2016 and 2017. The importance of arrivals from Africa could be seen by their contribution to total foreign direct spend which was about 44.9% and the rest of the contribution was from overseas markets. The contribution from Africa is driven by volume. It should be noted that tourists from the continent spend, on average, less than arrivals from overseas markets. The average expenditure for international tourist arrivals in South Africa was R8 400 per trip during 2017 which was up from R8 100 in 2016. Air-bound markets show a much higher average spend per trip, with the Americas spending an average of R22 700, Europe R19 800, African air markets spending on average of R19 100 and Asia and Australia R17 200; while the Africa land market only spend R4 300 per trip on average.

5.7 Provincial share of Inbound tourists (2017)

Figure 25 below indicates that, in 2017, most international tourists visited Gauteng (39.4%), followed by Limpopo (18.3%) and the Western Cape (16.8%). These provinces are key ports of entry into South Africa. One of the reasons for Gauteng being the most visited province by international tourist arrivals is that OR Tambo

International Airport is located in Gauteng and is the main international airport for the country, with most of the international inbound flights landing at OR Tambo.

Figure 25: Provincial share of international tourist arrivals



Source: SA Tourism provincial data cuts, 2017

The three least visited provinces include North West (7.5%), the Eastern Cape (4.0%) and the Northern Cape (1.1%). To increase the impact and benefit of international tourism, provincial marketing agencies should encourage tourists to visit their respective provinces. Tourism planners should also consider developing tourism products that would attract international tourist to the less visited provinces.

2017: SOUTH AFRICA DOMESTIC TOURISM PERFORMANCE

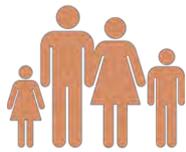


Day Trips 2017:
135.0 million (7.8% increase compared to 2016)



Overnight Trips 2017:
17.2 million (-29.2% decrease compared to 2016)

Source: SA Tourism Annual Report, 2017.



Main purpose of visit 2017:
Visiting Friends and Relatives (VFR) 60%

Source: SA Tourism Annual Report, 2017.

Average Length of Stay 2017:

4.1 nights (-4.6% decrease compared to 2016)

Source: SA Tourism Annual Report, 2017.



Average Domestic Spend 2017:
R1 280 (17.4% increase compared to 2016)

Source: SA Tourism Annual Report, 2017.



Total Domestic Spend: 2017
22.1 billion
(-16.6% decrease from 2016)

Source: SA Tourism Annual Report, 2017.

SECTION 6: SOUTH AFRICA DOMESTIC TOURISM PERFORMANCE

Domestic tourism plays a critical role in the success of any tourism destination and should form the backbone of the sector. According to the Tourism Satellite account (TSA), released by Statistics South Africa (Stats SA), domestic tourism plays a critical role in the tourism sector as it generates more than half the internal tourism revenue. South Africa aims to increase the impact and spread of domestic tourism through multiple marketing strategies, product development and packaging, and niche market creation. SA Tourism's 5 in 5 strategy aims to add 1.0 million more domestic holiday trips between the period 2017–2021. The NTSS key pillars include key elements that will drive the development and growth of the domestic market. The Department of Tourism has also developed a Domestic Tourism Strategy to increase domestic tourism expenditure (revenue), domestic tourism volume, enhance measures and efforts aimed at addressing seasonality and equitable geographical spread, and enhance the level of the culture of tourism/travel among South Africans (Domestic Tourism Strategy, 2012).

This section analyses the performance of South Africa's domestic tourism for the period 2017 compared to 2016. The data has been sourced from SA Tourism's domestic tourism survey.

6.1 Integration of Domestic Tourism Surveys in the Country

There are two main sources for domestic tourism performance statistics, namely the SA Tourism Domestic Tourism Survey and the Stats SA Domestic Tourism Survey. The two separate surveys are conducted for different purposes and use different methodologies which can be seen in table 11 below. This caused considerable confusion amongst the users of domestic tourism statistics. To remedy this situation, it was agreed that the two surveys would be aligned and integrated into a single DTS that would serve both Stats SA, SA Tourism and other key stakeholders within the tourism sector. The harmonisation of the two surveys is still underway and it is envisaged that SA Tourism will then discontinue with the DTS going forward once the

harmonisation process is completed. For the purpose of this report, the results of SA Tourism’s domestic tourism survey will be used since the Department of Tourism is using the SA Tourism domestic tourism survey results for planning and reporting purposes while waiting for the two surveys to be harmonised.

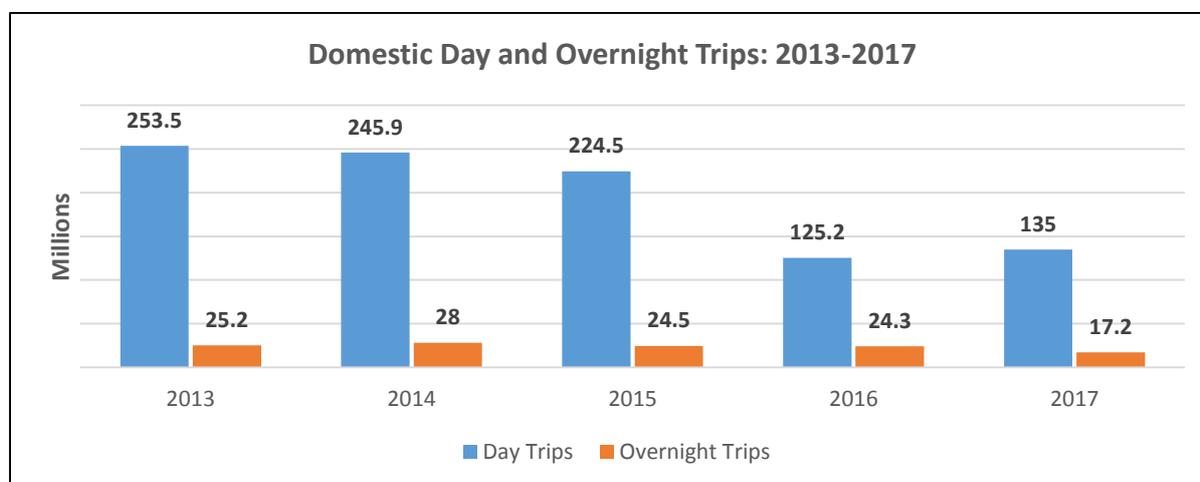
Table 11: Summary of primary differences between Stats SA and SA Tourism Domestic Tourism Surveys

Characteristic	SA Tourism	Stats SA
Type of Survey	Household	Household
Sample	15 594 persons/Adults (about 1300 per month)	28 000 households (continuous data collection and the 28 000 is divided into four quarters)
Respondents	Adults: 18 years and above, respond to individual trips only	All ages and respondents can respond for other household members of all the age groups.
Recall Period	One-month recall period. (Respondent is asked about the trips taken in the previous month)	Up to three-month recall period but data collected monthly.
Characteristics of trips	SA Tourism collect detailed information for each trip undertaken (day/night)	Stats SA only collect detailed information for the most recent trip taken in three months under review when data is collected.
Reporting	Annual Report Quarterly reports	Annual report Bi-annual report

6.2 Domestic Day and Overnight Trips: 2013-2017

The figure below (Figure 26) shows the number of domestic day and overnight trips taken during the period 2013-2017.

Figure 26: Number of Domestic Trips (millions):2013-2017



Source: SA TOURISM Data Cuts, 2017

Table 12: Percentage change in day and overnight domestic trips undertaken during the period: 2013-2017

	2013	2014	2015	2016	2017
% Change: Day Trips	-22.0	-3.0	-8.7	-44.2	7.8
% Change: Overnight Trips	-0.8	11.1	-12.5	-0.8	-29.2

Source: SA Tourism Data Cuts, 2017

Recent trends show a decrease in domestic tourist trips over the past few years, as indicated in table 12 above. In 2013 the total domestic day trips was 253.5 million which declined by 22% compared to 2012, in which total domestic day trips were 324.8 million. Comparing 2013 to 2014, total domestic day trips declined by 3.0%. From 2014 to 2015 total day trips declined by -8.7%. In 2016, total domestic day trips declined by -44.2% when compared to 2015, a decline of almost half of the day trips taken in 2015 (224.5 million). In 2017, domestic day trips increased from 125.2 million in 2016 to 135 million in 2016 which was a growth of 7.8%.

A similar pattern can also be observed for overnight trips. In 2013, overnight trips were 25.2 million which was a decline of 0.8% compared to 2012. In 2014, the total overnight domestic trips recorded was 28 million which was an 11% increase compared to 2013. Comparing 2015 with 2014, total overnight domestic trips declined by -12.5% resulting in a total of 24.5 million overnight domestic trips recorded in 2015. In 2016, overnight domestic trips decreased by -0.8% compared to 2015. The possible reasons for the decline in domestic day and overnight trips experienced in South Africa could be linked to the performance of the South African economy over the years. In 2017, total domestic trips recorded was about 17.2 million which was a decline of -29.3% compared to 2016.

The unemployment rate in South Africa continues to increase, moving from 25.3% in 2015 to 26.7% in 2017 (Stats SA, 2017). Another key indicator often used to measure the performance of an economy is the Consumer Price Index (CPI) which examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. This is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. The CPI for South Africa in 2015 was 5.18% which increased to 7.07%, resulting in South African households spending more money on grocery items, transportation and medical care.

As a result, South Africans could have had less money available to take domestic day and overnight trips. A study conducted in China by Zhang (1997) indicates that the growth of China's economy in the late 1990's was the key factor in the growth of domestic tourism in China. The standard of living of the Chinese people also improved, making domestic travel affordable in the country. Similarly, the development of South Africa's economy could improve the performance of domestic tourism in South Africa.

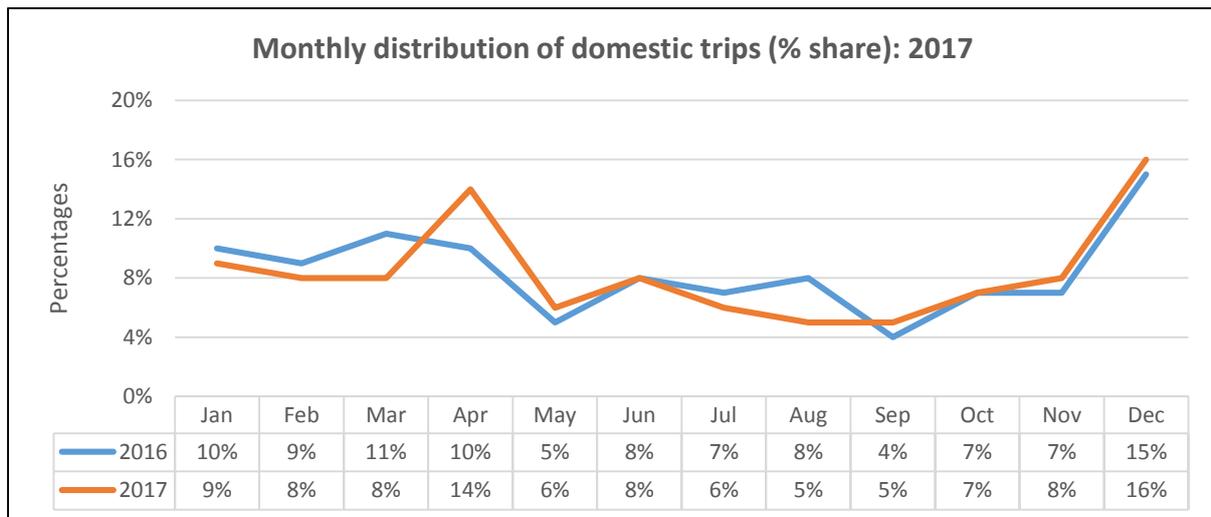
6.3 Domestic Tourism Purpose of Visit and Length of Stay:2017

In 2017, the majority of domestic tourists travelled for Visiting Friends and Relatives (VFR) purposes (60%) followed by holiday (17%), business (7%), religious (11%) and medical (1%) purposes. In addition to VFR, the category also includes domestic tourists that travel for weddings, funerals and celebrations. In 2017, domestic tourists spent an average of 4.1 nights which was a slight decline compared to 4.3 nights in 2016.

6.4 Domestic Tourism Seasonality: 2016-2017

Figure 27 below compares the monthly share of domestic tourism trips during 2015 and 2016. Ideally, for domestic tourism trips to be less seasonal and equally distributed throughout the year, the share of monthly domestic trips should at least be 8%. In 2017, South African adults took far fewer trips in August (5%) and September (5%) compared to other months. However, data indicates that South Africans still tend to travel more in December, as this month always records the highest share of domestic trips every year. The share of domestic trips for December in 2016 and 2017 were 15% and 16% respectively, the highest rate of travel for both years. It should be noted that domestic travel tends to be high during the school holidays.

Figure 27: Monthly distribution of domestic trips (% share): 2017

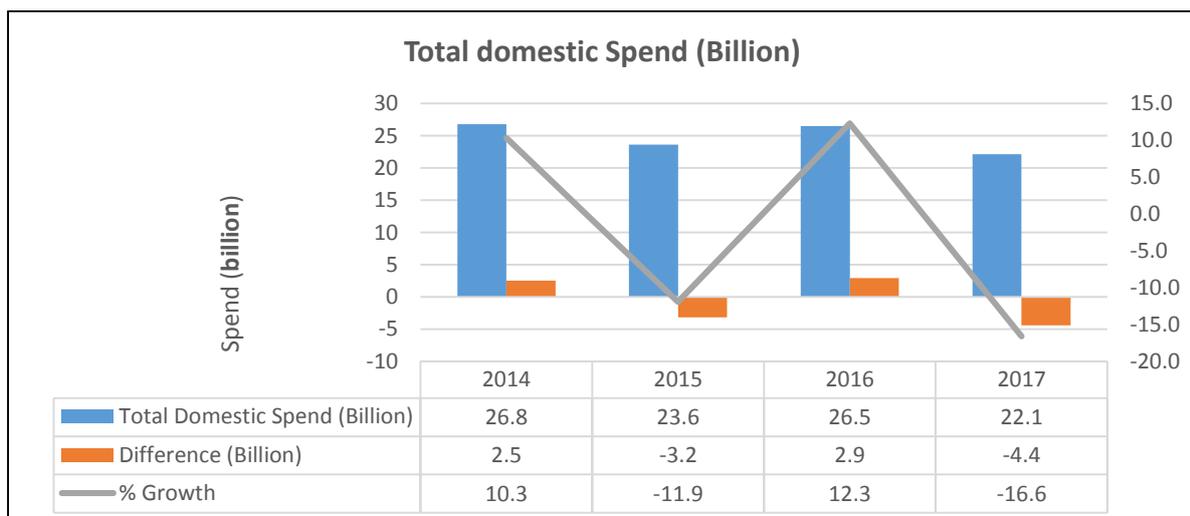


Source: SA Tourism Annual Report, 2017

6.5 Domestic Tourism Spend: 2014-2017

Figure 28 below indicates domestic tourism spend for the period 2014 to 2017. Domestic tourism spend decreased from about R26.8 billion in 2014 to R23.6 billion in 2015, indicating a decline of about 11.9%. Domestic tourism spend increased in 2016 by 12.3% (R2.9 billion) compared to 2015. Comparing 2017 with 2016, total domestic spend was R22.1 billion which was a decline of 16.6% (R4.4 billion).

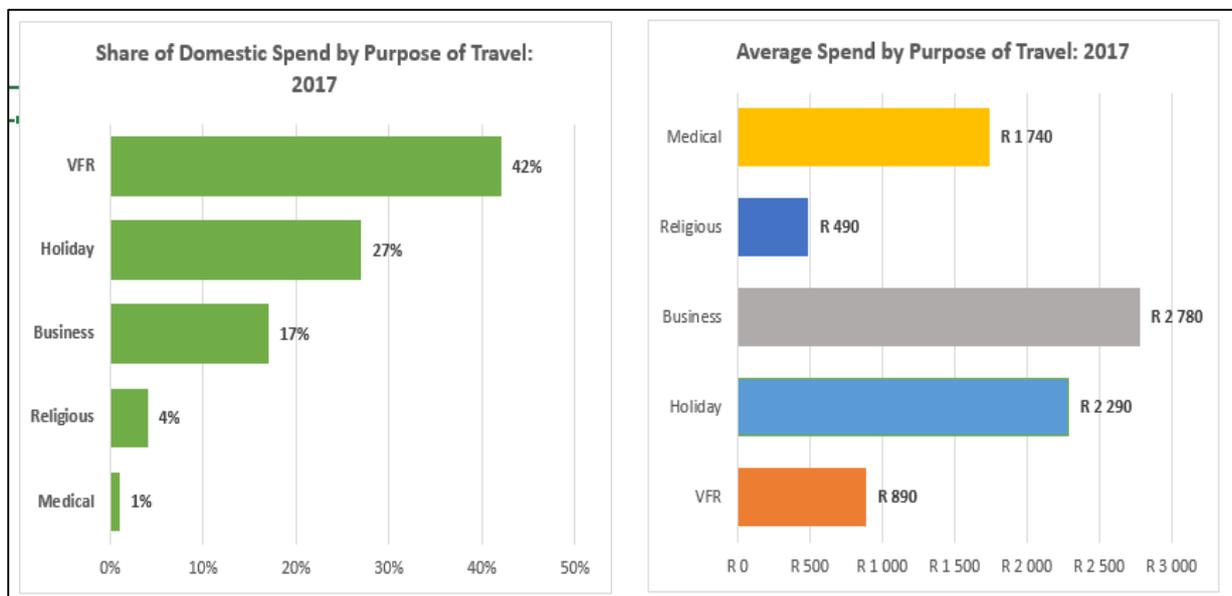
Figure 28: Total domestic Spend (2014-2017)



Source: SA Tourism Annual Report 2017

Figure 29 below shows the share of domestic spend and average spend by domestic tourists' purpose of visit and for the period 2017. For 2017, the results indicate that domestic tourists who travel for VFR purposes contributed 42% of the total domestic spend, followed by holiday (27%), business (17%), religious (4%) and medical (1%). The average spend by purpose results indicates that domestic tourists travelling for holiday (R2 290), business (R2 780) and medical (R1 740) purposes spend more money per trip on average compared to travellers visiting for VFR (R890) and religious (R490) purposes, as illustrated in figure 29. These results indicate the potential of generating greater revenue through holiday and business travel as domestic tourists traveling for these purposes tend to spend more. However, potential lies within the VFR market as this category contributes more to the volume of domestic trips. This could be done by encouraging increased spending and tourist activity during the visitation period from this market. This market can also be encouraged to also travel for holiday purposes.

Figure 29: Share of domestic by purpose of visit and average spend by purpose: 2017



Source: SA Tourism Annual Report 2017

6.6 Provincial share of domestic trips: 2017

The provincial distribution of domestic tourism trips for 2017 is indicated below in table 13. Domestic tourists travelled more to Limpopo (23.9%), Gauteng (16.1%) and KZN

(13.1%) in 2017. Provinces that received less than 5% of domestic trips were the Free State (3.5%) and Northern Cape (1.2%). These results indicate that domestic tourism campaigns should focus largely on marketing the less visited provinces in order for equal geographical spread.

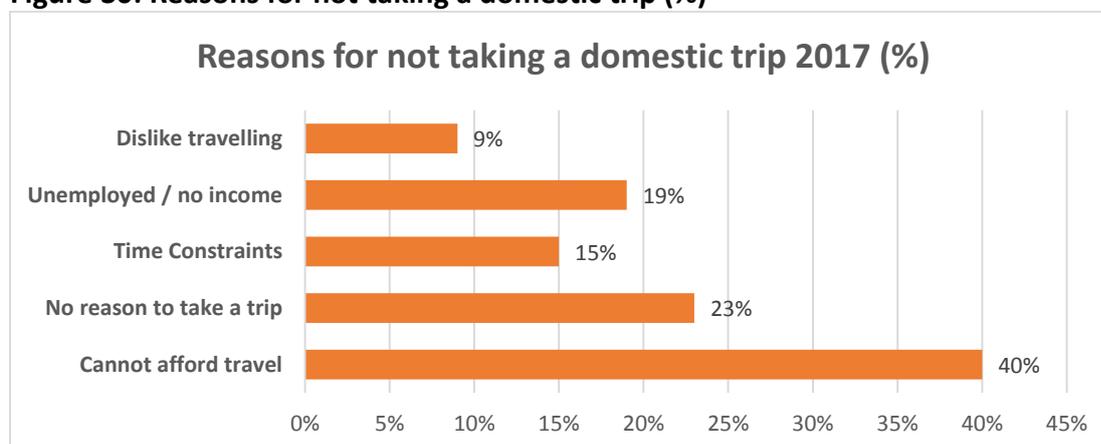
Table 13: Provincial distribution of domestic trips: 2017

Province	2017	
	Total Trips	% Share
Eastern Cape	1 467 000	7.7%
Free State	676 000	3.5%
Gauteng	3 090 000	16.1%
KwaZulu-Natal	2 504 000	13.1%
Limpopo	4 590 000	23.9%
Mpumalanga	2 040 000	10.6%
Northern Cape	352 000	1.8%
North West	1 030 000	5.4%
Western Cape	1 421 000	7.4%
Total	19 173 000	100.0%

Source: SA Tourism, data cuts. 2017

6.7 Reasons for not taking a Domestic Trip: 2017

Figure 30: Reasons for not taking a domestic trip (%)



Source: SA Tourism Data cuts 2017

As already indicated, domestic trips showed a decline of 29.2% in 2017. The table above provides reasons as to why fewer domestic trips were taken in 2017. As observed, 40% could not afford to travel, 23% had no reason to travel, 19% indicated that they were unemployed or had no income, 15% indicated time constraints and about 9% disliked traveling. According to the latest TSA results released by Stats SA (2018), preliminary figures for 2016 show that domestic tourism (R144 358 million)

contributed 54% to total tourism expenditure (R265 758 million) which was more than inbound tourism (R121 400 million). An improvement in the performance of domestic tourism in South Africa could therefore lead to a possible increase in the contribution of tourism to the country's GDP and an increase in the number of jobs created by the sector. Locally-based service providers should therefore encourage cost-effective travelling packages for those who cannot afford to travel based on the prices of current packages available.

SECTION 7: SOUTH AFRICA VISA FACILITATION AND TOURISM RELATED INDUSTRIES PERFORMANCE

This section reviews South Africa's visa facilitation process by focusing on the visa status of South Africa's top ten overseas and African countries' visa requirements. The performance of tourism related industries, namely the accommodation industry, the food and beverage industry, the aviation and tourist guides sectors, are also provided in this section.

7.1 Visa facilitation in South Africa: 2018

In October 2014, the South African Department of Home Affairs introduced new visa regulations which many tourism stakeholders consider one of the reasons for the decline in South Africa's tourist arrivals for the period 2015. Tourist arrivals for 2015 declined by 6.8% compared to 2014, resulting in a total of 8.9 million international tourists visiting South Africa. Since 2015, the Department of Home Affairs have initiated an intervention plan to ease the impact of the visa regulations. This includes, amongst others, visa facilitation centres in various source countries.

In his recent budget vote speech to parliament, the Minister of Tourism, Mr Derek Hanekom, stated that *"One of the most effective ways to increase tourist arrivals is to make it easier for people to travel to our country"* (17th May 2018, Cape Town). The Department of Tourism has therefore been working closely with the Department of Home Affairs to improve visa regulation for countries that require a visa to enter South Africa. Some of the new interventions include the introduction of e-visas, developing and implementing systems that recognise tourists' that have been approved for visas which required detailed security checks such as the Schengen visa and visas for the USA, Canada, the UK and Australia. These visas could be recognised as sufficient requirements for tourist who need visas to enter South Africa. Finally, the Department of Home Affairs is also considering bringing down the requirements for travelling minors, in line with the practices of the USA, UK and other countries (Tourism Minister Budget Vote, 2018).

7.2 Global top 10 outbound source markets visa requirements to visit South Africa: 2016

Table 14 below indicates the visa requirements for the top ten global outbound source markets to visit South Africa for the period 2016. Six out of the top ten global outbound countries do not require a visa when visiting South Africa. The Asian top outbound source markets, namely travellers from China, Hong Kong and South Korea, do require a visa when visiting South Africa. The number of Chinese tourists travelling globally has increased over the years and China has been identified as one of the highest spenders globally for the period 2016. The improvement of visa regulations for this market could be used to encourage more Chinese tourists to visit South Africa.

Table 14: Global top 10 outbound source market visa requirements to visit South Africa: 2016

Top 10 outbound source markets	SA Visa requirements
USA	Visa exempt for 90 days or less
China	Visa Required
United Kingdom	Visa exempt for 90 days or less
Germany	Visa exempt for 90 days or less
France	Visa exempt for 90 days or less
Hong Kong, China	Visa Required
Canada	Visa exempt for 90 days or less
Australia	Visa exempt for 90 days or less
South Korea	Visa Required
Japan	Visa Required

Source: UNWTO Tourism Highlights, 2018 edition and Department of Home Affairs Visa requirements.

Tourist Visa status conditions for South Africa's top 10 Overseas and Africa source markets: 2017

Studies have shown that the type of visa required by a country also influences a tourist's selection of a destination since the application process can occasionally be costly and time-consuming (Artal Tur, Andrés; Pallardó López, Vicente Juan; Requena Silvente, Francisco, 2016). Research by UNWTO and the World Travel and Tourism

Council (WTTC) on the impact of visa facilitation on the G20 economies has shown that the ease of visa facilitation can increase tourism demand, grow exports and create additional jobs (UNWTO and WTTC, 2012). The table below shows the visa requirements for South Africa's top ten overseas and Africa source markets. Most of the top ten overseas countries are visa exempt for 90 days or less when visiting South Africa, except for China and India which are required to have a visa when visiting South Africa. Similarly, most top ten Africa markets are visa exempt for 30/90 days or less, except for Nigeria which is required to have a visa.

Table 15: Top 10 Overseas and Africa source markets visa requirements to enter South Africa

Overseas	Visa Requirements	Africa	Visa Requirements
1. UK	Visa exempt for 90 days or less	1. Zimbabwe	Visa exempt for 90 days or less
2. USA	Visa exempt for 90 days or less	2. Lesotho	Visa exempt for 30 days or less
3. Germany	Visa exempt for 90 days or less	3. Mozambique	Visa exempt for 30 days or less
4. France	Visa exempt for 90 days or less	4. Swaziland	Visa exempt for 30 days or less
5. Netherlands	Visa exempt for 90 days or less	5. Botswana	Visa exempt for 90 days or less
6. China (HK)	Visa Required	6. Namibia	Visa exempt only ordinary passport holders 90 days per annum
7. Australia	Visa exempt for 90 days or less	7. Zambia	Visa exempt for 90 days per annum
8. India	Visa Required	8. Malawi	Visa exempt for 30 days or less
9. Canada	Visa exempt for 90 days or less	9. Nigeria	Visa Required
10. Italy	Visa exempt for 90 days or less	10. Angola	Visa exempt ordinary passports 90 days per annum visits not to exceed 30 days)

Source: Department. of Home Affairs / immigration services

7.3 Performance of South Africa’s tourism related industries: 2017 compared to 2016

The next section focuses on the performance of the related tourism industries in South Africa. The performance of these industries is key for the tourism sector’s contribution to the country’s Gross Domestic Product (GDP) and total employment. The data for this section is mainly sourced from Statistics South Africa (Stats SA), Airports Company South Africa (ACSA) and national tourism registered tourists’ guides database.

7.3.1 Accommodation Industry Performance: 2016-2017

The following sub-section of the report focuses on the accommodation industry by analysing key indicators, namely stay unit performance, total income from accommodation and industry occupancy rate. The data was sourced from Statistics South Africa’s accommodation survey data cuts.

7.3.2 Stay unit performance: 2016-2017

There was a total of approximately 1 674 000 stay units available in 2017 which showed an increase of 0.1% compared to 2016. Table 16 below indicates that the increase in stay units in the industry during the period under review was mainly in the hotel industry (0.1%), indicating an increased investment in the hotel industry. Unfortunately, the other accommodation types showed little or no increase in availability of stay units during the period under review.

Table 16: Number of stay units:2016-2017

Stay units available (000)	2016	2017	% Change
Stay units available - Hotels	1 098	1 099	0.1%
Stay units available - Caravan parks and camping sites	86	86	0.0%
Stay units available - Guest houses and guest farms	139	139	0.0%
Stay units available - Other accommodation	346	346	0.0%
Stay units available - Total industry	1 669	1 670.4	0.1%

Source: Stats SA: Accommodation data cuts,2017

7.3.3 Income from accommodation: 2016-2017

The total income from accommodation went up from R24 065 million in 2016 to R25 227.3 million in 2017 which was a growth of about 4.8% (as seen in table below). The hotel industry contributed about 63.4% to the total income. However, the accommodation industry needs to be careful not to overprice their offerings, which can deter domestic, and even international tourists, forcing them to utilise other accommodation types or discouraging them from travelling altogether.

Table 17: Accommodation Industry Total Income (million):2016-2017

Type of Accommodation	2016	2017	% Change	% share
Hotels	15 590.9	16 003.9	2.6	63.4
Caravan parks and camping sites	180	221.2	22.9	0.9
Guest houses and guest farms	2038.3	2173.8	6.6	8.6
Other accommodation	6255.8	6828.4	9.2	27.1
Total Industry	24 065	25 227.3	4.8	100.0

Source: Stats SA: Accommodation data cuts ,2017

7.3.4 Industry Occupancy Rate: 2016-2017

The fluctuation in tourist numbers, seasonality, and economic impacts on tourists' travel and spending behaviour could influence the level of occupancy and revenue generated in the accommodation industry. The average occupancy rate for 2017 was 47.0%, down from an average occupancy rate of 47.8% in 2016.

Table 18: Annual Occupancy rate accommodation industry:2016-2017

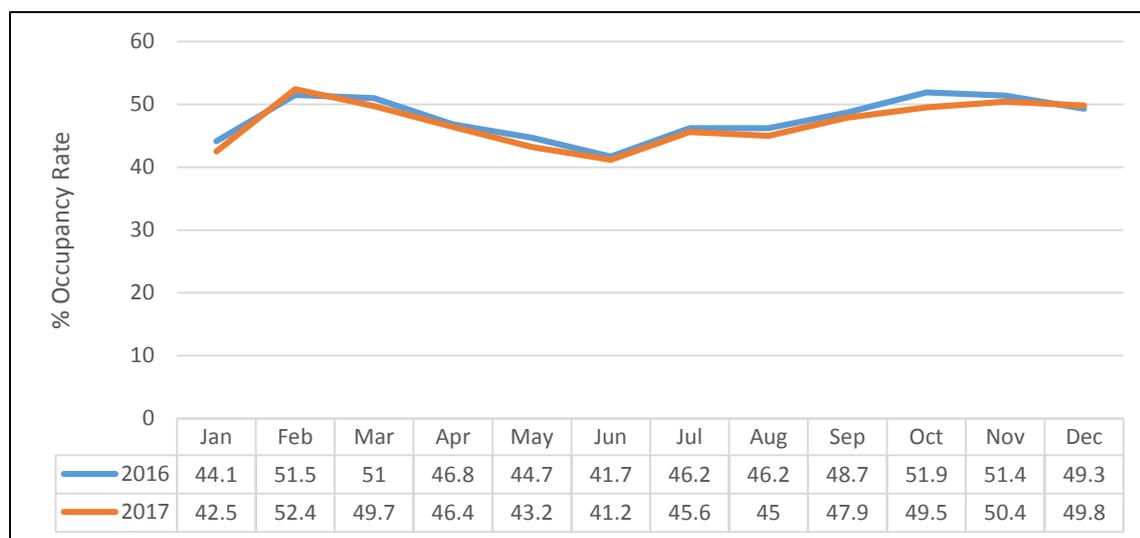
Annual Occupancy Rate	2016	2017	Change
Hotels	45.1	44.6	↓
Caravan parks and camping sites	36.2	42.7	↑
Guest houses and guest farms	54.8	48.1	↓

Other accommodation	56.4	55.3	↓
Total Industry	47.8	47.0	↓

Source: Stats SA: Accommodation data cuts, 2017

According to Stats SA (2017), the monthly occupancy levels remained steady; however, the rates did show low occupancy during the January, May and June periods.

Figure 31: Monthly Occupancy rate of total Industry: Jan-Dec 2016 compared to Jan-Dec 2017



Source: Stats SA: Accommodation data cuts, 2017

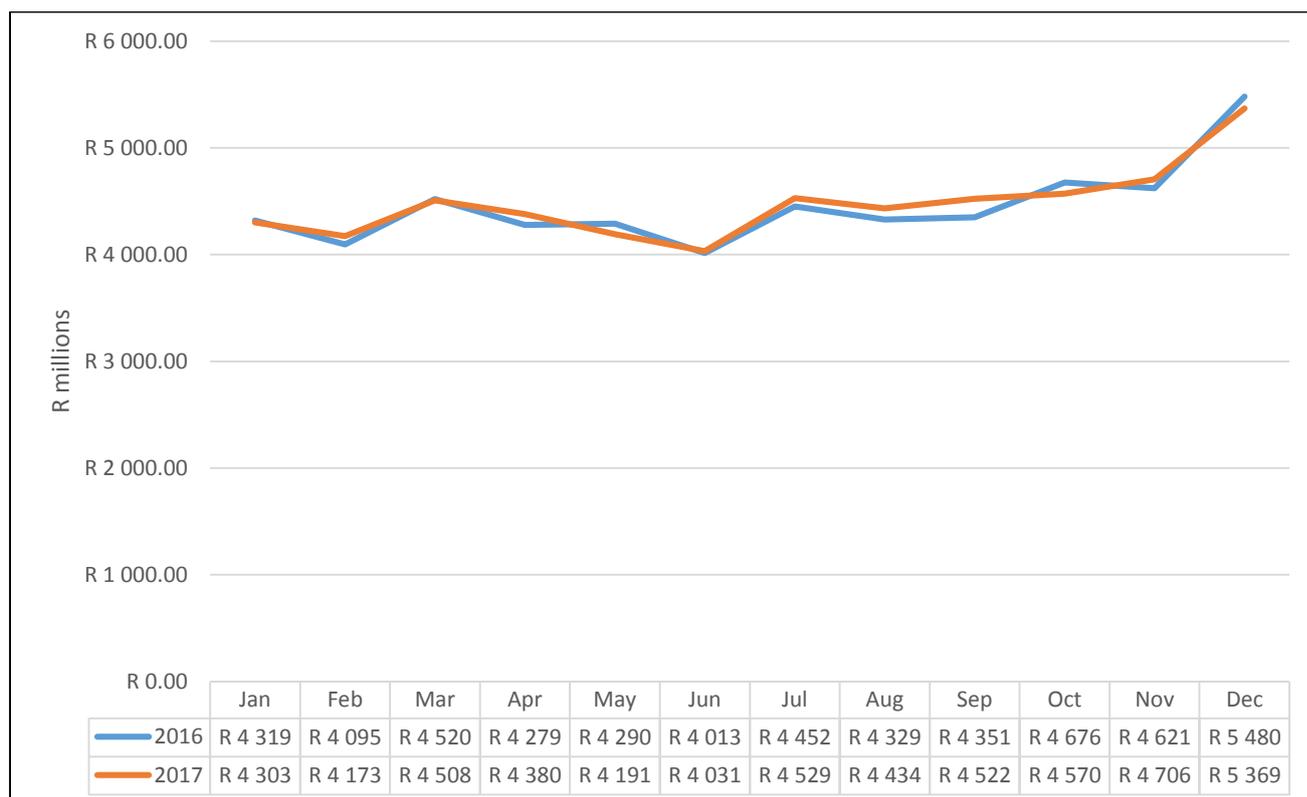
7.4 Food and Beverage Industry: 2017 compared to 2016

Food and beverage outlets can include restaurants – from fast food services to fine dining – as well as pubs, bars, nightclubs and lounges. Food and beverage chains have also found a niche in bookstores, department stores, and casinos. The food and beverage industry is not a primary tourism product, but forms an important function in the secondary activities of tourists, which are essential during any trip. This subsection provides a summary of the income generated from the food and beverage industry.

7.4.1 Food and Beverage Industry Monthly Income:2016-2017

Measured in constant prices, the average monthly income of the food and beverage industry was about R 4 476.8 million in 2017 which led to a total annual income of about R 53 721.3 million. This was almost flat compared to an annual income of about R 53 430.6 million in 2016.

Figure 32: Food and beverages income at constants price, 2016-2017

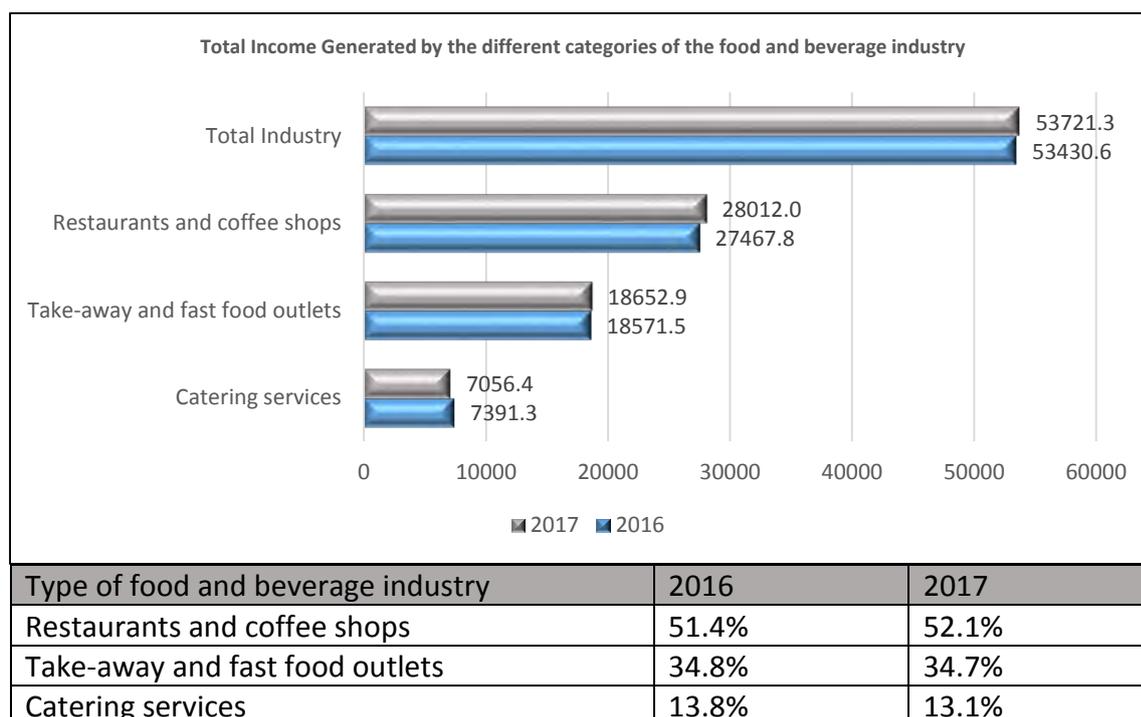


Source: Stats SA: Food & Beverage data cuts, 2017

7.4.2 Food and Beverage income by type of industry: 2016-2017

Restaurants and coffee shops contributed about 51.4% to total income during 2016 and 52.1% during 2017. Take-away and fast food outlets contribution was 34.8% in 2016 which remained almost flat in 2017 (34.7). Catering services share to the total income in 2016 and 2017 was 13.8% and 13.1% respectively.

Figure 33: Total income by type of food and beverage industry



Source: Stats SA: Food & Beverage data cuts, 2017

7.5 Airline Industry Performance: 2016-2017

This section provides the performance of aircraft and passenger movements in airports in ACSA airports within South Africa.

7.5.1 Aircraft Performance:2016-2017

The table below indicates the total arriving aircraft for 2016 and 2017. There has been a decline of 6.3% in the total number of aircraft arriving in 2017 (266 625) compared to 2016 (284 582). The decline was mainly due to the number of unscheduled and domestic aircraft arriving which declined by 19.1% and -1.3% respectively.

Table 19: Arriving Aircraft to South Africa: 2016-2017

Arriving Aircrafts	2016	2017	Difference	% Change
Domestic	14 3146	14 135 3	-1793	-1.3%
Regional	13 192	13 212	20	0.2%
International	37 345	38 566	1 221	3.3%
Unscheduled	90 899	73 494	-1 7405	-19.1%
Total	28 458 2	26 662 5	-1 7957	-6.3%

Source: ACSA data, 2017

7.5.2 Passenger Arrivals movements: 2016-2017

Table 20 below shows the total passengers arriving in 2017 compared to 2016. Total international passenger arrivals increased by 5.6% in 2017 to 5 802 754 passengers, compared to 5 493 933 in 2016. Regional arrivals decreased by 0.5% in 2017 compared to 2016. Domestic passenger arrivals experienced an increase of 3.0% in 2017 compared to 2016. Total passenger arrivals increased by 3.6% in 2017 compared to 2016.

Table 20: Arriving passengers to South Africa by region: 2016-2017

Arriving Passengers	2016	2017	Difference	% Change
International	5 493 933	5 802 754	308 821	5.6%
Regional	567 254	564 296	-2 958	-0.5%
Domestic	13 694 215	14 100 973	406 758	3.0%
Unscheduled	69 387	67 798	-1 589	-2.3%
Total	19 824 789	20 535 821	711 032	3.6%

Source: ACSA data, 2017

7.5.3 Passenger Departure Movements: 2016-2017

Table 21 below shows the total passengers departing in 2017 compared to 2016. Total international passengers departing increased by 6.3% in 2017 which was a total of 5 940 667 passengers compared to 5 587 063 in 2016. Regional arrivals decreased by 0.7% in 2017 compared to 2016. Domestic passenger arrivals experienced an increase of 3.1% in 2017 compared to 2016. Total passengers departing increased by 3.8% in 2017 compared to 2016.

Table 21: Departing passengers to South Africa by region: 2016-2017

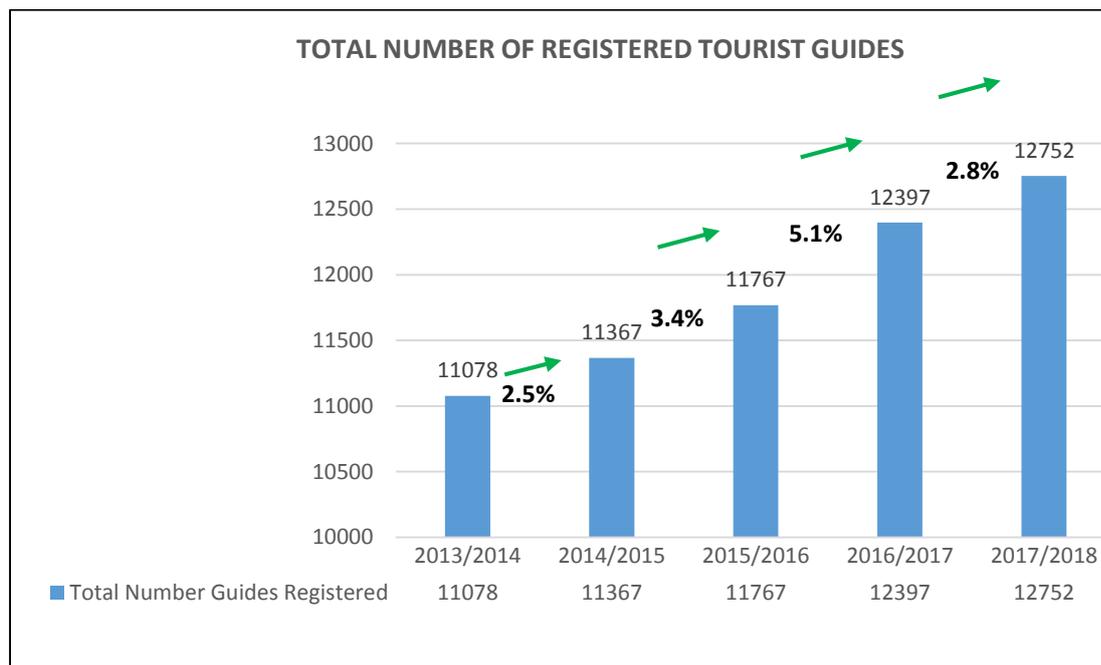
Departing Passengers	2016	2017	Difference	% Change
International	5 587 063	5 940 667	353 604	6.3%
Regional	565 702	561 840	-3 862	-0.7%
Domestic	13 728 853	14 150 989	422 136	3.1%
Unscheduled	65 890	52 625	-13 265	-20.1%
Total	19 947 508	20 706 121	758 613	3.8%

Source: ACSA data, 2017

7.6 Tourist Guides: 2013/14-2017/18

The total tourist guides registered in the different financial years for the period 2013/14-2017/18 are indicated in the table below. The data was sourced from the provincial registrars' database. The total number of registered tour guides in 2017/2018 was 12 757 which was a 2.8% increase compared to 2016/17.

Figure 34: Number of registered tourist guides: 2013/14-2017/18

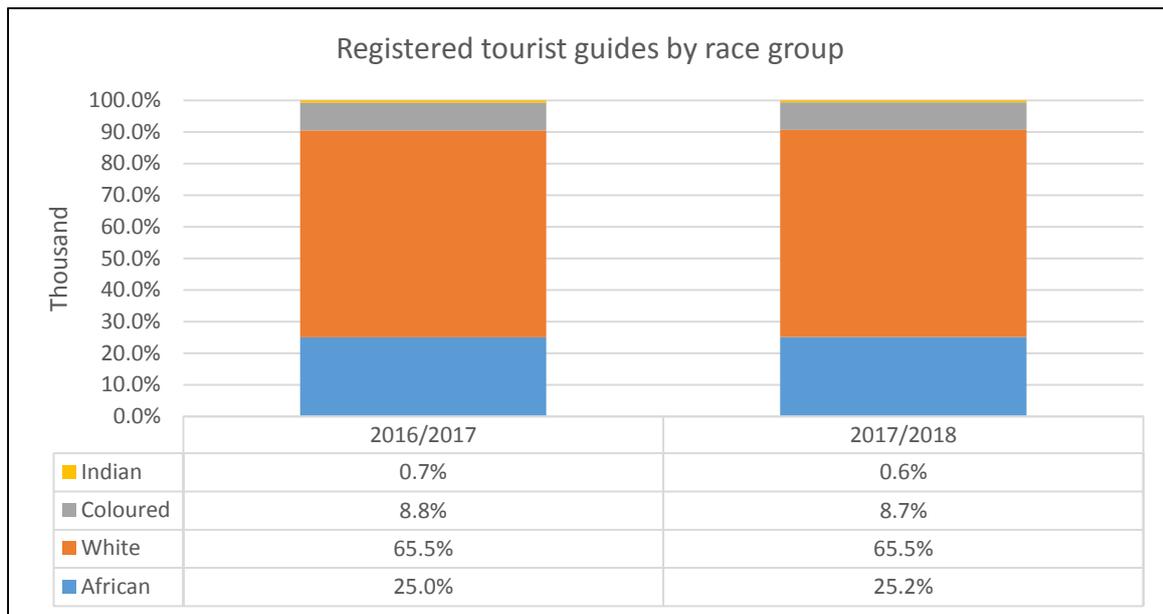


Source: National registration tourist guides database, 2017

7.6.1 Tourist Guides Registered by Race Group: 2016/17-2017/18

Figure 35 below shows the total registered guides for the financial year 2016/17 compared to 2017/18, by race group. The results indicate that registered guides for both years were mainly White. A quarter of tourist guides were African and less than 10% were Coloured for both financial years. Indians that were guides in 2017/18 and 2016/17 were less than 1%.

Figure 35: Registered tourist guides by race group: 2016/17-2017/18



Source: National registration tourist guides database, 2017

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ANNEXURE A: INBOUND TOURISM PROVINCIAL PROFILES

Source: SA Tourism 2017 Data-cuts

PROVINCIAL PROFILE: INTERNATIONAL TOURISTS GAUTENG

Table 1: Provincial Share of Inbound Arrivals

	2015	2016	2017
Share of Provincial Arrivals (n)	3 682 510	4 305 634	4 052 368
Difference	-121 615	623 124	-253 266
% Growth	-3,2	16,9	-5,9
% share	41,4	42,9	39,4
Total Arrivals	8 903 773	10 044 163	10 285 197

Table 3: Purpose of Visit

	Holiday	Shopping	Business	VFR	Other
2016	15,1%	20,5%	16,4%	38,4%	9,6%
2017	18,7%	12,6%	13,6%	42,1%	13,0%
% Growth	24,1	-38,5	-17,20	9,7	34,9

Table 5: Seasonality

	2015	2016	2017
Seasonality	2,29%	1,17%	2,26%

Table 7: Top 5 African Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Mozambique	811 582	20,0
2	Lesotho	504 944	12,5
3	Zimbabwe	487 544	12,0
4	Botswana	272 552	6,7
5	Swaziland	247 312	6,1

Table 9: Top 5 African Markets Average Spend: 2017

Rank	Market	Average Spend
1	Angola	R 23 600
2	Democratic Republic of Congo	R 22 700
3	Zambia	R 19 700
4	Turkey	R 19 200
5	Uganda	R 18 900

Table 2: Provincial Distribution - Share of Arrivals (Actual)

	2016	2017	Difference	% Growth
Africa Land	2 890 096	2 693 858	-196 238	-6,8
Africa Air	293 823	261 587	-32 237	-11,0
Americas	235 505	254 741	19 236	8,2
Asia & Australia	300 098	263 334	-36 765	-12,3
Europe	607 292	582 958	-24 335	-4,0
All Foreign Tourists	4 305 634	4 052 368	-253 267	-5,9

Table 4: Provincial Distribution - Spend (in millions)

	Spend
2016	R 34 323
2017	R 28 628
% Growth	-16,6

Table 6: Provincial Distribution - Average Length of Stay

	Average length of Stay
2016	8,4
2017	11,4
% Growth	35,7

Table 8: Top 5 Overseas Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	USA	159 421	3,9
2	UK	150 943	3,7
3	Germany	116 287	2,9
4	France	81 605	2,0
5	China including Hong Kong	65 755	1,6

Table 10: Top 5 Overseas Markets Average Spend: 2017

Rank	Market	Average Spend
1	Italy	R 16 400
2	Russian Federation	R 14 500
3	Portugal	R 14 100
4	India	R 13 700
5	New Zealand	R 13 000

PROVINCIAL PROFILE: INTERNATIONAL TOURISTS WESTERN CAPE

Table 1: Provincial Share of Inbound Arrivals

	2015	2016	2017
Share of Provincial Arrivals (n)	1 323 283	1 568 357	1 727 913
Difference	-62 816,6	245 073,9	159 556,2
% Growth	-4,5	18,5	10,2
% share	14,9	15,6	16,8
Total Arrivals	8 903 773	10 044 163	10 285 197

Table 3: Purpose of Visit

	Holiday	Shopping	Business	VFR	Other
2016	57,3%	0,4%	16,8%	18,0%	7,5%
2017	64,4%	0,6%	10,4%	15,8%	8,8%
% Growth	12,4	32,2	-38,05	-11,8	17,4

Table 5: Seasonality

	2015	2016	2017
Seasonality	4,54%	4,38%	3,48%

Table 7: Top 5 African Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Namibia	115 646	6,7
2	Zimbabwe	42 839	2,5
3	Lesotho	22 714	1,3
4	Angola	14 001	0,8
5	Mozambique	12 053	0,7

Table 9: Top 5 African Markets Average Spend: 2017

Rank	Market	Average Spend
1	Uganda	R 21 600
2	Ghana	R 20 100
3	Angola	R 18 300
4	Democratic Repub	R 18 300
5	Ethiopia	R 17 200

Table 2: Provincial Distribution - Share of Arrivals (Actual)

	2016	2017	Difference	% Growth
Africa Land	199 529	224 488	24 959	12,5
Africa Air	95 997	99 777	3 780	3,9
Americas	269 268	312 017	42 750	15,9
Asia & Australia	200 816	196 599	-4 217	-2,1
Europe	928 701	1 029 726	101 025	10,9
All Foreign Tourists	1 568 357	1 727 913	159 556	10,2

Table 4: Provincial Distribution - Spend (in millions)

	Spend
2016	R 18 084
2017	R 23 118
% Growth	27,8

Table 6: Provincial Distribution - Average Length of Stay

	Average length of Stay
2016	11,1
2017	14,1
% Growth	27,1

Table 8: Top 5 Overseas Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	UK	267 845	15,5
2	Germany	230 130	13,3
3	USA	202 057	11,7
4	France	122 015	7,1
5	Netherlands	104 871	6,1

Table 10: Top 5 Overseas Markets Average Spend: 2017

Rank	Market	Average Spend
1	Norway	R 20 400
2	Switzerland	R 20 000
3	Russian Fed	R 18 600
4	Italy	R 17 800
5	Chile	R 17 000

PROVINCIAL PROFILE: INTERNATIONAL TOURISTS EASTERN CAPE

Table 1: Provincial Share of Inbound Arrivals

	2015	2016	2017
Share of Provincial Arrivals (n)	270 986	324 560	411 408
Difference	-33 902,4	53 574,0	86 847,9
% Growth	-11,1	19,8	26,8
% share	3,0	3,2	4,0
Total Arrivals	8 903 773	10 044 163	10 285 197

Table 2: Provincial Distribution - Share of Arrivals (Actual)

	2016	2017	Difference	% Growth
Africa Land	32 333	43 449	11 117	34,4
Africa Air	11 957	14 200	2 244	18,8
Americas	54 610	61 640	7 030	12,9
Asia & Australia	25 455	36 524	11 069	43,5
Europe	227 875	287 327	59 452	26,1
All Foreign Tourists	324 560	411 408	86 848	26,8

Table 3: Purpose of Visit

	Holiday	Shopping	Business	VFR	Other
2016	59,8%	0,5%	10,2%	20,1%	9,5%
2017	65,1%	0,8%	7,8%	16,9%	9,5%
% Growth	8,7	69,6	-23,04	-16,1	0,1

Table 4: Provincial Distribution - Spend (in millions)

	Spend
2016	R 2 751
2017	R 3 331
% Growth	21,1

Table 5: Seasonality

	2015	2016	2017
Seasonality	6,53%	9,69%	6,57%

Table 6: Provincial Distribution - Average Length of Stay

	Average length of Stay
2016	9,1
2017	11,2
% Growth	23,1

Table 7: Top 5 African Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Zimbabwe	16 319	4,8
2	Lesotho	6 989	2,3
3	Swaziland	5 262	0,9
4	Botswana	4 088	0,8
5	Mozambique	4 018	0,5

Table 8: Top 5 Overseas Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Germany	86 604	22,4
2	UK	65 841	15,0
3	USA	38 558	12,0
4	Netherlands	35 276	9,2
5	France	22 167	4,6

PROVINCIAL PROFILE: INTERNATIONAL TOURISTS KWAZULU-NATAL

Table 1: Provincial Share of Inbound Arrivals

	2015	2016	2017
Share of Provincial Arrivals (n)	743 615	753 617	812 531
Difference	-24 613,2	10 002,3	58 913,7
% Growth	-3,2	1,3	7,8
% share	8	8	8
Total Arrivals	8 903 773	10 044 163	10 285 197

Table 3: Purpose of Visit

	Holiday	Shopping	Business	VFR	Other
2016	29,5%	11,9%	12,9%	37,0%	8,7%
2017	31,8%	8,9%	8,1%	38,5%	12,7%
% Growth	7,9	-25,6	-37,38	4,0	47,0

Table 5: Seasonality

	2015	2016	2017
Seasonality	2,21%	2,00%	1,87%

Table 7: Top 5 African Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Swaziland	292 038	38,9
2	Botswana	49 741	5,9
3	Lesotho	48 922	5,1
4	Zimbabwe	40 799	3,5
5	Zambia	9 690	1,5

Table 9: Top 5 African Markets Average Spend: 2017

Rank	Market	Average Spend
1	Ghana	R 26 700
2	Botswana	R 20 300
3	Nigeria	R 15 300
4	Zambia	R 13 900
5	Zimbabwe	R 13 900

Table 2: Provincial Distribution - Share of Arrivals (Actual)

	2016	2017	Difference	% Growth
Africa Land	439 244	463 459	24 216	5,5
Africa Air	25 256	26 906	1 650	6,5
Americas	62 719	65 458	2 739	4,4
Asia & Australia	46 026	50 051	4 025	8,7
Europe	192 924	227 536	34 612	17,9
All Foreign Tourists	753 617	812 531	58 914	7,8

Table 4: Provincial Distribution - Spend (in millions)

	Spend
2016	R 4 429
2017	R 5 867
% Growth	32,5

Table 6: Provincial Distribution - Average Length of Stay

	Average length of Stay
2016	7,6
2017	10,1
% Growth	33,1

Table 8: Top 5 Overseas Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	UK	54 644	6,5
2	Germany	50 636	6,4
3	USA	45 602	6,0
4	France	36 683	3,4
5	Netherlands	30 647	2,9

Table 10: Top 5 Overseas Markets Average Spend: 2017

Rank	Market	Average Spend
1	Singapore	R 17 200
2	Italy	R 15 900
3	Norway	R 13 800
4	Japan	R 13 000
5	China including Hong	R 12 600

PROVINCIAL PROFILE: INTERNATIONAL TOURISTS MPUMALANGA

Table 1: Provincial Share of Inbound Arrivals

	2015	2016	2017
Share of Provincial Arrivals (n)	1 300 271	1 427 795	1 573 635
Difference	156 250,2	127 524,1	145 840,1
% Growth	13,7	9,8	10,2
% share	14,6	14,2	15,3
Total Arrivals	8 903 773	10 044 163	10 285 197

Table 3: Purpose of Visit

	Holiday	Shopping	Business	VFR	Other
2016	27,0%	10,4%	3,1%	53,2%	6,3%
2017	30,7%	4,6%	2,0%	58,4%	4,3%
% Growth	13,9	-56,0	-36,31	9,8	-31,9

Table 5: Seasonality

	2015	2016	2017
Seasonality	2,27%	3,58%	1,10%

Table 7: Top 5 African Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Mozambique	717 835	39,3
2	Swaziland	286 776	27,3
3	Zimbabwe	26 519	3,5
4	Lesotho	15 725	1,1
5	Botswana	6 814	0,4

Table 9: Top 5 African Markets Average Spend: 2017

Rank	Market	Average Spend
1	Ghana	R 22 400
2	Turkey	R 20 200
3	Ethiopia	R 10 000
4	Nigeria	R 8 100
5	Angola	R 7 200

Table 2: Provincial Distribution - Share of Arrivals (Actual)

	2016	2017	Difference	% Growth
Africa Land	1 030 693	1 064 508	33 815	3,3
Africa Air	10 845	11 958	1 113	10,3
Americas	105 060	124 371	19 310	18,4
Asia & Australia	34 373	50 051	15 678	45,6
Europe	242 250	327 187	84 937	35,1
All Foreign Tourists	1 427 795	1 573 635	145 840	10,2

Table 4: Provincial Distribution - Spend (in millions)

	Spend
2016	R 4 726
2017	R 5 260
% Growth	11,3

Table 6: Provincial Distribution - Average Length of Stay

	Average length of Stay
2016	8,1
2017	8,5
% Growth	4,9

Table 8: Top 5 Overseas Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Germany	81 017	5,5
2	USA	80 823	4,4
3	UK	58 227	3,0
4	France	56 888	2,7
5	Netherlands	40 224	2,4

Table 10: Top 5 Overseas Markets Average Spend: 2017

Rank	Market	Average Spend
1	Russian Fed	R 13 200
2	Switzerland	R 12 400
3	Denmark	R 10 700
4	Spain	R 10 500
5	Australia	R 10 400

PROVINCIAL PROFILE: INTERNATIONAL TOURISTS LIMPOPO

Table 1: Provincial Share of Inbound Arrivals

	2015	2016	2017
Share of Provincial Arrivals (n)	1 344 830	1 541 120	1 882 191
Difference	-294 935,5	196 289,4	341 071,2
% Growth	-18,0	14,6	22,1
% share	15,1	15,3	18,3
Total Arrivals	8 903 773	10 044 163	10 285 197

Table 3: Purpose of Visit

	Holiday	Shopping	Business	VFR	Other
2016	9,1%	53,5%	2,5%	23,6%	11,3%
2017	9,8%	63,0%	1,6%	18,7%	6,9%
% Growth	8,1	17,6	-36,71	-20,7	-38,8

Table 5: Seasonality

	2015	2016	2017
Seasonality	5,41%	4,19%	4,09%

Table 7: Top 5 African Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Zimbabwe	1 436 112	76,5
2	Botswana	127 418	7,4
3	Mozambique	25 446	1,4
4	Swaziland	14 032	0,8
5	Lesotho	8 736	0,8

Table 9: Top 5 African Markets Average Spend: 2017

Rank	Market	Average Spend
1	Nigeria	R 28 900
2	Turkey	R 17 300
3	Democratic Repub	R 9 500
4	Tanzania	R 9 000
5	Angola	R 8 400

Table 2: Provincial Distribution - Share of Arrivals (Actual)

	2016	2017	Difference	% Growth
Africa Land	1 361 341	1 607 625	246 283	18,1
Africa Air	4 892	8 221	3 329	68,0
Americas	39 424	62 185	22 761	57,7
Asia & Australia	12 378	21 644	9 266	74,9
Europe	83 986	134 529	50 543	60,2
All Foreign Tourists	1 541 120	1 882 191	341 071	22,1

Table 4: Provincial Distribution - Spend (in millions)

	Spend
2016	R 7 618
2017	R 9 929
% Growth	30,3

Table 6: Provincial Distribution - Average Length of Stay

	Average length of Stay
2016	4,0
2017	4,4
% Growth	10,0

Table 8: Top 5 Overseas Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	USA	46 714	1,9
2	Germany	27 238	1,3
3	UK	26 426	1,1
4	France	21 186	0,8
5	Netherlands	16 601	0,6

Table 10: Top 5 Overseas Markets Average Spend: 2017

Rank	Market	Average Spend
1	USA	R 38 200
2	Denmark	R 32 900
3	Italy	R 29 800
4	Norway	R 27 200
5	Canada	R 26 600

PROVINCIAL PROFILE: INTERNATIONAL TOURISTS NORTH WEST

Table 1: Provincial Share of Inbound Arrivals

	2015	2016	2017
Share of Provincial Arrivals (n)	773 464	893 318	771 390
Difference	264 927,6	119 853,8	-121 928,1
% Growth	52,1	15,5	-13,6
% share	8,7	8,9	7,5
Total Arrivals	8 903 773	10 044 163	10 285 197

Table 3: Purpose of Visit

	Holiday	Shopping	Business	VFR	Other
2016	12,5%	15,3%	7,9%	50,4%	13,9%
2017	15,0%	14,9%	5,8%	47,3%	17,0%
% Growth	20,1	-2,7	-26,67	-6,2	22,3

Table 5: Seasonality

	2015	2016	2017
Seasonality	10,29%	4,98%	13,34%

Table 7: Top 5 African Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Botswana	427 906	52,2
2	Lesotho	89 108	11,4
3	Zimbabwe	46 918	9,8
4	Swaziland	31 572	8,1
5	Mozambique	28 124	1,9

Table 9: Top 5 African Markets Average Spend: 2017

Rank	Market	Average Spend
1	Angola	R 18 000
2	Nigeria	R 17 700
3	Tanzania	R 17 700
4	Turkey	R 17 500
5	Ethiopia	R 14 800

Table 2: Provincial Distribution - Share of Arrivals (Actual)

	2016	2017	Difference	% Growth
Africa Land	777 792	644 498	-133 293	-17,1
Africa Air	10 489	10 837	348	3,3
Americas	19 421	23 456	4 035	20,8
Asia & Australia	24 308	28 858	4 550	18,7
Europe	40 133	48 165	8 031	20,0
All Foreign Tourists	893 318	771 390	-121 928	-13,6

Table 4: Provincial Distribution - Spend (in millions)

	Spend
2016	R 1 833
2017	R 1 523
% Growth	-16,9

Table 6: Provincial Distribution - Average Length of Stay

	Average length of Stay
2016	8,1
2017	6,3
% Growth	-22,2

Table 8: Top 5 Overseas Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	UK	12 989	1,5
2	USA	11 864	1,3
3	India	11 751	0,9
4	Germany	10 127	0,9
5	Netherlands	5 267	0,6

Table 10: Top 5 Overseas Markets Average Spend: 2017

Rank	Market	Average Spend
1	Canada	R 13 900
2	Austria	R 13 800
3	USA	R 10 900
4	Portugal	R 10 900
5	Australia	R 10 600

PROVINCIAL PROFILE: INTERNATIONAL TOURISTS NORTHERN CAPE

Table 1: Provincial Share of Inbound Arrivals

	2015	2016	2017
Share of Provincial Arrivals (n)	108 699	98 214	113 137
Difference	-57 958,6	-10 484,3	14 922,9
% Growth	-34,8	-9,6	15,2
% share	1,2	1,0	1,1
Total Arrivals	8 903 773	10 044 163	10 285 197

Table 3: Purpose of Visit

	Holiday	Shopping	Business	VFR	Other
2016	26,0%	7,7%	13,2%	39,7%	13,4%
2017	28,2%	4,6%	10,9%	35,6%	20,7%
% Growth	8,6	-40,3	-17,49	-10,3	54,1

Table 5: Seasonality

	2015	2016	2017
Seasonality	24,04%	6,34%	8,44%

Table 7: Top 5 African Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Namibia	40 288	34,9
2	Lesotho	19 219	19,6
3	Botswana	2 726	8,1
4	Mozambique	2 678	3,7
5	Zimbabwe	2 040	0,6

Table 9: Top 5 African Markets Average Spend: 2017

Rank	Market	Average Spend
1	Turkey	R 33 700
2	Nigeria	R 28 600
3	Ethiopia	R 18 800
4	Zambia	R 10 000
5	Democratic Repub	R 6 300

Table 2: Provincial Distribution - Share of Arrivals (Actual)

	2016	2017	Difference	% Growth
Africa Land	65 736	65 174	-562	-0,9
Africa Air	1 275	1 495	220	17,2
Americas	7 580	8 728	1 147	15,1
Asia & Australia	2 650	5 411	2 761	104,2
Europe	21 415	28 234	6 819	31,8
All Foreign Tourists	98 214	113 137	14 923	15,2

Table 4: Provincial Distribution - Spend (in millions)

	Spend
2016	R 635
2017	R 874
% Growth	37,6

Table 6: Provincial Distribution - Average Length of Stay

	Average length of Stay
2016	8,3
2017	12,6
% Growth	51,8

Table 8: Top 5 Overseas Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Germany	6 984	6,6
2	USA	6 673	5,2
3	UK	5 375	3,7
4	Netherlands	3 033	3,6
5	France	2 942	1,6

Table 10: Top 5 Overseas Markets Average Spend: 2017

Rank	Market	Average Spend
1	Sweden	R 60 300
2	Russian Fed	R 57 200
3	USA	R 43 300
4	Canada	R 25 600
5	Spain	R 22 300

PROVINCIAL PROFILE: INTERNATIONAL TOURISTS FREE STATE

Table 1: Provincial Share of Inbound Arrivals

	2015	2016	2017
Share of Provincial Arrivals (n)	947 861	1 223 631	1 193 083
Difference	-12 286,1	275 770,3	-30 548,1
% Growth	-1,3	29,1	-2,5
% share	10,6	12,2	11,6
Total Arrivals	8 903 773	10 044 163	10 285 197

Table 3: Purpose of Visit

	Holiday	Shopping	Business	VFR	Other
2016	4,4%	5,3%	3,3%	63,6%	23,4%
2017	3,8%	3,2%	1,8%	67,9%	23,3%
% Growth	-13,5	-40,2	-45,34	6,9	-0,5

Table 5: Seasonality

	2015	2016	2017
Seasonality	7,03%	3,71%	3,90%

Table 7: Top 5 African Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	Lesotho	1 071 040	90,3
2	Mozambique	9 375	1,3
3	Swaziland	8 770	0,3
4	Zimbabwe	6 120	0,3
5	Botswana	5 451	0,3

Table 9: Top 5 African Markets Average Spend: 2017

Rank	Market	Average Spend
1	Democratic Repub	R 26 300
2	Angola	R 13 700
3	Kenya	R 12 900
4	Uganda	R 12 900
5	UAE	R 10 800

Table 2: Provincial Distribution - Share of Arrivals (Actual)

	2016	2017	Difference	% Growth
Africa Land	1 136 532	1 107 958	-28 574	-2,5
Africa Air	3 448	3 737	289	8,4
Americas	9 703	10 910	1 207	12,4
Asia & Australia	7 257	8 567	1 310	18,0
Europe	28 099	26 574	-1 525	-5,4
All Foreign Tourists	1 223 631	1 193 083	-30 548	-2,5

Table 4: Provincial Distribution - Spend (in millions)

	Spend
2016	R 1 148
2017	R 2 205
% Growth	92,1

Table 6: Provincial Distribution - Average Length of Stay

	Average length of Stay
2016	7,8
2017	12,2
% Growth	56,4

Table 8: Top 5 Overseas Markets by % share of Arrivals: 2017

Rank	Market	Arrivals	% Share
1	USA	8 898	0,8
2	Germany	5 937	0,6
3	UK	5 823	0,5
4	Netherlands	3 512	0,3
5	France	2 550	0,2

Table 10: Top 5 Overseas Markets Average Spend: 2017

Rank	Market	Average Spend
1	Russian Fed	R 60 000
2	China including Hong	R 24 200
3	Canada	R 19 400
4	USA	R 17 800
5	India	R 16 700



ANNEXURE B: DOMESTIC TOURISM PROVINCIAL PROFILES

Source: SA Tourism 2017 Data-cuts

PROVINCIAL PROFILE: DOMESTIC TOURISTS EASTERN CAPE

Table 1: Share of Arrivals

	2013	2014	2015	2016	2017
(n)	2 050 000	3 224 000	3 370 000	2 900 000	1 467 000
Difference	(264 000)	1 174 000	146 000	(470 000)	(1 433 000)
% Share	7.5	11	13	10.9	7.7
% Growth	-11.4	57.3	4.5	-13.9	-49.4

Table 2: Spend (R'billion)

	2013	2014	2015	2016	2017
(% share)	10.09	11.30	17.43	11.5	9.0
% Growth	6.97	23.76	35.58	-25.56	0.05

Table 4: Length of Stay

2015	5.3
2016	4.3
2017	5.8
% Growth	33.9

PROVINCIAL PROFILE: DOMESTIC TOURISTS FREE STATE

Table 1: Share of Arrivals

	2013	2014	2015	2016	2017
(n)	878 000	1 043 000	1 200 000	1 140 000	676 000
Difference	(259 000)	165 000	157 000	(60 000)	(464 000)
% Share	3.2	4	5	4.3	3.5
% Growth	-22.8	18.8	15.1	-5.0	-40.7

Table 2: Spend (R'billion)

	2013	2014	2015	2016	2017
(% share)	2.93	4.19	4.43	4.6	4.6
% Growth	4.49	57.88	-6.96	15.63	-15.5

Table 4: Length of Stay

2015	3.8
2016	4.4
2017	2.8
% Growth	-35.9

PROVINCIAL PROFILE: DOMESTIC TOURISTS GAUTENG

Table 1: Share of Arrivals

	2013	2014	2015	2016	2017
(n)	4 456 000	4 293 000	3 828 000	4 447 000	3 090 000
Difference	257 000	(163 000)	(465 000)	619 000	(1 357 000)
% Share	16.3	15	15	16.7	16.1
% Growth	6.1	-3.7	-10.8	16.2	-30.5

Table 2: Spend (R'billion)

	2013	2014	2015	2016	2017
(% share)	14.98	16.42	10.00	19.6	16.7
% Growth	3.51	21.22	-46.43	119.65	-28.9

Table 4: Length of Stay

2015	2.7
2016	4.8
2017	2.5
% Growth	-47.1

PROVINCIAL PROFILE: DOMESTIC TOURISTS KWAZULU NATAL

Table 1: Share of Arrivals

	2013	2014	2015	2016	2017
(n)	7 307 000	5 280 000	4 980 000	4 193 000	2 504 000
Difference	1 092 000	(2 027 000)	(300 000)	(787 000)	(1 689 000)
% Share	26.8	18	20	15.7	13.1
% Growth	17.6	-27.7	-5.7	-15.8	-40.3

Table 2: Spend (R'billion)

	2013	2014	2015	2016	2017
(% share)	27.21	19.27	23.38	17.2	16.1
% Growth	38.75	-21.71	6.70	-17.47	-21.7

Table 4: Length of Stay

2015	4.8
2016	4.5
2017	4.1
% Growth	-9.0

PROVINCIAL PROFILE: DOMESTIC TOURISTS LIMPOPO

Table 1: Share of Arrivals

	2013	2014	2015	2016	2017
(n)	5 583 000	7 367 000	5 666 000	8 343 000	4 590 000
Difference	474 000	1 784 000	(1 701 000)	2 677 000	(3 753 000)
% Share	20.4	25	23	31.3	23.9
% Growth	9.3	32.0	-23.1	47.2	-45.0

Table 2: Spend (R'billion)

	2013	2014	2015	2016	2017
(% share)	17.53	20.55	21.76	25.2	24.5
% Growth	-4.69	29.58	-6.88	30.18	-19.0

Table 4: Length of Stay

2015	3.9
2016	3.3
2017	3.4
% Growth	3.2

PROVINCIAL PROFILE: DOMESTIC TOURISTS MPUMALANGA

Table 1: Share of Arrivals

	2013	2014	2015	2016	2017
(n)	3 153 000	3 330 000	2 156 000	1 658 000	2 040 000
Difference	236 000	177 000	(1 174 000)	(498 000)	382 000
% Share	11.5	11	9	6.2	10.6
% Growth	8.1	5.6	-35.3	-23.1	23.0

Table 2: Spend (R'billion)

	2013	2014	2015	2016	2017
(% share)	11.00	9.03	7.70	6.6	24.5
% Growth	-4.35	-9.26	-25.07	-3.52	209.1

Table 4: Length of Stay

2015	3.7
2016	4.4
2017	4.2
% Growth	-4.5

PROVINCIAL PROFILE: DOMESTIC TOURISTS NORTHERN CAPE

Table 1: Share of Arrivals

	2013	2014	2015	2016	2017
(n)	480 000	557 000	275 000	521 000	352 000
Difference	112 000	77 000	(282 000)	246 000	(169 000)
% Share	1.8	2	1	2.0	1.8
% Growth	30.4	16.0	-50.6	89.5	-32.4

Table 2: Spend (R'billion)

	2013	2014	2015	2016	2017
(% share)	2.36	1.78	1.40	1.8	2.3
% Growth	91.59	-16.75	-30.53	40.62	10.7

Table 4: Length of Stay

2015	5.2
2016	3.7
2017	7.0
% Growth	91.8

PROVINCIAL PROFILE: DOMESTIC TOURISTS NORTH WEST

Table 1: Share of Arrivals

	2013	2014	2015	2016	2017
(n)	994 000	2 298 000	1 751 000	1 296 000	1 030 000
Difference	(200 000)	1 304 000	(547 000)	(455 000)	(266 000)
% Share	3.6	8	7	4.9	5.4
% Growth	-16.8	131.2	-23.8	-26.0	-20.5

Table 2: Spend (R'billion)

	2013	2014	2015	2016	2017
(% share)	4.62	7.02	5.28	4.0	6.9
% Growth	10.86	67.80	-33.80	-14.02	42.9

Table 4: Length of Stay

2015	3.1
2016	3.4
2017	3.0
% Growth	-12.8

PROVINCIAL PROFILE: DOMESTIC TOURISTS WESTERN CAPE

Table 1: Share of Arrivals

	2013	2014	2015	2016	2017
(n)	2 406 000	1 606 000	1 829 000	2 139 000	1 421 000
Difference	446 000	(800 000)	223 000	310 000	(718 000)
% Share	8.8	6	7	8.0	7.4
% Growth	22.8	-33.3	13.9	16.9	-33.6

Table 2: Spend (R'billion)

	2013	2014	2015	2016	2017
(% share)	9.27	10.43	8.61	9.5	7.3
% Growth	16.06	24.31	-27.43	24.33	-36.0

Table 4: Length of Stay

2015	4.8
2016	4.9
2017	3.4
% Growth	-31.5