



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY:

Question Number: 2255

Date of Publication: 31 October 2014

NA IQP Number: 23

Date of Reply: 18 November 2014

“Mr G R Krumbock (DA) to ask the Minister of Tourism:

Has his department conducted any econometric studies to calculate what percentage of international tourist spending in South Africa accrues to the SA Revenue Service; if not, why not; if so, what are the relevant details?”

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REPLY:

No. As tourism is a sector that is not clearly defined in the system of national accounts, a separate study of this nature would be a data intensive exercise. However, the tourism sector's value add to the economy (GDP and employment contribution) and the tourism revenue contribution to the economy based on total foreign and domestic direct spend (trended revenue) are measured and reported.

SA Tourism collects data on the total amount spent directly in South Africa by foreign and domestic tourists (i.e. Total Foreign Direct Spend and Total Domestic Direct Spend). A departure survey and domestic survey is used to collect data.

The Tourism Satellite Account (TSA), compiled and published by Statistics South Africa, provides information on tourism's overall contribution to the South African economy both in terms of expenditure and employment. The TSA took years to develop and is based on internationally-agreed methods. The TSA is one element of a System of Tourism Statistics

(STS) that provides information for the understanding and monitoring of the impact of tourism on the South African economy over time. The other elements of the STS for South Africa include the surveys of international tourists and domestic visitors, visitor arrival statistics, tourist accommodation, and food and beverages statistics.

The TSA includes various measures, each with their underlying data, including:

- inbound, domestic tourism and outbound tourism expenditure,
- tourism trade balance,
- internal tourism expenditure,
- production accounts of tourism industries,
- the Gross Value Added (GVA) and Gross Domestic Product (GDP) attributable to tourism,
- employment,
- investment,
- government consumption, and
- non-monetary indicators.

The TSA brings together the diverse aspects of tourism by providing a tourism dimension to the framework of the System of National Accounts (SNA). It makes it possible to separate and examine the demand and supply side of tourism in an integrated system, which describes the production and demand aspects of the entire economy. The SNA recommends the development of Satellite Accounts for the measurement of economic phenomena that are not explicitly shown in the core set of accounts. The TSA was therefore developed for the explicit study of tourism-connected industries and products.

A TSA is:

- A statistical instrument used to measure the size of the tourism sector's contribution to the economy of a country according to international standards of concepts, classifications and definitions; and
- Used to analyse all aspects of demand for goods and services which can be associated with tourism within the economy, to observe the operational interface with the supply of such goods and services within the same economy of reference, and to describe how this supply interacts with the economic activities.
- The development of a TSA framework has been fuelled by the recognition that its implementation will serve to:
- Increase and improve knowledge of tourism's importance in relation to overall economic activity in a given country;

- Provide a coherent and credible set of tourism accounts that can also be compared internationally across countries;
- Develop quantitative estimates of tourism value-added and, thus, analyse the importance of tourism in the economy;
- Provide an instrument for designing more efficient policies on tourism and its employment aspects;
- Identify employment generation in tourism industries and the role tourism plays in job creation for different types of workers;
- Create awareness among players directly and indirectly involved in tourism of the economic importance of this activity; and
- Extend the role of tourism in all industries involved in producing the goods and services demanded by visitors.