2019/20
STATE OF TOURISM HIGHLIGHTS

broadening horizons

tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

2030 NDP

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OVERVIEW

- To monitor the performance of the sector, the Department of Tourism produces an Annual State of Tourism Report (STR) which serves as a strategic tool to inform decision-makers and businesses on the sector's performance and developmental aspects.
- In 2020, the tourism sector was impacted negatively by the COVID-19 pandemic and this is evident from the analysis of the key indicators that are used to monitor the performance of the tourism sector.
- The 2019/20 STR therefore, also provides an analysis on the impact of COVID-19 on the tourism sector during 2020, at a national and global levels.
- The Tourism Performance Infographics for 2019/20 has also been developed to provide a summary report of key tourism indicators .
- The detailed STR 2019/20 can be accessed via the departmental website, www.tourism.gov.za

SOUTH AFRICA'S TOURISM ECONOMIC IMPACT:
TOURISM SATELLITE ACCOUNT: FINAL 2017, PROVISIONAL 2018 AND 2019

Indicators		TSA Results		
		2017 Final	2018 Provisional	2019 Provisional
	Tourism direct gross domestic product (TDGDP) (R million)	132 366	146 158	209 151
	Tourism direct gross domestic product (TDGDP) (% of GDP)	2,6%	2,7%	3,7%
	Persons directly engaged in producing goods and services purchased by visitors (number)	575 910	611 737	773 533
	% of total	3,6%	3,7%	4,7%

Source: Stats SA, Tourism Satellite Account: Final 2017 and provisional 2018 and 2019.

CONTRIBUTION OF TOURISM TO SOUTH AFRICAN ECONOMY: 2020

CONTRIBUTION TO TOURISM GROSS DOMESTIC PRODUCT

Direct Contribution (2020):

R65,7 billion (1,3% of total GDP)

Total Contribution (2020 estimates):

R182,5 billion (3,7% of total GDP in 2020)

CONTRIBUTION TO EMPLOYMENT

Direct Contribution (2020):

478 900 jobs (3,2% of total employment)

Total Contribution (2020 WTTC estimates):

987 400 jobs (6,5% of total employment)

KEY ECONOMIC INDICATORS

Source: *WTTC South Africa Report 2021*

PEFORMANCE OF TOURISM RELATED INDUSTRIES IN SOUTH AFRICA 2020 COMPARED TO 2019

ACCOMMODATION INDUSTRY PERFORMANCE

The total income from the accommodation industry recorded a decline of -61,3% compared to 2019.

Income from accommodation (excluding restaurants, bar sales and other income) went down by -61,1% compared to 2019.

FOOD & BEVERAGES INDUSTRY PERFORMANCE

The total income of the food and beverages industry was about R 33 706,6 million, which was a decrease of -40,5% when compared to R 56 626,6 million in 2019.

Food and Beverages Income (excluding restaurants and bar sales) experienced a decline of -38,9% compared to 2019.

AIRLINE INDUSTRY PERFORMANCE

Total passenger arrivals decreased by -66,0%, from 21 429 817 in 2019 to 7 296 351 in 2020.

Total number of departing passengers decreased by -65,8%, from 21 567 439 in 2019 to 7 372 639 in 2020.

Source: Stats SA and ACSA, 2021

SOUTH AFRICAN INBOUND TOURISM PERFORMANCE 2020 COMPARED TO 2019

South Africa received over 2 million international tourist arrivals in 2020, which was a decrease of -72.6% from 2019.

TOTAL INTERNATIONAL ARRIVALS

2 802 320 (-72,6%) compared to 10,288,593 in 2019

MAIN SOURCE REGION

Africa remains South Africa's main source region for tourist arrivals, contributing about 76% of total international arrivals to the country in 2020.
Europe remains the main source region from overseas.

TOP SOURCE REGION:

AFRICA

2 137 524 (-71,9%)

MAIN AFRICAN SOURCE COUNTRY:

ZIMBABWE

684 546 (-69,7%)

TOP OVERSEAS MARKET:

EUROPE

446 653 (-71,3%)

MAIN OVERSEAS SOURCE COUNTRY:

UNITED KINGDOM

132 384 (-69,7%)

TOTAL FOREIGN DIRECT SPEND

R22,3 billion (-72,5%) compared to R81,1 billion in 2019

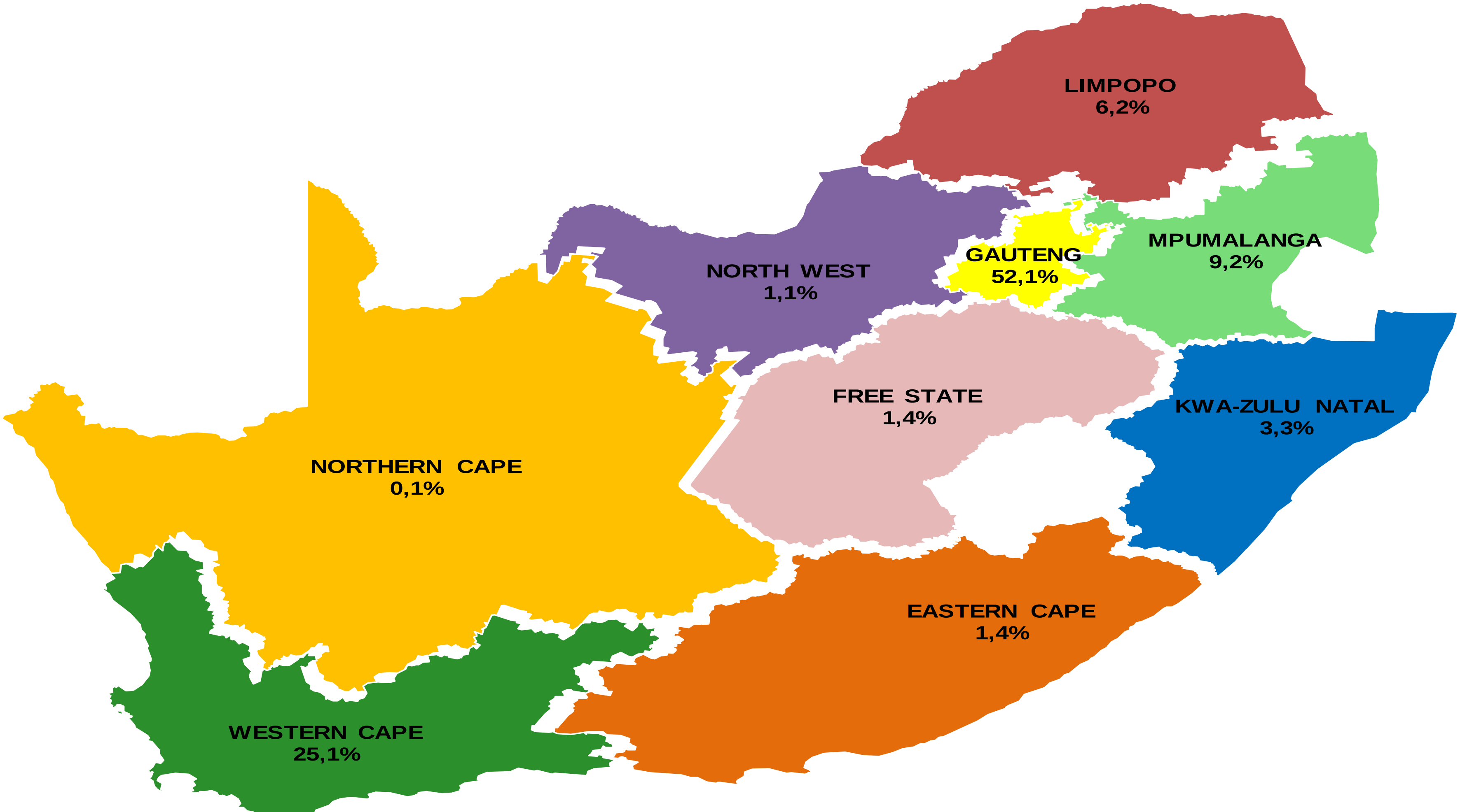
MOST VISITED PROVINCE

Gauteng with 52,1% share of total international tourist arrivals in 2020

Source: *SAT Annual Report 2020, published in 2021*

PROVINCIAL SHARE OF INTERNATIONAL TOURIST ARRIVALS: 2020

Gauteng had the highest share (52.1%), followed by the Western Cape (25,1%) and Mpumalanga (9.2%). The two least visited provinces were North West (1.1%) and the Northern Cape (0.1%).



Source: SAT Annual Report 2020, published in 2021

OTHER INBOUND TOURISM INDICATORS FOR SOUTH AFRICA: 2020

Comparing 2020 to 2019, key inbound tourism indicators show that there was a decline in length of stay and average spend. Tourists main purpose of visit was Visiting Friends and Relatives.

LENGTH OF STAY

11.0 nights ↓

compared to 11.4 nights in 2019

TOTAL AVERAGE SPEND PER TOURIST

R8 400 compared to R8 300 in 2019

MAIN PURPOSE OF VISIT

Visiting Friends and Relatives (VFR), (41.1%) in 2020

OTHER INBOUND TOURISM INDICATORS

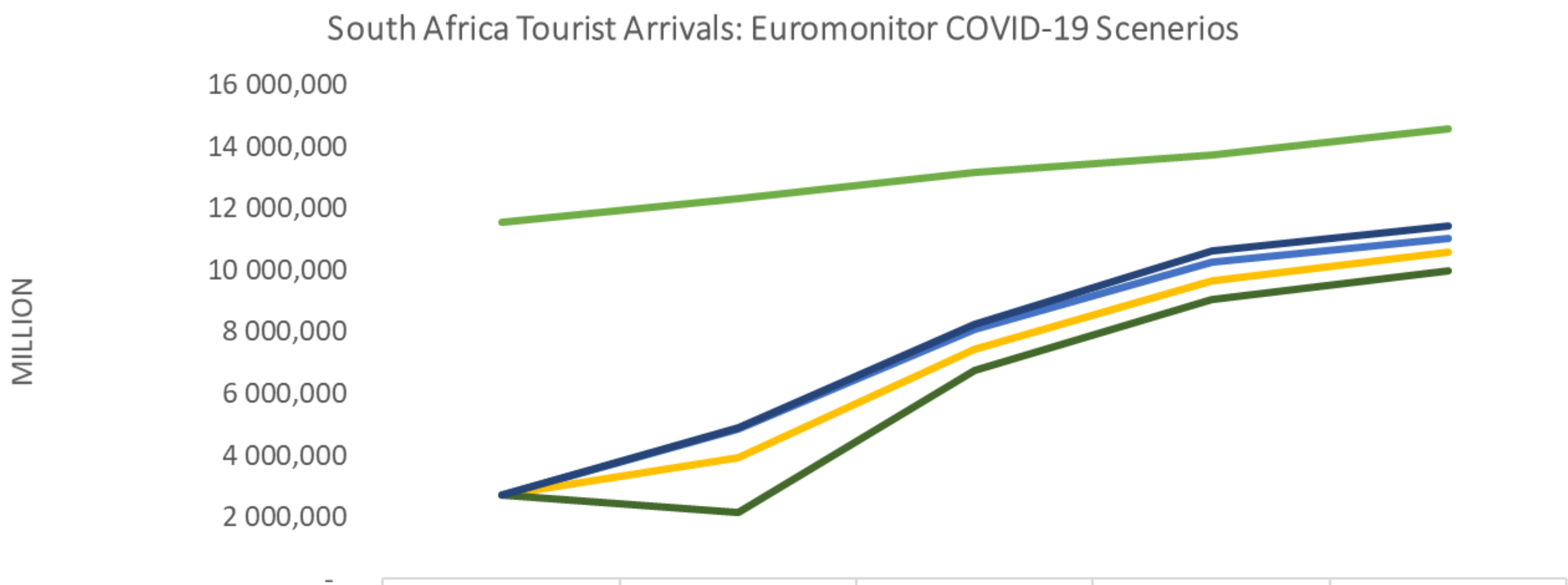
Source: *SAT Annual Report 2020, published in 2021*

SA TOURIST ARRIVALS ESTIMATES: EUROMONITOR COVID 19 SCENARIOS

Pre C19 Forecasts	Baseline	C19 Pessimistic 1	C19 Pessimistic 2:	C19 Optimistic 1
• This scenario reproduces the last pre-COVID-19 pandemic forecast from January 2020. • Our baseline global GDP growth forecast (as of January 2020) has remained stable since Q4 2019 at around 3% in 2020 (similar to 2019), improving slightly to 3.2% growth in 2021. • Positive factors in the outlook remain above average consumer confidence in key economies, supportive monetary policy and low financial system stress. • Negative factors for the outlook include ongoing geopolitical and trade war risks, declining business confidence, high corporate debt levels in key economies, and uncertainty surrounding the recent coronavirus outbreak in China.	• The baseline forecast assumes 1-2 global pandemic waves in the first half of 2021. • Global real GDP growth is 5.5-6.5% in 2021 and 3.8-5.3% in 2022. • Most social distancing restrictions are lifted in advanced economies in Q2-Q3 2021. Local lockdowns and strict social distancing measures are likely to persist in developing economies into 2022. • Vaccination rates sufficient for approaching herd immunity are attained in advanced economies in Q3-Q4 2021. In developing economies vaccination rates remain too low to approach herd immunity until the end of 2022- first half of 2023. • Global business and consumer confidence levels return to historic averages by Q3 2021.	• In the COVID-19 Pessimistic1 scenario there are 2-4 global pandemic waves in 2021-2022. • Global real GDP growth is 4-5% in 2021 and 0.2-1.5% in 2022. • The spread of more infectious and vaccine resistant COVID-19 virus mutations leads to more intense and longer lasting lockdowns and social distancing measures. • Significant COVID-19 related social distancing restrictions/behaviours need to be reinstated in advanced economies in the 2nd half of 2021, continuing into 2022. They continue into 2023 for developing economies. • Vaccination rates sufficient for herd immunity are attained in advanced economies in Q4 2021- Q3 2022. Vaccination rates in developing economies remain insufficient for approaching herd immunity into 2023.	• In the COVID-19 Pessimistic2 scenario there are 3-5 global pandemic waves in 2021-2022. • Global real GDP grows by 3-4% in 2021 and declines by 1.3-2.7% in 2022. • The spread of more infectious and vaccine resistant virus mutations leads to more intense and longer lasting lockdowns and social distancing measures. • Significant COVID-19 related social distancing restrictions/behaviours need to be reinstated in advanced economies in the 2nd half of 2021, continuing into 2022. They continue into 2023 for developing economies. • Logistical complications, significant population resistance to vaccination and lower effectiveness of vaccines against new virus variants delay sufficient vaccination rates for herd immunity in advanced economies to the end of 2022 or first half of 2023.	• The Covid-19 Optimistic1 scenarios assumes 1-2 global pandemic wave in the first half of 2021, with faster than expected vaccination and economic recovery rates. • Global real GDP growth is 6.3-7% in 2021 and 6-7% in 2022. • Significant COVID-19 related social distancing restrictions/behaviours last for another 1-3 quarters in 2021. • Vaccination rates sufficient for herd immunity are attained in advanced economies in Q2-Q3 2021. • Global business and consumer confidence levels return to historic averages by Q2 2021. • Stronger fiscal stimulus effects in advanced economies, high cumulated savings and the faster rebound in consumer confidence speed up the recovery in consumer spending.

Source: Euromonitor, 24 August 2021

SA TOURIST ARRIVALS: EUROMONITOR COVID 19 SCENARIOS…



	2020	2021	2022	2023	2024
Pre COVID-19 Forecasts	11 575,828	12 332,197	13 173,430	13 750,111	14 564,218
Baseline	2 721,000	4 871,000	8 094,000	10 279,000	11 051,000
C19 Pessimistic1	2 721,000	3 931,000	7 449,000	9 665,000	10 594,000
C19 Pessimistic2	2 721,000	2 145,000	6 750,000	9 048,000	9 991,000
C19 Optimistic 1	2 721,000	4 880,000	8 262,000	10 632,000	11 415,000

Source: Euromonitor, 2021

CONTRIBUTION OF TOURISM TO GLOBAL ECONOMY: 2020 COMPARED TO 2019

CONTRIBUTION TO GROSS DOMESTIC PRODUCT

Direct Contribution: US$1 373,7 billion (1,6% of total GDP) in 2020 compared to US$2 836,1 billion (3.2% of total GDP) in 2019.

Total Contribution: US$4 671,1 billion (5,5% of total GDP) in 2020 compared to US$9 169,5 billion (10.4 % of total GDP) in 2019.

CONTRIBUITION TO EMPLOYMENT

Direct Contribution: 94,104,000 jobs (3.1% of total employment) in 2020 compared to 120,426, 000 jobs (3,8% of total employment) in 2019.

Total Contribution: 272,197,000 jobs (8.9% of total employment) in 2020 compared to 333,815,000 jobs (10.6% of total employment) in 2019.

KEY ECONOMIC INDICATORS

Source: *WTTC World Report 2021*

PERFORMANCE OF OTHER KEY GLOBAL TOURISM INDUSTRIES: 2020 COMPARED TO 2019

GLOBAL HOTEL PERFORMANCE

Average Occupancy rate:

38,4% in 2020, which was a -42,2% decline compared to 2019

GLOBAL AVIATION INDUSTRY

Passenger Load Factor (PLF)
Total Market: In 2020: 64,8% down from 82,6% in 2019.

Revenue Per Kilometer (RPK)
Total Market: In 2020, -65,9% decline compared to a growth of 4,2% in 2019.

Available Seat Kilometers (ASK)
Total Market: -56,5% decline in 2020 compared to a growth of 3,4% in 2019.

OTHER KEY TOURISM INDUSTRIES

Source: *Hotel News 2021, and* IATA 2020 report.

GLOBAL TOURISM PERFORMANCE: 2020 COMPARED TO 2019

TOTAL INTERNATIONAL ARRIVALS

399 million (-72,8%), compared to 1,4 billion in 2019

Europe remains the world's largest source region, as it generated over half of the world's international arrivals in 2020.

TOP SOURCE REGION

EUROPE

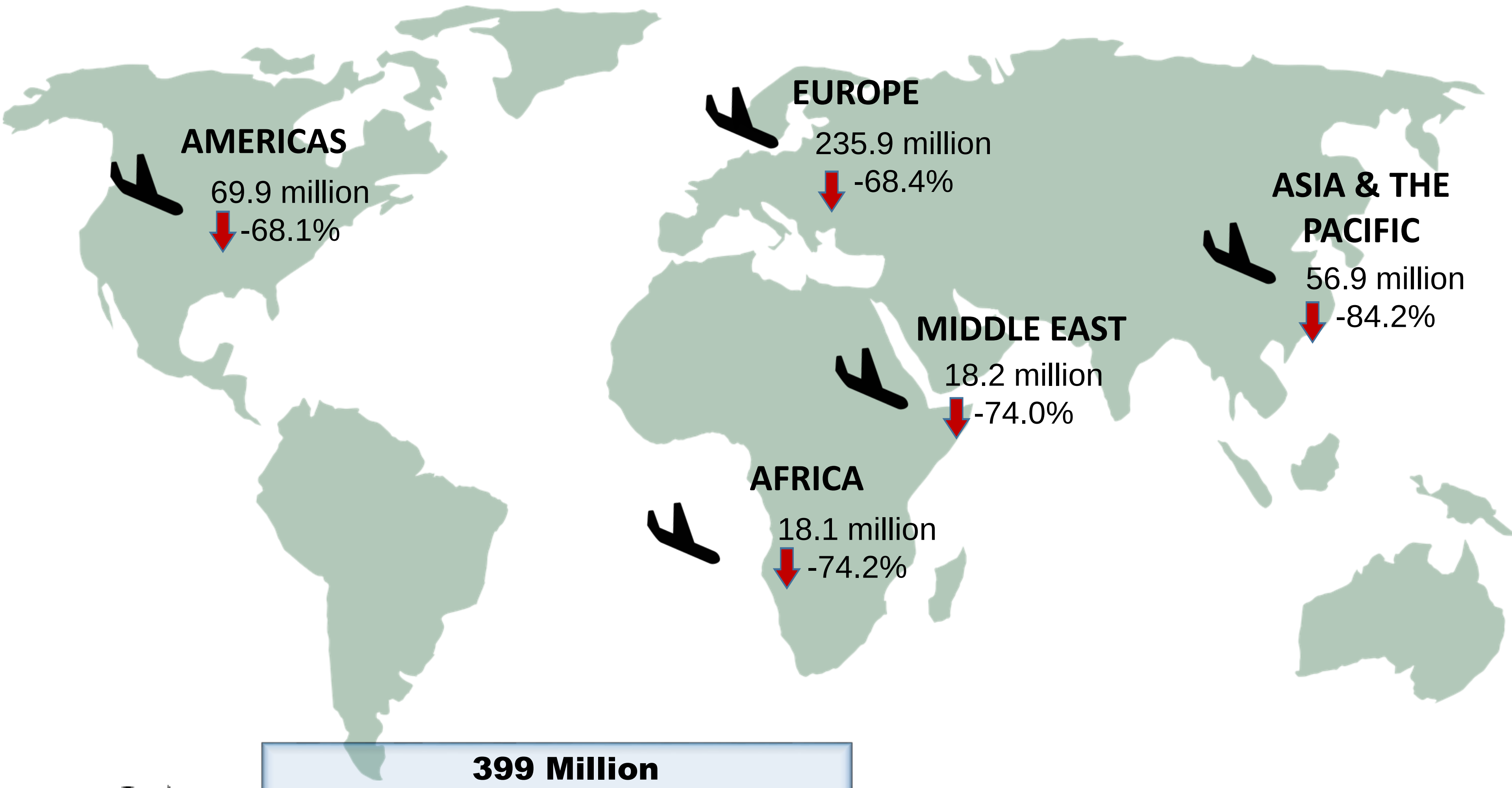
235,9 million (-64,8%) compared to 746,3 million in 2019

TOTAL INTERNATIONAL RECEIPTS:

US$535 billion in 2020, a decrease of (-63,7%) compared to 2019.

Source: *UNWTO Barometer, July 2021 Edition.*

INTERNATIONAL TOURIST ARRIVALS BY REGION: 2020 COMPARED TO 2019



399 Million
International Tourist Arrivals
-72.8%

Source: *World Tourism Barometer, July 2021.*

UNWTO EXTENDED SCENARIOS

- Two forward-looking scenarios were outlined in the May issue of the World Tourism Barometer, which assumed a gradual re-opening of borders and improvement in traveller confidence in the months of July and September 2021, in line with the increase in vaccination, expected improvement in traveler confidence and better coordination of travel requirements. These scenarios point to 63% and 75% declines in international tourist arrivals respectively in 2021, compared to 2019. It is important to note that these scenarios are based on the premise that health conditions and traveler confidence do not deteriorate significantly after travel restrictions are lifted in the months of July and September.

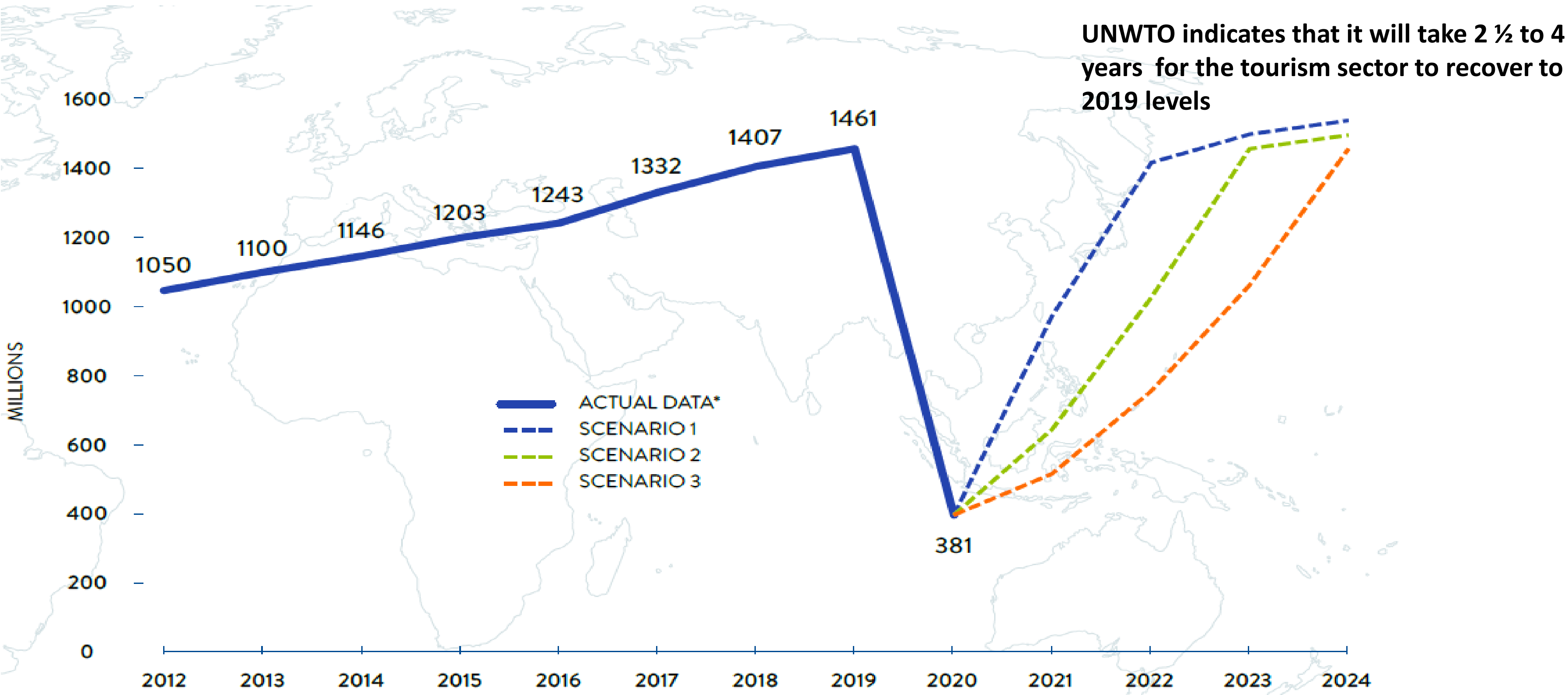
Scenario 1 points to a rebound in July and would result in a 40% increase in international arrivals in 2021 compared to 2020, though still a 63% decline was seen versus the pre-pandemic levels of 2019.

Scenario 2 considers a rebound in the month of September and a 10% increase in arrivals compared to 2020, though a 75% decrease compared to 2019.

Source: UNWTO Barometer Issue 3, May 2021 and Volume 19, Issue 4, July 2021 and Volume 19,

UNWTO EXTENDED SCENARIOS FOR 2021-2024

UNWTO scenarios were extended into the future based on the latest information on tourism trends and travel conditions, economic forecasts and historical data on previous crises.



* Actual data for 2020 is preliminary and based on estimates for countries which have not yet reported results.

Source: UNWTO, COVID-19 AND TOURISM 2020: A year in review January 2021

Know Your Key Tourism Definitions

Destination	the main destination of a tourism trip is defined as the place visited that is central to the decision to take the trip.
Inbound Tourism	which comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip.
International Tourism	the combination of inbound tourism and outbound tourism.
Region	an area, especially part of a country or the world, having definable characteristics but not always fixed boundaries.
Tourism	refers to the activity of visitors.

Source: *UNWTO and Statistics South Africa*

KNOW YOUR KEY TOURISM DEFINITIONS

- **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** — the GDP generated in the economy by the tourism industries and other industries in response to tourism internal consumption.

- **Tourist** — a visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise.

Source: *UNWTO and Statistics South Africa*

PILLARS OF THE NATIONAL TOURISM SECTOR STRATEGY (NTSS): 2016-2026

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