



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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NATIONAL ASSEMBLY:

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Mr P G Moteka (EFF) to ask the Minister of Tourism:

How has the COVID-19 pandemic affected the tourism sector in the Republic?

NW790E

Reply:

As of 26 March 2020, South Africa closed off its borders and effected lockdown for all local travel, all flights both domestic and international have ceased operations. The tourism sector is not classified as an essential services sector and thus not allowed to operate in general. Similarly, many of South Africa's key source markets have also closed their borders and curtailed travel. It is becoming evident that South Africa's Tourism recovery will be driven first by the gradual easing of local travel restrictions and second, by the pace at which source markets emerge from their own lockdown conditions. The unknown duration of the pandemic means that timing – alignment of marketing investment with readiness to travel – becomes imperative.

United Nations World Tourism Organisation (UNWTO) estimates that international tourist arrivals could decline by 20% to 30% in 2020. This would translate into a loss of 300 to 450 US\$ billion in international tourism receipts (exports) – almost one third of the US\$ 1.5 trillion generated globally in the worst-case scenario. Similarly, the World Travel & Tourism Council (WTTC) analysis also shows a sharp escalation in the economic loss to the world economy, up to US\$2.7 trillion of GDP. This will put almost 75 million jobs at risk in G20 countries only. Apart from the international arrivals we received in the first two months, January (1 093 268) and February (800 815), before the COVID-19 pandemic, we are unlikely to receive more international arrivals this year. The sector's recovery

which will be on the latter part of this year will be driven by domestic tourism and international tourism will only start coming into operation next year. In essence the sector's contribution to the GDP for this year will be very low.

SA Tourism is constantly monitoring and assessing the impact of the pandemic on the sector.

The department has a number of reports so far on the impact of COVID-19 pandemic on the South Africa's tourism sector, perhaps because we are still in the early stages.

- The Southern African Vehicle Rental and Leasing Association (SAVRALA), which represents vehicle rental and leasing companies that operate about 65 000 vehicles across the country reported that the subsector has seen a drastic contraction in demand due to both inbound tourism and all local travel and tourism activity declining. Contraction in the rental business thus far is estimated to be up to 80 – 90%. This affects jobs and potential for training.
- The Southern African Association for the Conference Industry (SAACI), as the nation's largest organization representing the interests of the business events trade and professionals, indicated that the global lockdown has resulted in cancellation of conferences and other events. Initial estimates are that R746,8 million in business is lost due to cancellations, with potentially 6 039 jobs losses already.

The Minister of Tourism is equally concerned about the effects of Covid-19 on tourism sector as a whole. It is for this reason that she has put aside R200 million under the banner of the Covid-19 Tourism Relief Fund to provide a once-off capped grant assistance to SMMEs in the tourism value chain to ensure their sustainability during and post the implementation of government measures to curb the spread of Covid-19 in the country. The sector is dominated by small businesses, majority of which are survivalist without any support, which makes their situation during this time extremely dire.