



GARDEN ROUTE & KLEIN KAROO 2020/21 Festive Season Performance

WESGRO
cape town & western cape
research

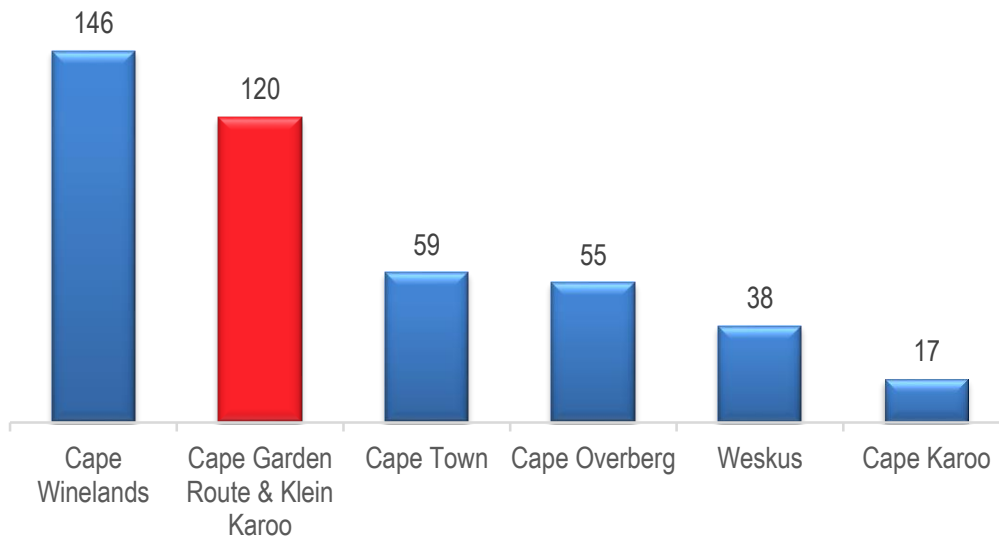
INTRODUCTION

- The COVID-19 pandemic has caused a complete collapse in global travel in 2020, which resulted in an estimated loss of USD 1.3 trillion in export revenue. The United Nations World Tourism Organization (UNWTO) reports that the pandemic has placed at least 100 million direct tourism jobs at risk.
- Global tourist arrivals (overnight visitors) declined by 74% over the period January - December 2020 when compared to the same period in 2019. This massive decline comes because of the dramatic fall in demand and worldwide travel restrictions (UNWTO).
- Foreign tourist arrivals to South Africa reached 3.1 million in 2020 and decreased by 69.1% when compared to the previous year (Stats SA).
- International arrivals through Cape Town International Airport decreased by 68.6% in 2020, reaching a total of 374 555 passengers compared to 1 194 042 over the same period in 2019. International tourist arrivals reached its peak at 30 376 in December 2020, a 143% increase from arrivals in November but declined by 63% in January 2021 (ACSA).
- Domestic arrivals declined by 62.4% year-on-year in 2020 compared to 2019. Limited domestic air travel was introduced in a phased approach at lockdown Level 3, which came into effect on 1 June 2020. Domestic arrivals reached its peak at 204 671 in December 2020, a 50% decline when compared to the same period in 2019. A year-on-year decline of 65.8% was recorded in January 2021 (ACSA).
- On 15 March 2020, the South African Government declared a national state of disaster in response to the COVID-19 pandemic. A nationwide lockdown came into effect on 26 March 2020, resulting in border closures and a complete standstill in tourism activity until 31 May 2020. In line with governments risk adjusted strategy, limited tourism activity was introduced as of 1 June 2020, and international borders re-opened on 1 October 2020. However, stricter lockdown regulations were re-introduced in December due to a second wave of COVID-19 infections.
- The tourism industry was particularly affected by the closing of beaches and the ban on alcohol sales during this period. This report highlights the findings from a survey undertaken with tourism businesses in February 2021 to understand the effects that the COVID-19 pandemic and lockdown regulations have had on tourism in the Garden Route & Klein Karoo region over the 2020/21 Festive Season.

METHODOLOGY

- Survey Monkey was used as the main research tool to develop the questionnaire and electronic link.
- Regional Tourism Bodies in the Western Cape and the Local Tourism Authorities (LTA's) assisted in circulating the survey on to all their members.

PARTICIPATION & SAMPLE SIZE

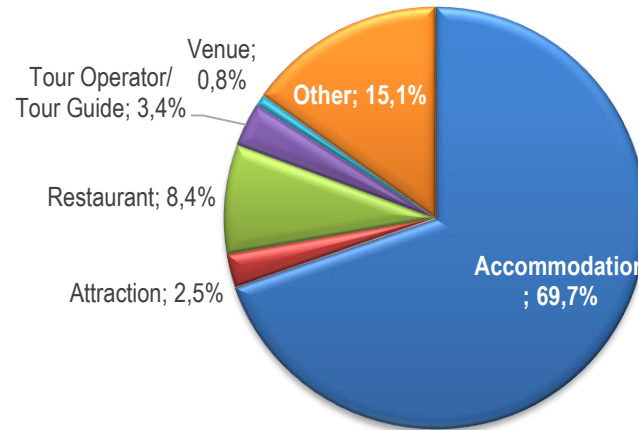


- A total of 441 tourism businesses across the Western Cape took part in the survey and **120 respondents** were based in the Cape Garden Route & Klein Karoo Region.

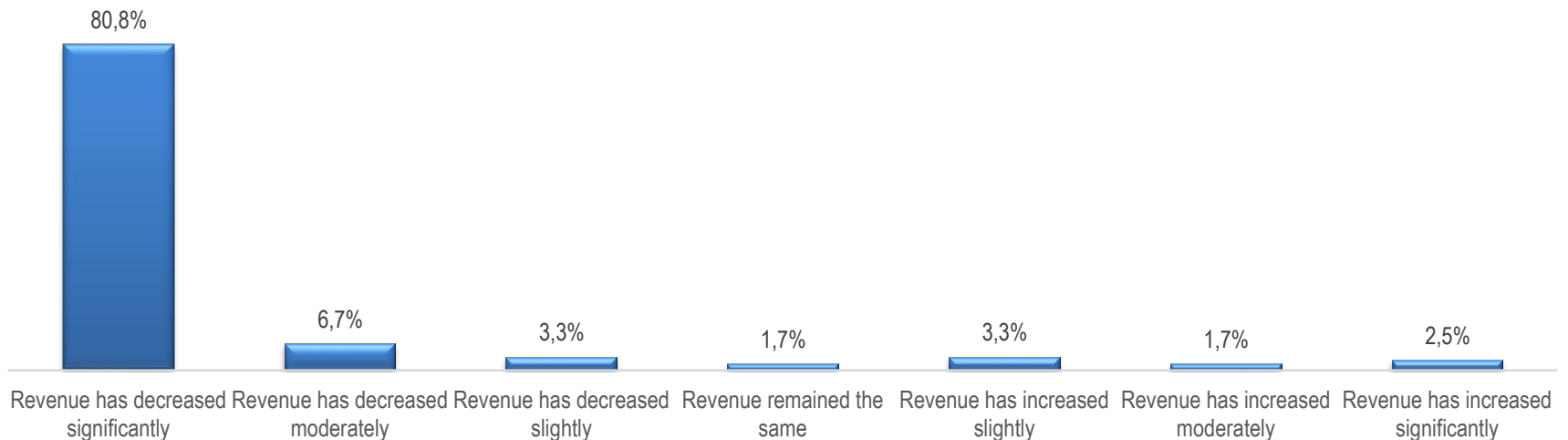
KEY FINDINGS

- The highest number of surveys represented the accommodation sector (69,7%), followed by restaurants (8,4%) and tour operator/tour guides (3,4%).
- Respondents in the 'other' category included wine farms, activities, retailers, health & wellness providers and local tourism authorities.
- Four fifths of respondents said that their revenue over the festive season had decreased significantly compared to the same period last year.
- 7,5% of respondents had experienced an increase in revenue.

BUSINESS CATEGORIES OF CAPE GARDEN ROUTE & KLEIN KAROO RESPONDENTS

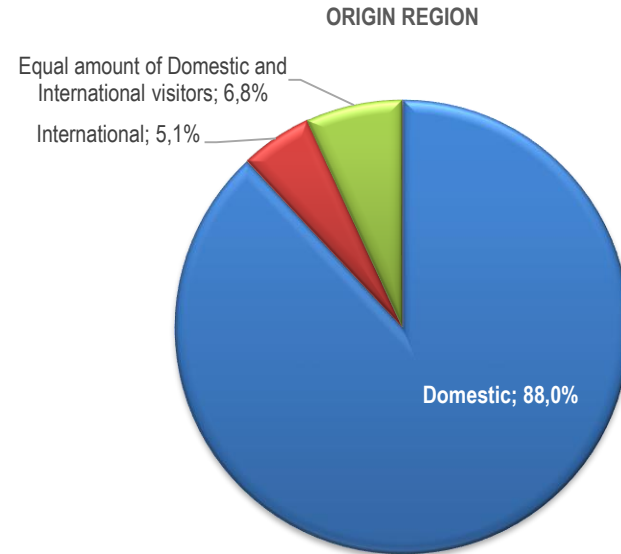


IMPACT ON REVENUE (NOV 2020 – JAN 2021 VS. NOV 2019 – JAN 2020)

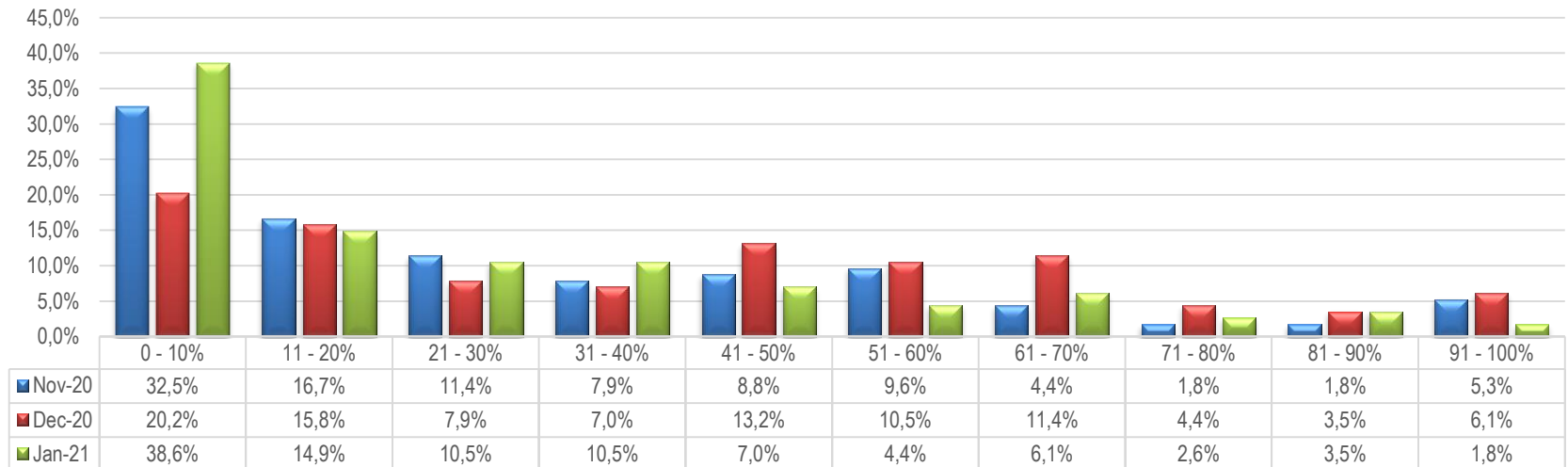


KEY FINDINGS

- Close to 90% of respondents had visitors who originated from the domestic market and just about 5% had international visitors. A further 6,8% saw an equal amount of domestic and international visitors.
- Majority of respondents recorded occupancy percentages of 30% or less, particularly in November 2020 and January 2021.
- There was some relief in December with just over a third of respondents recording more than 50% occupancy.



PERCENTAGE OCCUPANCY, NOV 2020 - JAN 2021

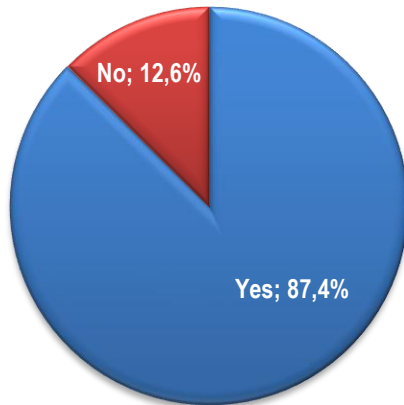


Q.3, 4 & 5. What was your percentage occupancy for November, December 2020, and January 2021?

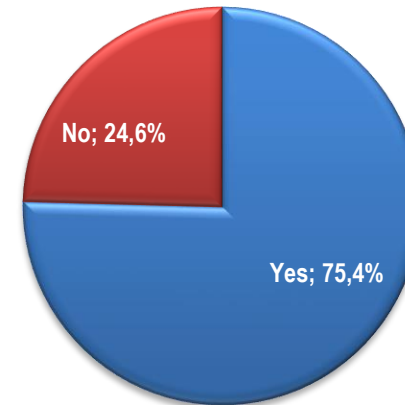
Q.6. Where were the majority of your visitors from?

KEY FINDINGS

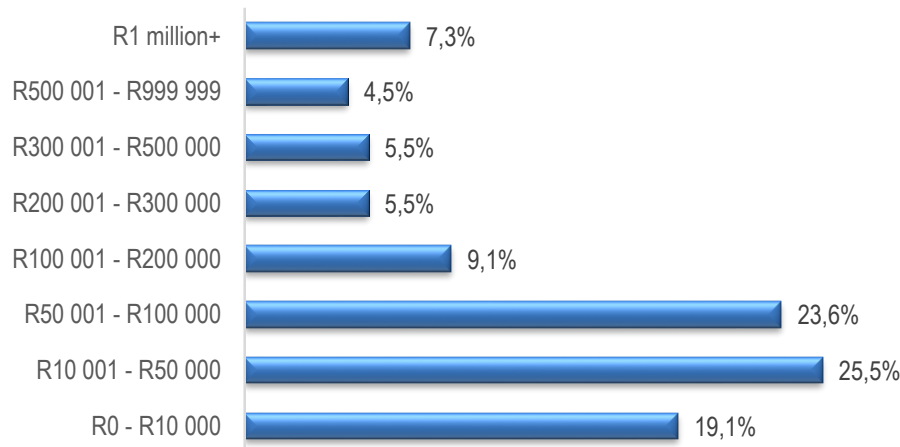
OCCUPANCY/REVENUE LOST DUE TO BEACH CLOSURES



OCCUPANCY/REVENUE LOST DUE TO ALCOHOL BAN



ESTIMATED RAND VALUE LOST DUE TO CANCELLATIONS



- In mid-December 2020 stricter lockdown regulations were introduced as South Africa entered a second wave of coronavirus infections.
- The most notable restrictions were the closure of beaches and the ban on alcohol sales across the country, which lasted until 2 Feb 2021.
- Close to 90% of respondents said that they had lost revenue due to the beach closures and a quarter of respondents lost revenue due to the ban on alcohol sales.
- In terms of rand value, a quarter of respondents recorded an estimated loss of between R10 000 and R50 000 due to cancellations and a further 23,6% had lost between R50 000 and R100 000.

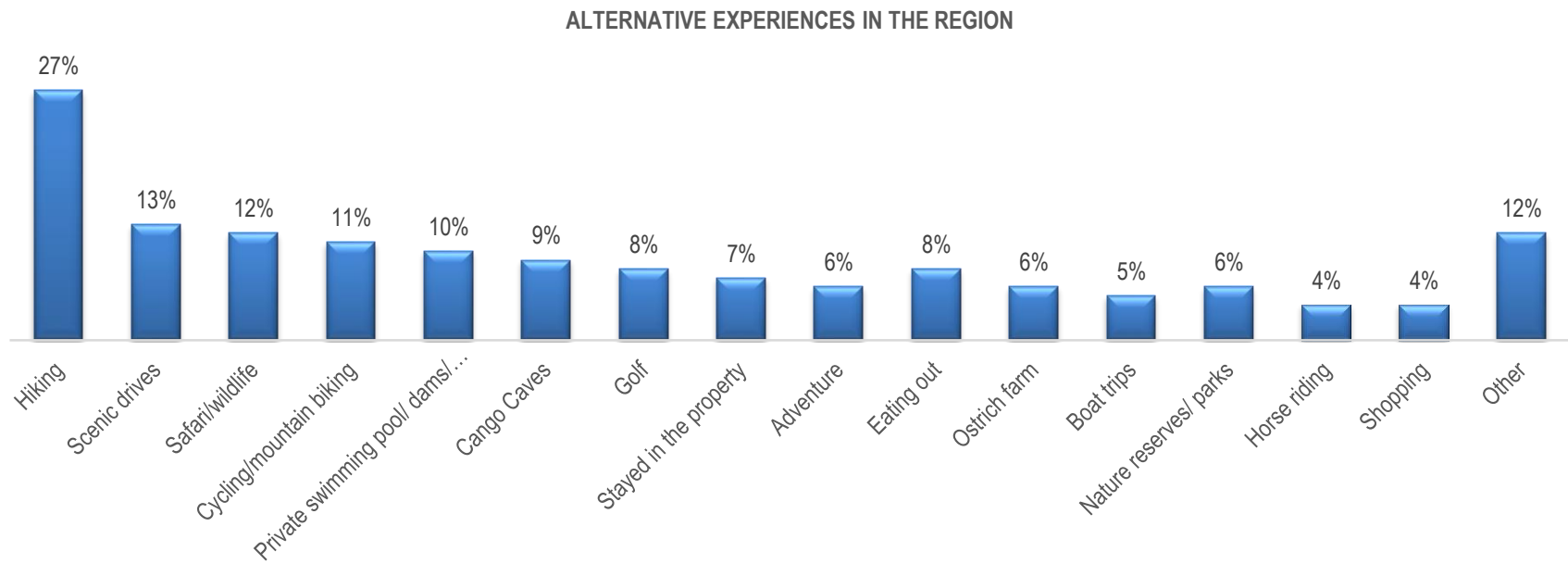
Q.7. After the 14th December announcement on BEACH CLOSURES, have you experienced a loss in occupancy/revenue?

Q.8. After the 28th December announcement on the ALCOHOL BAN, have you experienced a loss in occupancy/revenue?

Q.9. If you had cancellations, what is the estimated total Rand value lost?

KEY FINDINGS

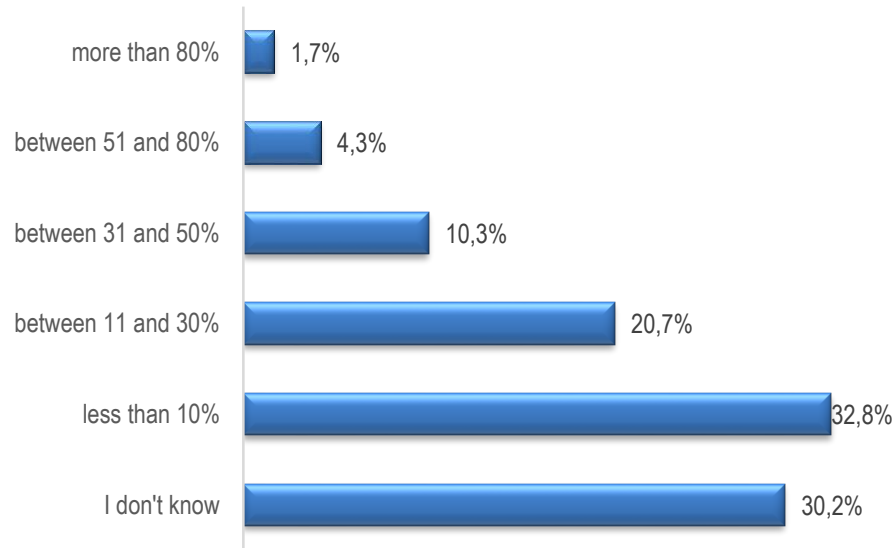
- Since the beaches were closed, visitors had to find alternate activities in the region. Hiking, scenic drives, safari and wildlife experiences, cycling, mountain biking, enjoying the private swimming pool, dam or lagoon at the property, visiting the Cango Caves, and playing a round of golf were among the most popular.
- Many visitors also opted to spend time just relaxing at their accommodation establishment. 'Other' activities included fishing, visiting farms for animal interactions, canoeing, visits to museums and health spas.



Q.11. Since the beaches were closed, please list some of the alternative experiences visitors enjoyed during their stay in your region

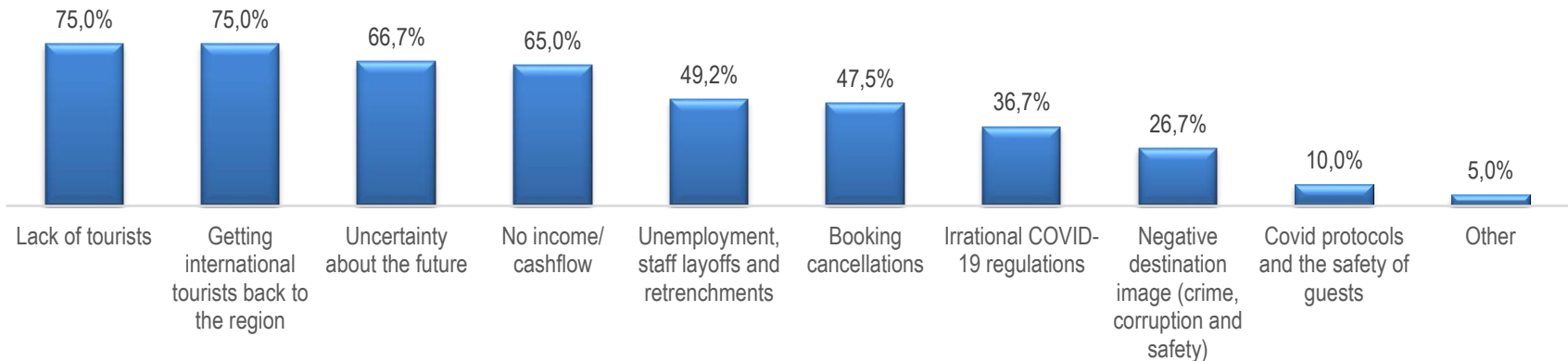
KEY FINDINGS

FORWARD BOOKINGS



- The major concerns amongst respondents were lack of tourists and how to get international tourists back to the region. The uncertainty about the future and the lack of income/ cash flow were mentioned amongst two thirds of respondents.
- Close to half of respondents were also concerned about unemployment and possible retrenchments as well as booking cancellations.
- Looking ahead, respondents seem to be less optimistic about bookings for the remainder of 2021.
- A third of respondents said that they expect occupancy levels to be less than 10% over the period March to December 2021, and 20,7% of respondents between 11% and 30% occupancy.
- 30,2% of respondents indicated that they simply do not know what to expect which highlights the uncertainty associated with the pandemic.

TOP FIVE CONCERNS



Q.12. What are your TOP FIVE concerns regarding your business and the tourism industry currently?

Q.13. Looking ahead, based on forward bookings, what is your occupancy expectation for Mar to Dec 2021?

SUMMARY OF FINDINGS

- Four fifths of respondents said that their revenue over the festive season had decreased significantly compared to the same period last year and 7,5% of respondents had experienced an increase in revenue.
- Close to 90% of respondents had visitors who originated from the domestic market. This is not surprising considering the lack of demand in travel across the world.
- Majority of respondents recorded occupancy percentages of 30% or less, particularly in November 2020 and January 2021. There was some relief in December with just over a third of respondents recording more than 50% occupancy.
- Close to 90% of respondents said that they had lost revenue due to beach closures and a quarter of respondents lost revenue due to the ban on alcohol sales.
- In terms of rand value, a quarter of respondents recorded an estimated loss of between R10 000 and R50 000 due to cancellations and a further 23,6% had lost between R50 000 and R100 000.
- Hiking, scenic drives, safari and wildlife experiences, cycling, mountain biking, enjoying the private swimming pool, dam or lagoon at the property, visiting the Cango Caves, and playing a round of golf were among the most popular activities experienced by visitors in the Garden Route and Klein Karoo region.
- Many visitors also opted to spend time just relaxing at their accommodation establishment, highlighting the need for short breaks to de-stress as the COVID-19 pandemic has exacerbated many mental health conditions.
- Lack of tourists and how to get international tourists back to the region were the most prominent concerns among tourism businesses. The uncertainty about the future, lack of income/ cash flow, unemployment and booking cancellations were additional concerns.
- Looking ahead, respondents seem to be less optimistic about bookings for the remainder of 2021 with many indicating that they simply do not know what to expect which highlights the uncertainty associated with the pandemic.

ACKNOWLEDGEMENTS

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- *Garden Route District Municipality*
- *Calitzdorp Tourism*
- *George Tourism*
- *Knysna Tourism*
- *Oudtshoorn Tourism*
- *Plettenberg Bay Tourism*
- *Wilderness Tourism*
- *Hessequa Tourism*

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