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Trend Analysis of African Markets to The Western Cape

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An inspiring place to know

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Introduction

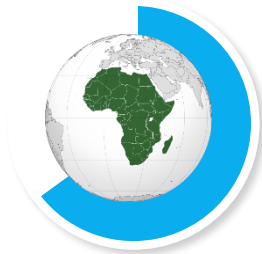
- Tourism is considered one of the world's major economic sectors. It is the third-largest export category (after fuels and chemicals) and in 2019 accounted for 7% of global trade.
- As the world is facing an unprecedented global health, social and economic emergency with the COVID-19 pandemic, travel and tourism was among the most affected sectors, however with travel restrictions being eased airplanes are no longer grounded, hotels have re-opened and travel restrictions put in place in virtually all countries around the world have changed.
- Tourism for some countries represents over 20% of their GDP and is considered the third largest export sector for the global economy.
- Export revenues from tourism could fall by \$910 billion to \$1.2 trillion in 2020. This will have a wider impact and could reduce global GDP by 1.5% to 2.8%.
- In Africa, the industry provides 24.6 million direct and indirect jobs, more than the individual contributions of the continent's agriculture, chemical and mining industries.



Cycling trails Cape Overberg

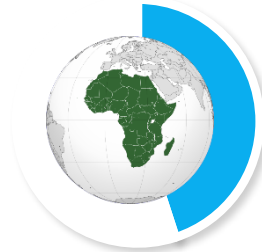


Overview: The Growth Of Tourism In Africa



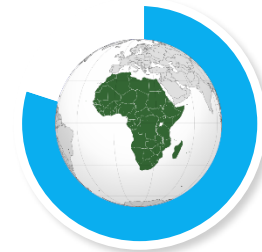
WHAT?

TOURISM



WHY?

- WORLD'S LARGEST ECONOMIC SECTOR
- CREATES JOBS, DRIVES EXPORTS
 - 9 MILLION DIRECT JOBS SUPPORTED IN 2017 BY TOURISM ALONE IN AFRICA.
- \$28,2BN WORTH OF INVESTMENT WAS RECEIVED FROM TOURISM IN 2017.



SO WHAT?

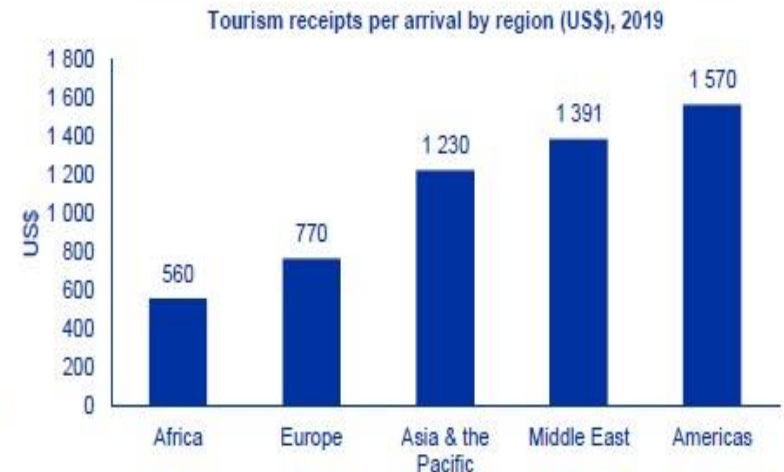
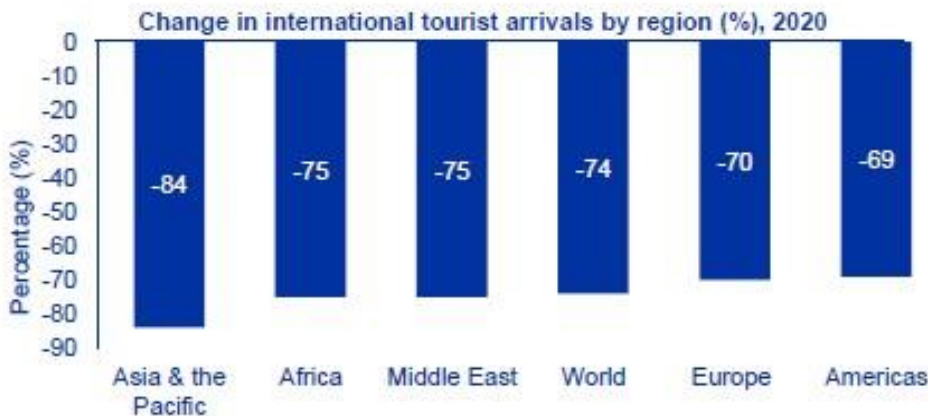
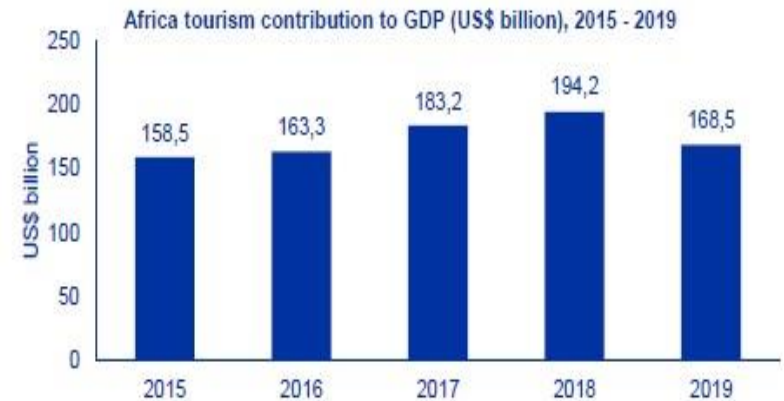
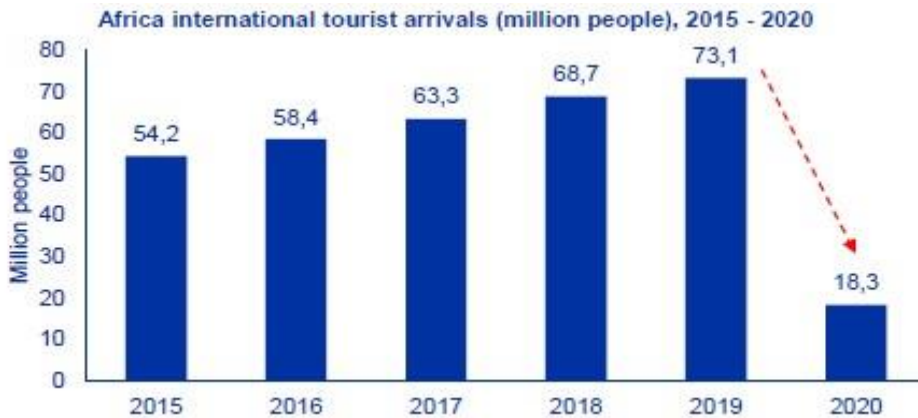
- MANAGED SUSTAINABLY IT IS AN EFFECTIVE DEVELOPMENT TOOL.
- THE POTENTIAL FOR CONTINUED GROWTH IN TOURISM IN AFRICA IS SIGNIFICANT.
- OPPORTUNITIES FOR EXPANSION EXIST IN SAFARI, BEACH, BUSINESS AND DIASPORA TOURISM.



Covid-19 and Tourism In Africa



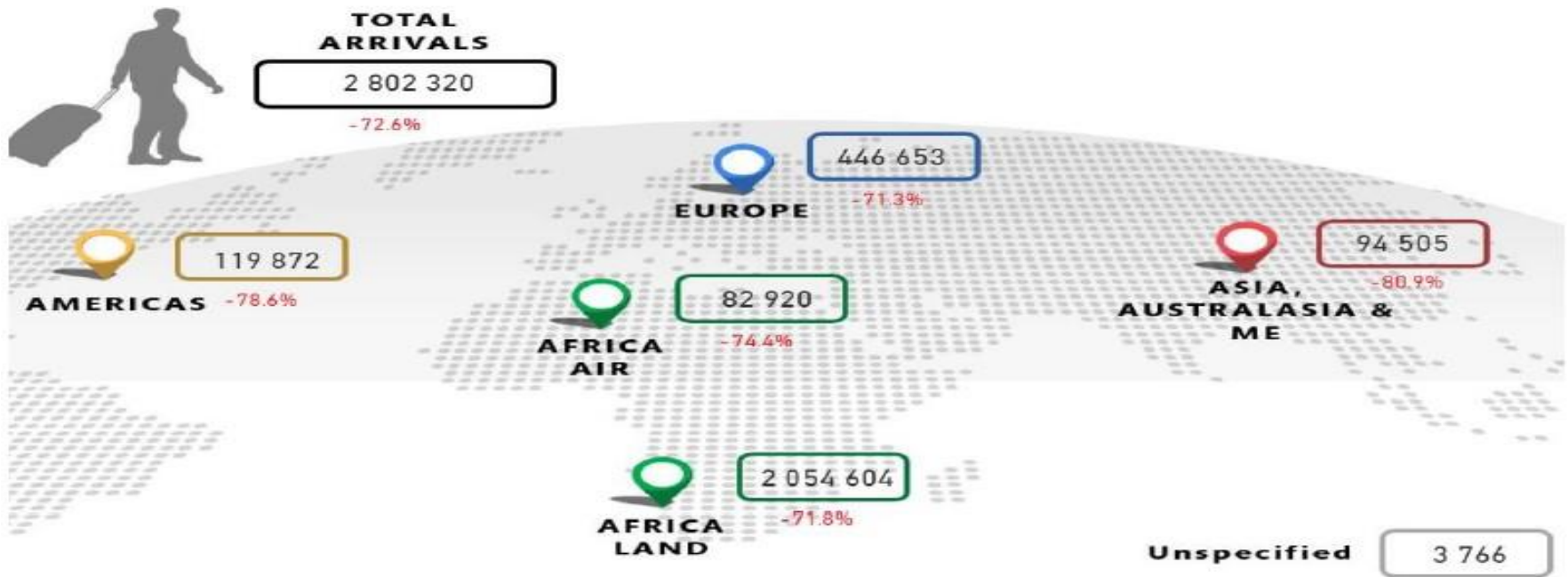
- Tourism in Africa and the world over has seen a massive decline in travel for the past year as a result of the COVID-19 pandemic. Arrivals in Africa saw a (-75%) decrease in tourist arrivals. The first ever decline in the industry in the past 5 or more years.
- According to OECD (2021), the direct contribution of the tourism sector to GDP in 2017 was ZAR 130.3 billion, constituting a 2.8% direct contribution to GDP. This level of contribution has been stable at around 3% over the past decade, with a peak of 3.2 % achieved in 2006.
- Tourism in the continent had a high share and contribution to the Gross Domestic Product (GDP), however a decline was also seen in 2019 going into 2020.
- A drop from the top travel and tourism markets was also seen with the highest being from the Asia and pacific region.



Tourism Trends In South Africa 2019 v 2020

- A decline of -72,6% in tourist arrivals was recorded in 2020. The biggest decline was recorded from the Asia & Australasia market with -80,9% decline, this was followed by the American market with a drop of -78,6% as compared to the previous year.
- Lockdowns and restrictive measures prevented most of the tourism related industries (transport (air and road), and accommodation) from fully operating in order to prevent the spread of COVID-19 in 2020.
- In 2019 the South African tourism industry's direct contribution to employment was 4.7%, the contribution was 2% higher than that of mining but 5% smaller than agriculture.

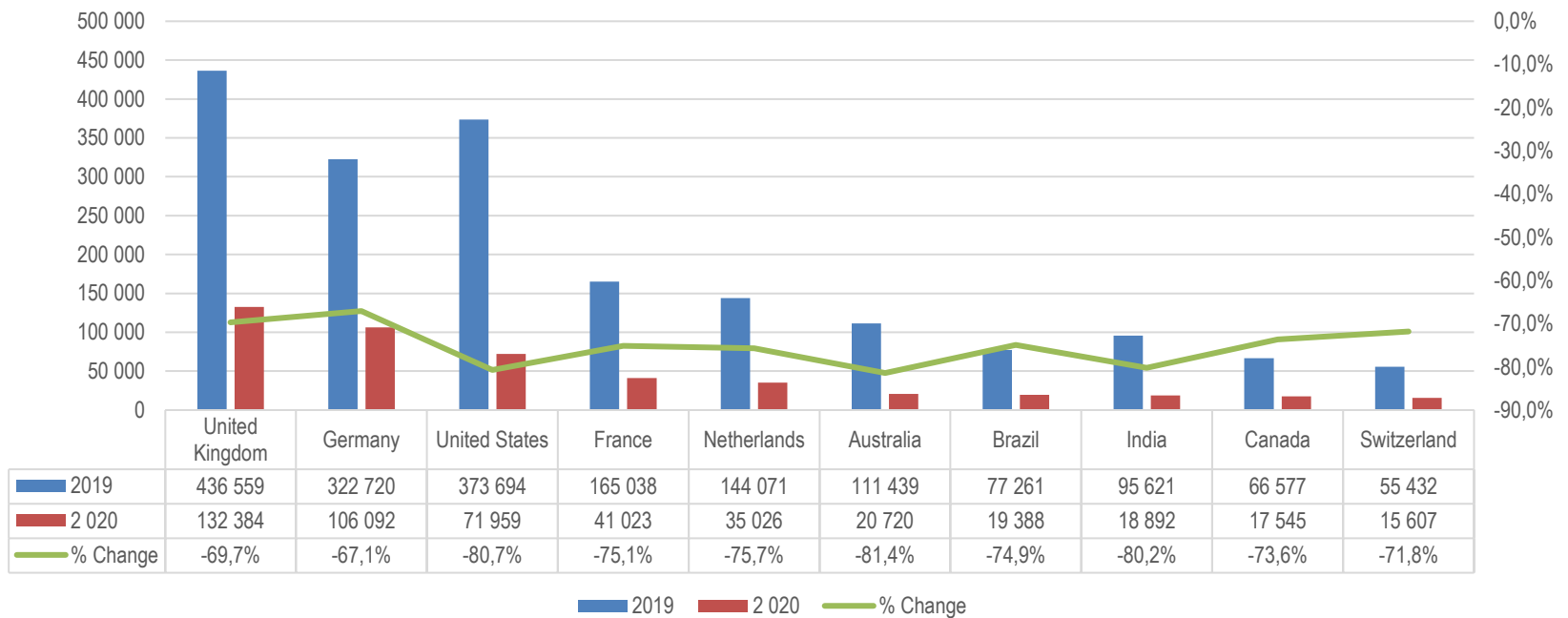
INTERNATIONAL TOURISM | PRELIM HEADLINE PERFORMANCE (JANUARY TO DECEMBER 2020 VS 2019)



Tourism Trends in South Africa 2019 v 2020

- Key source markets for travel into South Africa are other African countries. These countries make up over 70% of all international arrivals.
- South Africa's neighboring countries continue being the highest of these, however all markets received declines.
- The highest decline in 2020 was received from the United States (-80,7%), Botswana (-80,6%) and Swaziland (-76,6%).

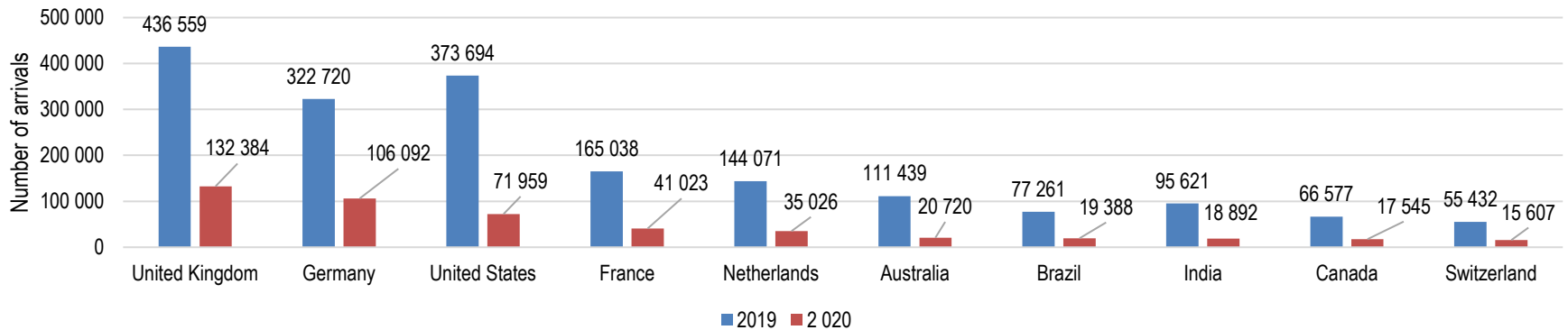
Top 10 International Markets to South Africa 2019-2020



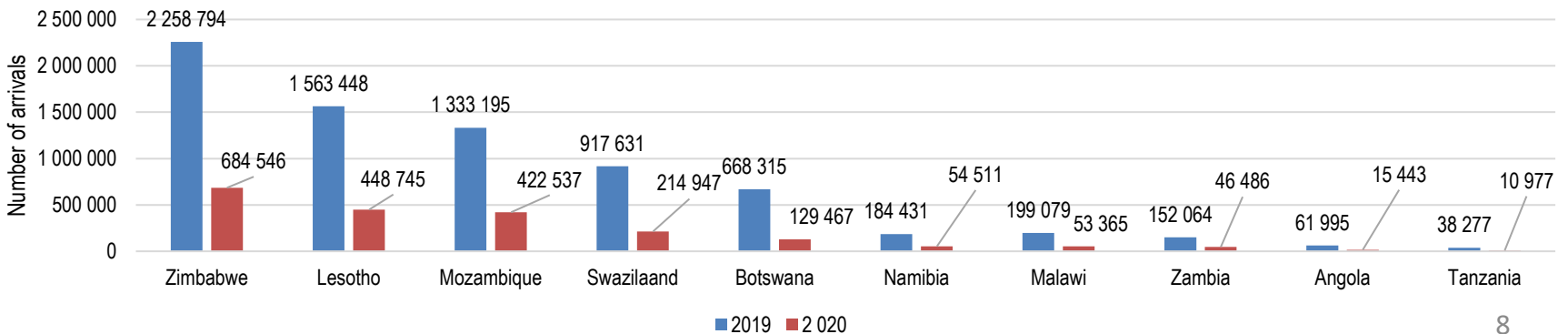
Tourism Trends in South Africa 2019 v 2020

- Foreign tourist arrivals reached 3.1 million in 2020 and decreased by -69.1% when compared to the previous year.
- According to South African tourism, the top 10 international markets to South Africa were led by Europe, The United States and Australasia.
- Even with the declines throughout all regions, a fair number of travelers was received in the country.
- Of the international visitors received, the biggest decline was seen from Australia (-81,4%), the United States (-80,7%) and India (-80,2%).
- In Africa, Zimbabwe (-69,7%) continued being the top source market followed by Lesotho (-71,3%) and Mozambique (-68,3%).

Top 10 International Markets To South Africa 2019 - 2020



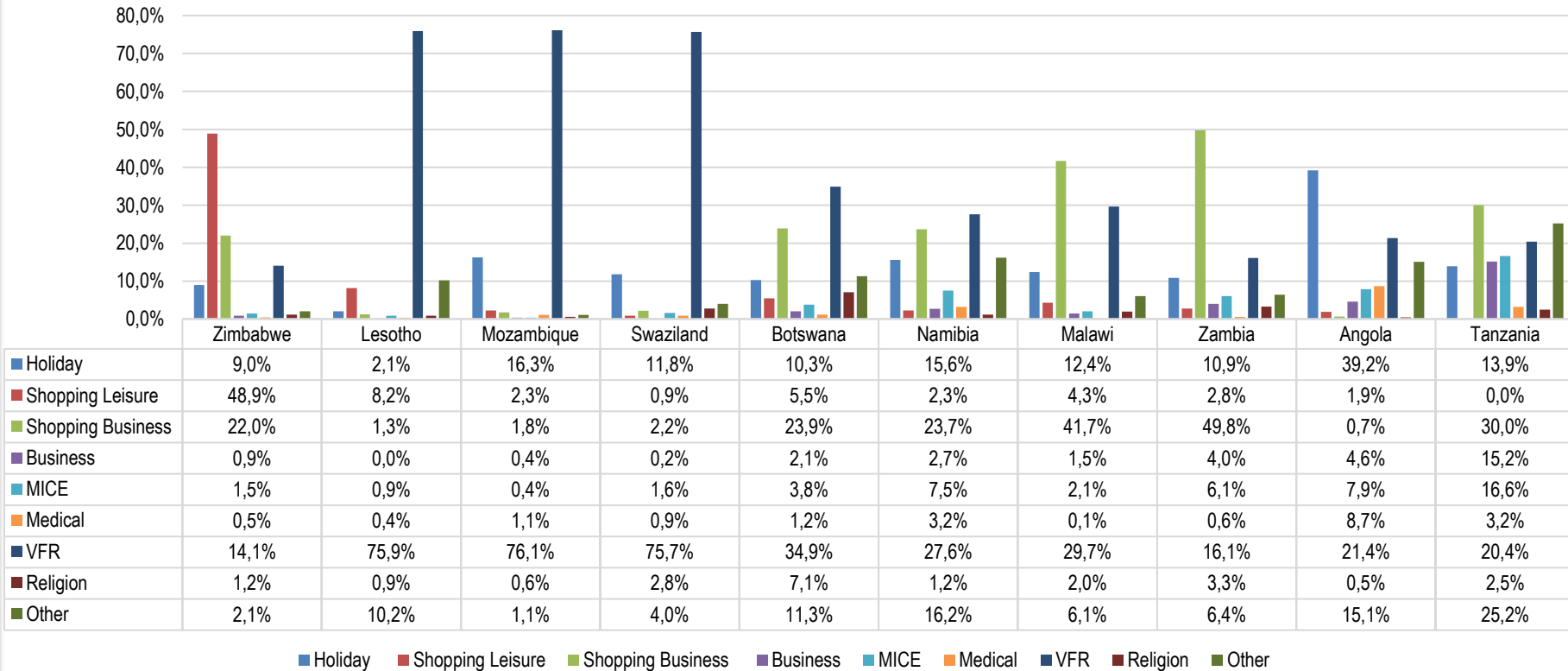
Top 10 African Markets To South Africa 2019-2020



Tourism Trends In South Africa Cont.

- Visiting friends and relatives was the top reason cited for visitors arriving in South Africa. This was followed by shopping for both leisure and business.
- Angola had the highest share of holiday travelers followed by Mozambique and Namibia.

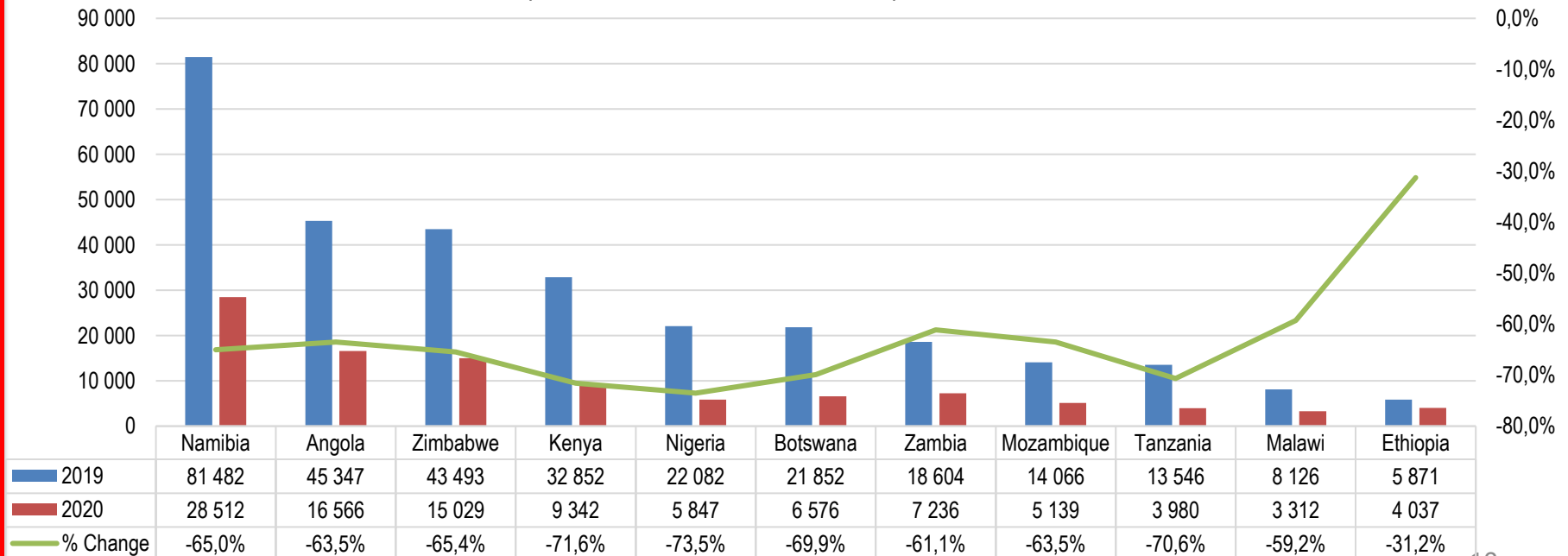
Purpose of Visit For The Top African Countries To South Africa (2019)



Performance of African Markets to the Western Cape 2019 vs 2020

- Tourism the world over continues to show negative flows because of the issues caused by the COVID-19 pandemic. Declines were recorded from all sectors however tourism was the hardest hit since the first detected covid case in December 2019.
- Hundreds of countries suspended flights or halted international travel. Lock down measures implemented worldwide to contain the spread of the virus. Businesses were forced to close on a temporary basis, some escalating into permanent closures.
- Namibia continued to lead with the highest number of tourists arrivals in the Western Cape in 2020. However, a sharp decline was recorded for the year with a -65% decrease as compared to 2019 figures. Namibia was followed by Angola with (16 566 arrivals) and Zimbabwe with (15 029 arrivals).
- The biggest decline in arrivals was received from the Nigerian market (-73,5%) followed by Kenya (-71,6%) and Tanzania (-70,6%).

Top African Markets to the Western Cape 2019-2020



Conclusion

- Tourism is one of the sectors most affected by the COVID-19 pandemic, impacting economies, livelihoods, public services and opportunities on all continents. All parts of its vast value-chain have been affected.
- Before the abrupt arrival of COVID-19 in 2020, tourism has been a driver for the South African economy over the last decade with consistent growth in tourism arrivals. In Africa travel and tourism grew by 5,6% in 2018 compared to the global average of 3,9%, with a growth of 3,2% for the economy. As such, Africa is considered the 2nd fastest growing tourism region in the world after Asia.
- Tourist arrivals from Africa accounted for 7.6% in 2019 and there was a decline of 2.4% when compared to 2018 tourist arrivals into South Africa. The decline seen in 2019 can be attributed to the attacks on foreign nationals that were widespread in the country that year (South African Tourism, 2020).
- Be that as it may, African nationals travelling to South Africa indicated VFR (visiting friends and relatives) as their top reason for traveling. This was followed by shopping for both leisure and business.
- The findings show a further decline of over 50% from all major African markets to the Western Cape, the highest decline over the period being from Nigeria (-73,5%), Kenya (-71,6,) and Tanzania (-70,6%)
- Malawi, Angola, Lesotho, Nigeria, DRC and Ghana have been the most consistent markets in terms of growth for the past few years, however even with the massive decline seen in 2019 and 2020 they still form part of the major African markets who travel and do business in the Western Cape.

Conclusion

1. South African Tourism
2. OAG Airline Passenger Traffic Analyzer
3. Organisation for Economic Co-operation and Development (OECD)
4. United Nations World Tourism Organisation

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