



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA



2020/21 STATE OF TOURISM REPORT

LIST OF ABBREVIATIONS.....	1
LIST OF DEFINITIONS	3
INTRODUCTION AND BACKGROUND.....	5
STATE OF TOURISM (STR) 2020/21 REPORT STRUCTURE AND THEMES	
7	
CHAPTER ONE: THE ECONOMIC VALUE OF TOURISM AT A GLOBAL AND NATIONAL LEVEL	10
Section One: Global Economic Value of Tourism.....	11
1.1 Travel and Tourism Sector’s Total Contribution to Gross Domestic Product: 2015-2021.....	11
1.2 Travel and Tourism Sector’s Direct Contribution to Gross Domestic Product: 2015-2021.....	12
1.3 Travel and Tourism Sector’s Total Contribution to Employment: 2015-2021	12
1.4 Travel and Tourism Sector’s Direct Contribution to Employment: 2015-2021	13
1.5 Top Global Performers by Total Contribution to the Travel and Tourism Sector: 2021	15
Section Two: Economic Value of Tourism for Africa.....	16
2.1 Travel and Tourism Sector’s Total Contribution to Gross Domestic Product: Africa 2015-2021	16
2.2 Travel and Tourism Sector’s Direct Contribution to Gross Domestic Product: Africa 2015-2020.....	16
2.3 Travel and Tourism Sector’s Total Contribution to Employment: Africa 2015-2021	17
2.4 Travel and Tourism Sector’s Direct Employment Contribution: Africa 2015-2021	18
Section Three: Economic Value of Tourism for South Africa	20
3.1 Travel and Tourism Sector’s Total Contribution to GDP in South Africa: 2015-2021	21
3.2 Travel and Tourism Sector’s Direct Contribution of Tourism to GDP in South Africa: 2015-2021	22
3.3 Travel and Tourism Sector’s Total Contribution to Employment in South Africa: 2015-2021.....	23
3.4 Travel and Tourism Sector’s Direct Contribution to Employment in South Africa: 2015-2021	24
CHAPTER TWO: INBOUND TOURISM PERFORMANCE	26
Section One: Global Inbound Tourism Performance	27
1.1 Global Tourist Arrivals: 2019-2021	27
1.2 Global Tourist Arrivals by Region: 2020-2021	28
1.3 Top Global Destination by Region: 2020	29
1.4 International Tourism Expenditure by Top Ten Countries: 2020 compared to 2019	31
1.5. International Tourism Receipts: 2020 to 2021	32
1.6 Top 10 Countries by International Tourist Receipts and International Tourist Arrivals: 2020-2021	

Section Two: Regional Inbound Tourism Performance (Sub-Saharan Africa)	
34	
2.1 Africa Tourist Arrivals: 2019-2021	34
2.2 Top Africa Destination by Region: 2020.....	35
Section Three: Inbound Tourism Performance in South Africa	36
3.1 Collection, Processing of Tourist Arrivals in South Africa.....	36
3.2 Tourists Arrivals to South Africa: 2015-2021	37
3.4 Main Purpose of Visit for International Tourist Arrivals: 2021	41
3.5 Length of Stay for International Tourist Arrivals: 2017-2021	43
3.6 Total Foreign Direct Spend by Region (excluding capital expenditure): 2021 compared to 2020	44
3.7 Total Foreign Direct Spend by Top Five African Source Markets	45
3.8 Total Foreign Direct Spend by Top Five Overseas Markets	46
3.9 Provincial Share of Tourist Arrivals: 2021	46
CHAPTER THREE: PERFORMANCE OF TOURISM-RELATED INDUSTRIES GLOBALLY AND IN SOUTH AFRICA	49
Section One: Global Tourism Related Industry Performance.....	49
1.1 Air Transport Performance: 2021 compared to 2019	49
1.2 Global Hotel Industry Performance: 2020-2021	51
Section Two: Tourism Related Industry Performance in South Africa	53
2.1 Accommodation Industry Performance: 2020 compared to 2021	55
2.2 Food and beverages industry: 2020 compared to 2021	58
2.3 Airline Industry Performance: 2020 compared to 2021	61
2.4 Car Rental Performance in South Africa: 2020-2021	62
2.5 The Travel & Tourism Development Index (TTDI) for South Africa: 2021 63	
Section One: Domestic Tourism Expenditure Performance	66
CHAPTER FOUR: DOMESTIC TOURISM PERFORMANCE	63
Section One: Domestic Tourism Expenditure.....	63
1.1 Domestic Tourism Expenditure 2019, 2020 and 2021 (Real 2021 prices)...	66
Section Two: South Africa's Domestic Performance	69
2.1 South Africa's Domestic Tourism Performance.....	69
2.2 Challenges for South Africa's Domestic Tourism Recovery	72
CHAPTER FIVE: TOURISM OUTLOOK AND RECOVERY	63
Section One: Global Tourism Outlook Performance.....	73
1.1 International Tourist Arrivals Forecasts from UNWTO	73
1.2 Forecasts from WTTC: Global Economic Value of Tourism.....	75
Section Two: South Africa's Tourism Outlook Performance.....	76
2.1 Tourist Arrival forecasts for South Africa.....	76
2.2 Forecasts from WTTC: Economic Value of Tourism for South Africa ..	81
REFERENCES.....	79
ANNEXURE A: STR 2020/21 HIGHLIGHTS	86



LIST OF ABBREVIATIONS

ACSA	Airports Company South Africa
ADR	Average Daily Rate
ARR	Average Room Rate
ASK	Available Seat Kilometre
CPI	Consumer Price Inflation
COVID-19	Coronavirus
EC	Eastern Cape
FS	Free State
DHA	Department of Home Affairs
EPWP	Expanded Public Works Programme
EUR	EURO
GDP	Gross Domestic Product
GP	Gauteng
IATA	International Air Transport Association
ICCA	International Congress and Convention Association
KZN	KwaZulu-Natal
LP	Limpopo
MP	Mpumalanga
MCS	Movement Control System
MYPE	Mid-Year Population Estimates
NICD	National Institution of Communicable Diseases
NC	Northern Cape
NDP	National Development Plan
NW	North West
PLF	Passenger Load Factor
RPK	Revenue Passenger Kilometres
RevPAR	Revenue Per Available Room
SA	South Africa

SADC	Southern African Development Community
SA Tourism	South African Tourism
Stats SA	Statistics South Africa
TSA	Tourism Satellite Account
TTDI	Travel and Tourism Development Index
VFR	Visiting friends and relatives
UAE	United Arab Emirates
UNWTO	World Tourism Organisation
WEF	World Economic Forum
WHO	World Health Organisation
WTTC	World Travel and Tourism Council



LIST OF DEFINITIONS

Concept	Definition
ADR (Average Daily Rate)	Room revenue/rooms sold: i.e., a measure of the average rate paid for rooms sold is calculated by dividing room revenue by rooms sold.
Available Seat-Kilometres (ASK)	The number of seat carriers have available multiplied by the number of kilometres flown. The ratio of revenue passenger kilometres.
Country of Residence	The country of residence of a household is determined according to the centre of predominant economic interest of its members. If a person resides (or intends to reside) for more than one year in a given country and has there his/her centre of economic interest (for example, where the predominant amount of time is spent), he/she is considered as a resident of this country.
Destination (main destination of a trip)	The main destination of a tourism trip is defined as the place visited that is central to the decision to take the trip.
Domestic Day Trips	A trip outside of the respondent's usual environment, where they leave and return within the same day (i.e., do not stay overnight).
Domestic Overnights	A visitor/tourist who stays at least one night in collective or private accommodation in the place visited.
Domestic Tourism	The tourism of resident visitors within the economic territory of the country of reference.
Inbound Tourism	Which comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip.
Industry	Group of establishments engaged in the same or similar kinds of activity.
International Tourism	The combination of inbound tourism and outbound tourism.
Occupancy	Rooms sold/rooms available: the percentage of available rooms that were sold during a specified period. Occupancy is calculated by dividing the number of rooms sold by the number of rooms available.
Outbound Tourism	Comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.
Passenger Load Factor	The ratio of revenue passenger kilometres (RPK) to available seat-kilometres (ASK) is called passenger load factor: i.e., the percentage of capacity used.
Purpose of Visit	The major groups that are recommended for classifying the main purpose of visit (or trip) are: leisure, recreation and holidays; visiting friends and relatives; business and professional reasons; health treatment; religion/pilgrimages and other.
Region	An area, especially part of a country or the world, having definable characteristics but not always fixed boundaries.
Revenue Passenger-Kilometres (RPK)	RPK represents one paying passenger transported over one kilometre, so the number of passengers is multiplied by the distance flown. This means that each long-haul passenger contributes more to total traffic measured in RPKs than each short-haul passenger does.
RevPAR (Revenue per available room)	Room revenue/rooms available (or = occupancy x ADR): the total guest room revenue divided by the total number of available rooms.
Total foreign direct spend in South Africa (TFDS)	The total amount spent directly in South Africa by all foreign tourists including amounts spent on goods for resale and capital investments.
Tourism Demand	Is the sum of tourism consumption, tourism collective consumption and tourism gross fixed capital formation?
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	Tourism GDP is the GDP generated in the economy by the tourism industries and other industries in response to tourism internal consumption.
Tourism Sector	The tourism sector consists of the set of institutional units whose principal economic activity is a tourism-characteristic activity. These units might belong to the following institutional sectors: households; non-financial corporations (private, foreign owned,

	publicly owned); financial corporations; general government or non-profit institutions serving households.
Tourist	A visitor who stays at least one night in the place visited.
Traveller	A traveller is any person on a trip between two or more countries, or between two or more localities within his/her country of usual residence.
Usual Environment	To be outside the 'usual environment' the person should travel more than 40 kilometres from his/her place of residence (one way) AND the place should NOT be visited more than once a week. This includes place of work and place of study. Leisure and recreational trips are included irrespective of frequency.
Visitor	Any person travelling to a place other than that of his/her usual environment for less than 12 months, and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited.

Note: The definitions were sourced from UNWTO and Statistics South Africa



INTRODUCTION AND BACKGROUND

The spread of the Coronavirus (COVID-19) pandemic in early 2020 created a global crisis. Governments across the world began closing country borders to limit the spread of the virus. Furthermore, lockdown regulations were also imposed by different countries globally to prevent the movement of people to stop the spread of the virus. This impacted negatively to the performance of almost all the sectors.

The tourism sector was one of the most vulnerable sectors of the economy and the impact could be seen in most of the tourism-related industries that are operating within the tourism value chain at a global and national level (UNWTO, 2022). This was evident when key indicators used to monitor the performance of the tourism sector were analysed. During 2021, the World Travel and Tourism Council (WTTC) has reported that in 2019, the travel and tourism sector supported about 334 million jobs (10.6% of all jobs) and was responsible for creating 1 in 4 of all new jobs globally between 2014-2019 (WTTC, 2021). In 2020, about 62 million jobs were lost globally, which was about -18.6% decrease compared to 2019. These results reflect the negative impact that the COVID-19 pandemic has had on the travel and tourism sector. Similar to the global experience, the South African tourism sector was also impacted negatively by the COVID-19 pandemic. WTTC reported that in 2020, South Africa had lost a total of 474 000 jobs compared to 2019 figures (1 461 000 jobs), creating a total of 987 000 total jobs in 2020 (WTTC, 2021).

In 2021, the travel and tourism sector began experiencing some recovery with the rollout of COVID-19 vaccinations and the opening of borders across countries. The recovery however was slowed down due to the spread of the different COVID-19 variants namely Delta and Omicron (UNWTO, 2022). The detection of the Omicron variant by South African scientists in November 2021, resulted in many countries reacting negatively placing restrictions on travel to South Africa and other African countries. WTTC reports that these restrictions had a negative impact on the tourism sector's recovery in South Africa. Despite these restrictions, the South African tourism sector did perform better in 2021 compared to 2020 when key tourism indicators are analysed.

In 2022, preliminary global tourist arrival figures for the first five months of 2022 have been positive. UNWTO has reported that international arrivals have more than tripled (+221%) in January-May 2022, compared to the same period of 2021 but remained 54% below 2019 levels (UNWTO, 2022). Most recent tourist data for South Africa indicated that total tourist arrivals went up by 146,8% for the period January-June 2022 compared to the same period in 2021. This was a growth from a total of 926 262 tourist arrivals recorded during January-June 2021 to 2 285 746 during the same period in 2022, however, similarly to the global experience, tourist arrivals in South Africa have declined by -55,1% in 2021 compared to 2019.

The UNWTO Secretary-General Zurab Pololikashvili has stated that *“the recovery of tourism has gathered pace in many parts of the world, weathering the challenges standing in its way”*, however, he advises caution in view of the *“economic headwinds and geopolitical challenges which could impact the sector in the remainder of 2022 and beyond”* (UNWTO, 2022). The war in Ukraine, rising inflation and interest rates, as well as fears of an economic slowdown, continue to threaten the recovery of the tourism sector (UNWTO, 2022). Estimates from the International Monetary Fund (IMF) indicate a global economic slowdown for global GDP moving from 6.1% in 2021 to 3.2% in 2022 and then to 2.9% in 2023 (IMF, 2022).

South Africa was one of the African countries most affected by the COVID-19 pandemic. As of September 2022, there were a total of 4,016,157 cases of COVID-19 and 102,146 deaths from the pandemic that have been recorded in South Africa (WHO, 2022). Despite these statistics, South Africa remained one of the countries with the lowest vaccination rate reaching around 63 doses per 100 population, unlike Morocco with 149 doses per 100 people. South Africa’s economic growth rate was recorded to be decreasing by -1.5% per year. While the global trend is forecast at 2.6% per year (PWC, 2022). This rising inflation which affects consumer spending, high fuel costs and constant power cuts are factors that have influenced the country’s economic performance as well. The KwaZulu-Natal floods which occurred in April 2022 also affected investor confidence. UNWTO has recommended for countries with low vaccination rates to adopt strategies that promote safe travel while living with a pandemic (UNWTO, 2022).

To address the impact that COVID-19 has had on the country, the South African Government has developed the Reconstruction and Recovery Plan which highlights the importance of the tourism sector for the country’s Economic Recovery Plan. The plan acknowledges that the tourism sector has been severely affected by the COVID-19

global pandemic with loss of revenue for many businesses in this sector. One of the three focus areas to boost the economy is the promotion and recovery of the tourism, hospitality, leisure and entertainment industry (South African Government, 2020). In addition, the Department of Tourism in collaboration with industry partners also developed a Tourism Recovery Plan in 2021. The plan is aimed at facilitating the recovery of the sector by sustaining jobs and livelihoods, providing new job opportunities, match demand and supply, and strengthen transformation (Department of Tourism, 2021).

To monitor the performance of the tourism 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 about the sector's performance and developmental aspects. The 2019/20 STR that was published in December 2021 provided a detailed analysis of the impact COVID-19 had on the tourism sector including the sector's related-tourism industries. The 2020/21 STR, therefore, focused on the tourism sector's recovery from COVID-19 through the analysis of key indicators that are used to monitor the performance of the tourism sector. These indicators include amongst others, the number of tourist arrivals, both domestic and international, revenue for key tourism industries as well as the contribution of the tourism sector to GDP and employment. The analysis is based on secondary data from different sources. The 2020/21 STR is the 6th edition of a series of STR reports that have been developed since 2015/16. Previous reports can be accessed via the departmental website at www.tourism.gov.za.

2020/21 STATE OF TOURISM REPORT STRUCTURE AND THEMES

The 2020/21 STR framework was developed and approved in June 2022, which outlined the key themes, sub-sections and indicators covered in this report. The framework provides the sources for the secondary data that has been used in the 2020/21 STR. This secondary data was sourced from different institutions such as the United Nations World Tourism Organisation (UNWTO), WTTC, the International Air Transport Association (IATA), ForwardKeys and Euromonitor. These data sources were used to report on the performance of key tourism industries globally. In addition, and specifically for the analysis of the South Africa tourism sector performance, secondary data was sourced from organisations such as South African Tourism (SA Tourism), Statistics South Africa (Stats SA) and the Airports Company of South Africa (ACSA).

As outlined above, this report follows the STR 2020/21 Framework and this includes the analysis of key tourism indicators similar to those used in the previous 2019/20 STR, to ensure consistency and continuity. The following chapters are included in this report:

- Chapter One: The Economic Value of Tourism at a Global and National level
- Chapter Two: Inbound Tourism Performance at a Global and National Level
- Chapter Three: Performance of Tourism Related Industries at a Global and National Level
- Chapter Four: Domestic Tourism Performance
- Chapter Five: Tourism Outlook and Recovery at a Global and National level

Furthermore, highlights of the key indicators covered in this report have been developed and are attached as Annexure A.

STATE OF TOURISM 2020/21 REPORT LIMITATIONS

The 2020/21 STR primarily uses secondary data to report on tourism performance at a global and national level. The data was sourced from official and reliable tourism statistics providers namely; World Tourism Organisation (UNWTO), Statistics South Africa (Stats SA), Airports Company South Africa (ACSA), International Air Transport Association, etc. Reporting on the performance of the tourism sector is therefore dependent on the availability of secondary data from key official and reliable sources. There are some indicators whereby the data has not yet been collected for 2021 therefore 2020 data is used to report performance.

There have been challenges with the SA Tourism Domestic Tourism Survey results for 2020 and 2021 as abnormal pattern on domestic tourism expenditure was observed. The Department of Tourism saw a need to conduct further data confrontation on the results to clearly understand the pattern in line with other factors. The 2020 and 2021 domestic tourism indicators and results from SA Tourism will be reported in the next publication once the data confrontation process has been done.

Stats SA has not yet published the 2020 and 2021 DTS results as the institution is also in a process of conducting data confrontation as there was some change in the methodology used for the Domestic Tourism Survey during 2020 and 2021. The Domestic Tourism Performance chapter in this report, therefore, focuses on domestic tourism expenditure compared to international spending by using WTTC estimates. Official figures will be covered in the next publication once they are released. The domestic strategies and campaigns that were implemented in South Africa to restart tourism are also discussed in this chapter.



CHAPTER ONE: THE ECONOMIC VALUE OF TOURISM AT A GLOBAL AND NATIONAL LEVEL

The tourism sector has made a significant impact on the global economy and job creation over the years. In 2019, the UNWTO reported that the sector was the third-largest export category, following fuels and chemicals and accounted for 7% of global trade (UNWTO, 2022). In 2020-21, the tourism sector was significantly affected by the COVID-19 pandemic. The implementation of travel restrictions in almost all countries to stop the spread of the virus resulted in a massive drop in travel with all parts of the tourism sector's value-chain being affected. This chapter of the report focuses on the impact COVID-19 has had on the travel and tourism sector by reporting on the travel and tourism sector's contribution to Gross Domestic Product (GDP) and employment.

There are three sections to this chapter, section one focuses on the economic value of tourism at a global level, section two focuses on the economic value of tourism for Africa and section three reports on the economic value of tourism in South Africa. The data for this chapter is mainly sourced from the WTTC. The Tourism Satellite Account (TSA) for South Africa which is compiled by Stats SA and measures the direct contribution of tourism to the economy that will provide final 2018, provisional 2019 and 2020 figures have not yet been released. The report developed by WTTC will therefore be used to report on South Africa's Total and Direct contribution to GDP and employment for 2020 and 2021.

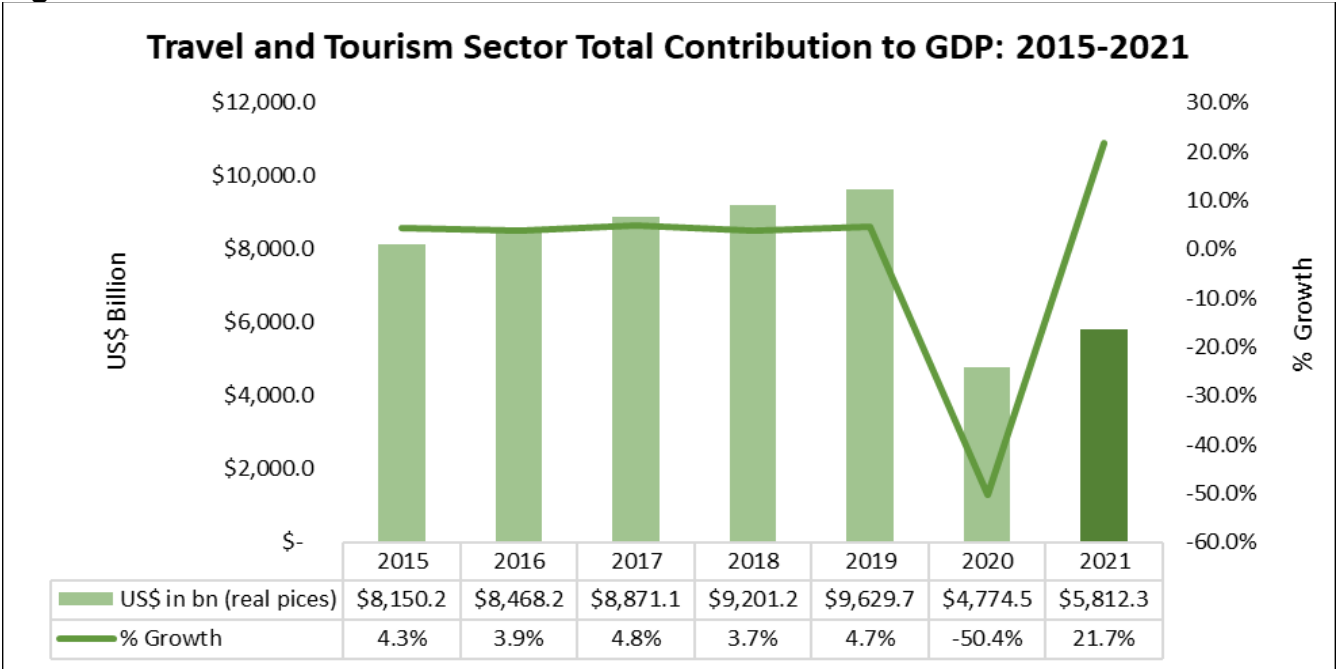
Section One: Global Economic Value of Tourism

This section of the report provides the value of the travel and tourism sector to the global economy by analysing key indicators which include the contribution of tourism to the global Gross Domestic Product (GDP) and global total employment for the period 2015-2021. The estimated figures reported in this section are primarily sourced from the WTTC.

1.1 Travel and Tourism Sector’s Total Contribution to Gross Domestic Product: 2015-2021

According to WTTC figures released in 2022, the total contribution of the travel and tourism sector to the global economy was about US\$4 774,5 billion in 2020 (5,3% of global GDP), which went up to US\$5 812,3 billion in 2021 (6,1% of global GDP) as indicated in Figure 1 below.

Figure 1: Travel and Tourism Sector Total Contribution to GDP 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Share of GDP - Relative Contribution (% whole economy)	9,9%	9,9%	10,1%	10,1%	10,3%	5,3%	6,1%

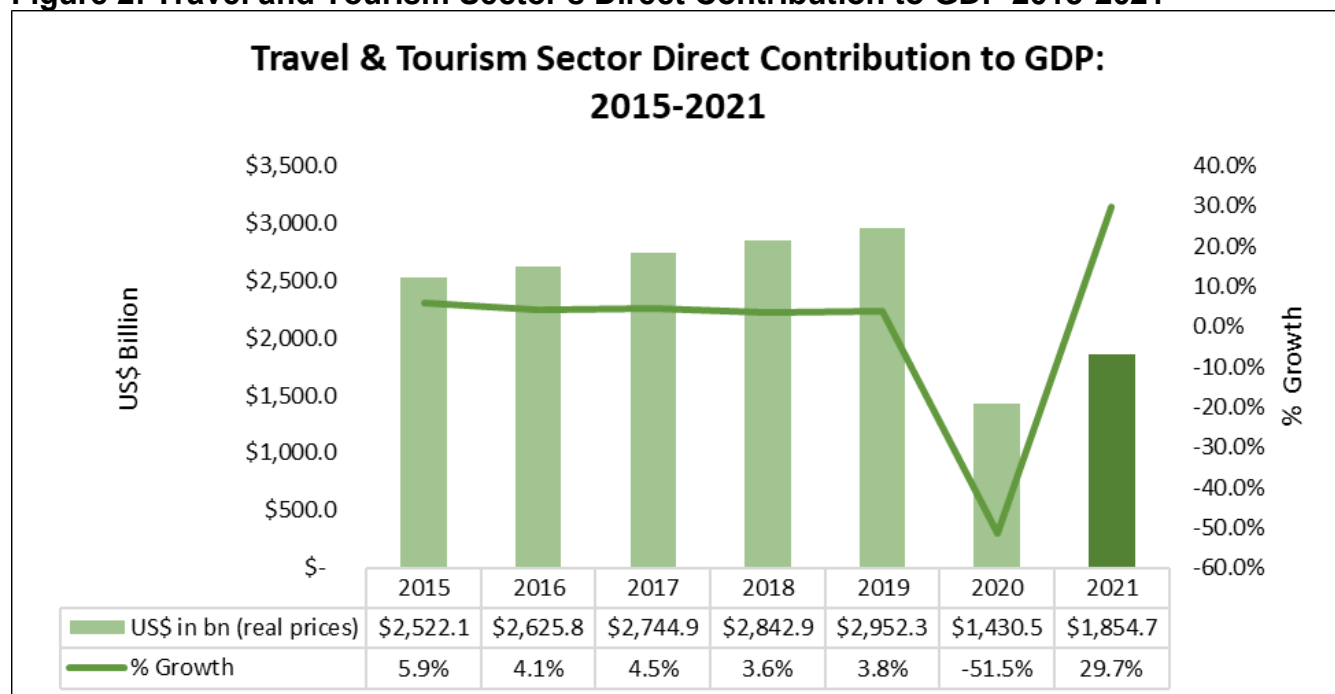
Note: Real prices

Source: WTTC World Report 2022

1.2 Travel and Tourism Sector's Direct Contribution to Gross Domestic Product: 2015-2021

Figure 2 below shows that the travel and tourism sector's direct contribution to GDP was about US\$1 430,5 billion (1,6% of global GDP) in 2020 and increased to US\$1 854,7 billion (2,0% of GDP) in 2021.

Figure 2: Travel and Tourism Sector's Direct Contribution to GDP 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Share of GDP - Relative Contribution (% whole economy)	3,1%	3,1%	3,1%	3,1%	3,2%	1,6%	2,0

Note: Real prices Source:

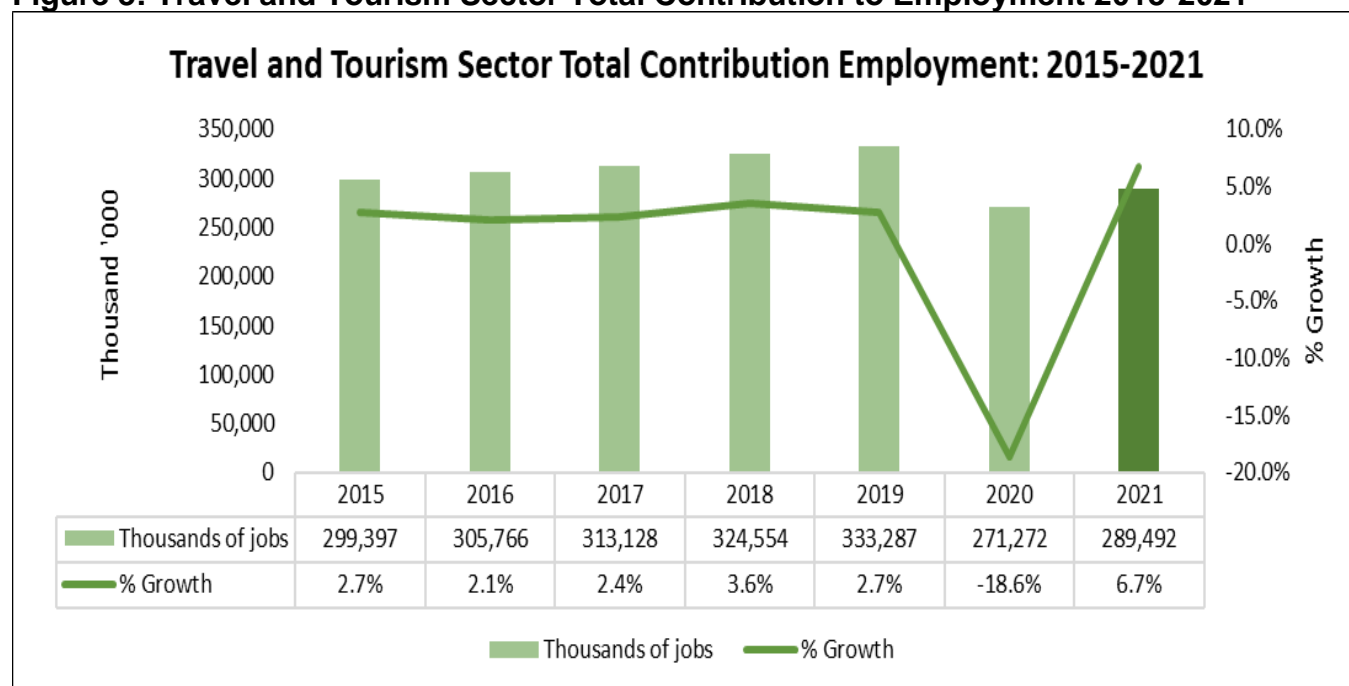
WTTC World Report 2022

1.3 Travel and Tourism Sector's Total Contribution to Employment: 2015-2021

According to the WTTC, the travel and tourism sector's growth in GDP has enabled job creation (WTTC, 2021). Figure 3 indicates that globally, the total contribution of the travel and tourism sector to employment was about 271,272,000 jobs (8,6% of total employment) in 2020, increasing to 289,492,000 jobs in 2021 (9,0% of total employment).

The travel and tourism sector's total contribution to employment increased by 6,7% during this period.

Figure 3: Travel and Tourism Sector Total Contribution to Employment 2015-2021



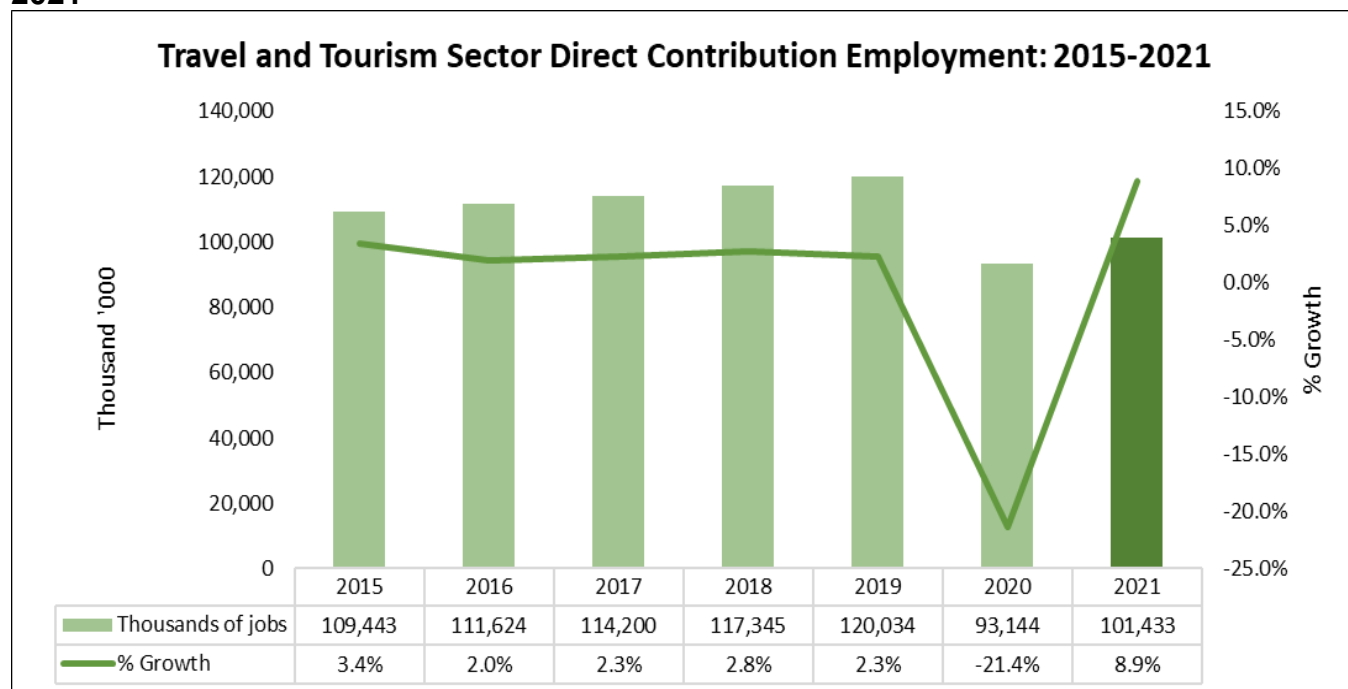
	2015	2016	2017	2018	2019	2020	2021
Percentage Share of Employment: Relative Contribution (% whole economy)	9,7%	9,8%	10,0%	10,2%	10,3%	8,6%	9,0%

Source: WTTC World Report 2022

1.4 Travel and Tourism Sector's Direct Contribution to Employment: 2015-2021

Figure 4 shows that the travel and tourism sector directly generated about 93,144,000 jobs in 2020, contributing to about 3,0% of total employment globally, and these jobs increased to 101,433,000 (3,2% of total employment globally) in 2021.

Figure 4: Travel and Tourism Sector’s Direct Contribution to Employment 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Percentage Share of Employment: Relative Contribution (% whole economy)	3,6%	3,6%	3,6%	3,7%	3,7%	3,0%	3,2%

N Source: WTTC World Report 2022

The results presented in this chapter have shown that there has been an improvement in the travel and tourism sector’s contribution to GDP and employment in 2021 compared to 2020. WTTC has recommended that for pre-pandemic GDP and employment levels to be reached, WTTC has encouraged governments to continue focusing on the vaccine and booster rollout which will allow for more fully vaccinated travellers to move freely without the need for additional testing, and others to travel with a negative test. Furthermore, digital solutions that enable travellers to easily prove their COVID-19 vaccination status in a simplified and secure way should also be adopted (WTTC, 2022).

1.5 Top Global Performers by Total Contribution to the Travel and Tourism Sector: 2021

The following table provides the ranking for the top five countries by travel and tourism sector's total contribution to GDP for 2021. The USA ranked number one in 2021 with a total contribution of US\$1 271,2 billion, followed by China (US\$814,3 billion) and Germany (US\$251,0 billion). Research indicates that the increased demand for travel in the USA was influenced by the widespread availability of COVID-19 vaccinations in the USA (Euromonitor Passport Travel in US September 2021). Domestic tourism is also responsible for China's performance as domestic trips experienced the highest growth compared to 2020. The results below also indicate that countries with the highest travel and tourism sector's total contribution to GDP do not necessarily lead in the highest sector's share in GDP within their countries. For example, Italy ranks 5th in terms of total contribution to GDP 2021 (US\$179,0 billion) but the country's travel and tourism sector's share of GDP was 9,1% showing the importance of tourism to Italy's economy.

Table 1: Total Contribution to GDP: 2021

Country	Rank: 2021	Total contribution to GDP 2021 (US\$ BN)	Travel and Tourism Percentage of GDP 2021
USA	1	1 271,2	5,5%
China	2	814,3	4,6%
Germany	3	251,0	6,4%
Japan	4	206,3	4,2%
Italy	5	179,0	9,1%

Source: WTTC World: 2021, report published in 2022

Section Two: Economic Value of Tourism in Africa

This section of the report provides the performance of the travel and tourism sector to the African economy by reporting on the contribution of tourism to Africa’s Gross Domestic Product (GDP) and total employment for the period 2015-2021. The figures reported in this section were primarily sourced from the WTTC.

2.1 Travel and Tourism Sector’s Total Contribution to Gross Domestic Product: Africa 2015-2021

According to WTTC, the total contribution of the travel and tourism sector to the African economy was about US\$ 96,5 billion in 2020 (2,8% of GDP), which went up to US\$ 119,2 billion in 2021 (6,1% of GDP) as indicated in figure 5 below.

Figure 5: Travel and Tourism Sector Total Contribution to GDP: Africa 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Share of GDP - Relative Contribution (% whole economy)	6,5%	6,5%	6,6%	6,9%	6,8%	2,8%	6,1%

Note: Real prices

Source: WTTC Africa Report 2021 & 2022

2.2 Travel and Tourism Sector's Direct Contribution to Gross Domestic Product: Africa 2015-2020

Figure 6 below shows that the travel and tourism sector's direct contribution to GDP was about US\$38,5 billion (1,5% of GDP) in 2020 and increased to US\$50,0 billion (1,8% of GDP) in 2021. The direct contribution of the Travel and Tourism sector is estimated to have increased by 29,7% from 2020 to 2021.

Figure 6: Travel and Tourism Sector's Direct Contribution to GDP: Africa 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Share of GDP - Relative Contribution (% whole economy)	2.5	2.7	2.8	2.9	2.9	1.5	1,8

Note: Real prices

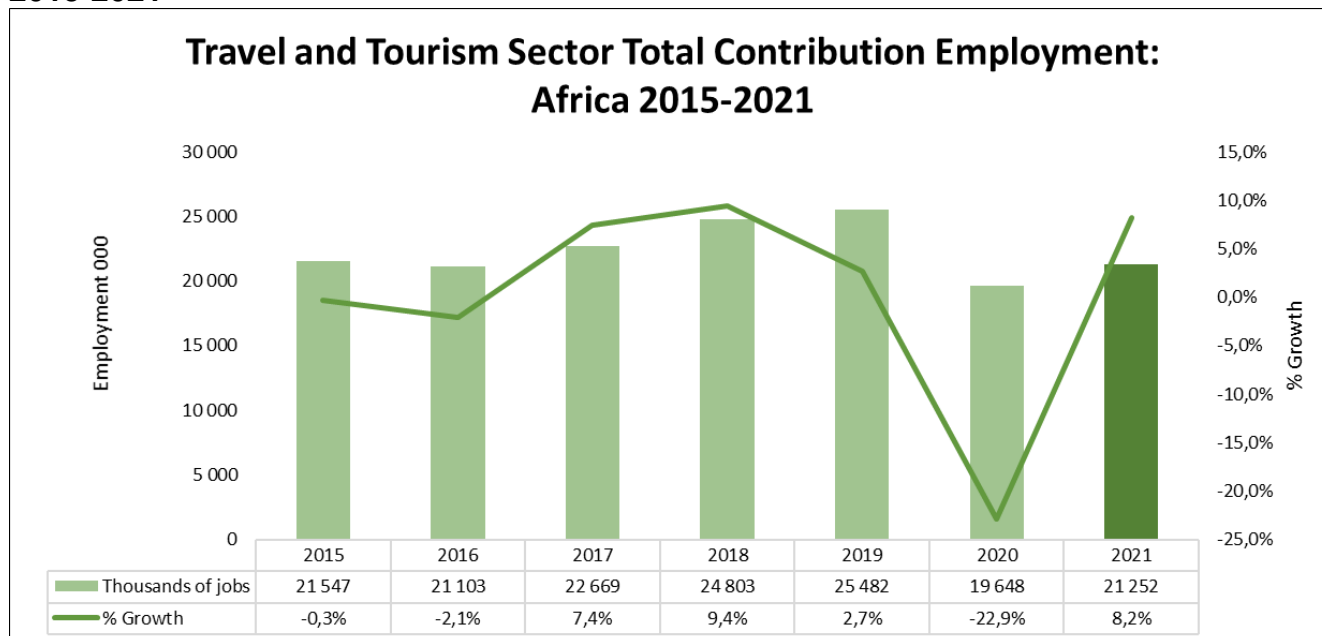
Source: WTTC Africa Report 2021 & 2022

2.3 Travel and Tourism Sector's Total Contribution to Employment: Africa 2015-2021

According to the WTTC, the travel and tourism sector's growth in GDP has enabled job creation (WTTC, 2021). Figure 7 indicates that for Africa, the total contribution of the travel and tourism sector to employment was about 19,648,000 jobs (4,6% of total employment) in 2020, increasing

to 21,251,500 jobs in 2021 (4,8% of total employment). The travel and tourism sector's total contribution to employment increased by 8,2% during this period.

Figure 7: Travel and Tourism Sector's Total Contribution to Employment: Africa 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Percentage Share of Employment: Relative Contribution (% whole economy)	5,3%	5,1%	5,3%	5,7%	5,7%	4,6%	4,8%

Source: WTTC Africa Report 2021 & 2022

2.4 Travel and Tourism Sector's Direct Employment Contribution: Africa 2015-2021

Figure 8 shows that the travel and tourism sector for Africa, directly generated about 6 640, 000 jobs in 2020, contributing to about 1,5% of total employment and these jobs increased to 7,529,100 (1,7% of total employment) in 2021.

Figure 8: Travel and Tourism Sector's Direct Contribution to Employment: Africa 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Percentage Share of Employment: Relative Contribution (% whole economy)	1,8%	1,8%	2,0%	2,1%	2,1%	1,5%	1,7%

Source: WTTC Africa Report 2021 & 2022

2.5 Top Five African Countries by Total Contribution to the Travel and Tourism Sector: 2021

The following table provides the ranking for the top five countries by travel and tourism sector's total contribution to GDP for 2021 in Africa. South Africa ranked number one in 2021 with a total contribution of US\$ 13.2 billion, followed by Kenya (US\$5,4billion) and Tanzania (US\$4,0 billion). Similarly, to the global performance, countries with the highest travel and tourism sector's total contribution to GDP do not necessarily lead in the highest sector's share in GDP. For example, South Africa ranked number one in total contribution to GDP 2021 (US\$13,0 billion) but the country's travel and tourism sector's share of GDP was 3.2% which was less than the other countries in the top five list.

Table 2: Total Contribution to GDP: 2021

Country	Rank: 2021	Total contribution to GDP 2021 (US\$ BN)	Travel and Tourism Percentage of GDP 2021
South Africa	1	13.2	3.2%
Kenya	2	5.4	4.9%
Tanzania	3	4.0	5.9%
Botswana	4	1.4	8.0%
Namibia	5	1.3	11.0%

Source: WTTC South Africa: 2021, report published in 2022

Further research indicates that African tourism is forecasted to pick up considerably in the coming years however, the continent should not expect large numbers of tourists in 2022 (Capital Business, 2022). Low vaccination rates, combined with the threat of emerging new variants, are a risk that international tourists might not want to visit the continent. Many tourism experts have suggested that African countries which traditionally rely on foreign visitors should instead target domestic tourists in 2022 to help rejuvenate the sector however this could be difficult with poor economic conditions across many African countries (Capital Business, 2022).

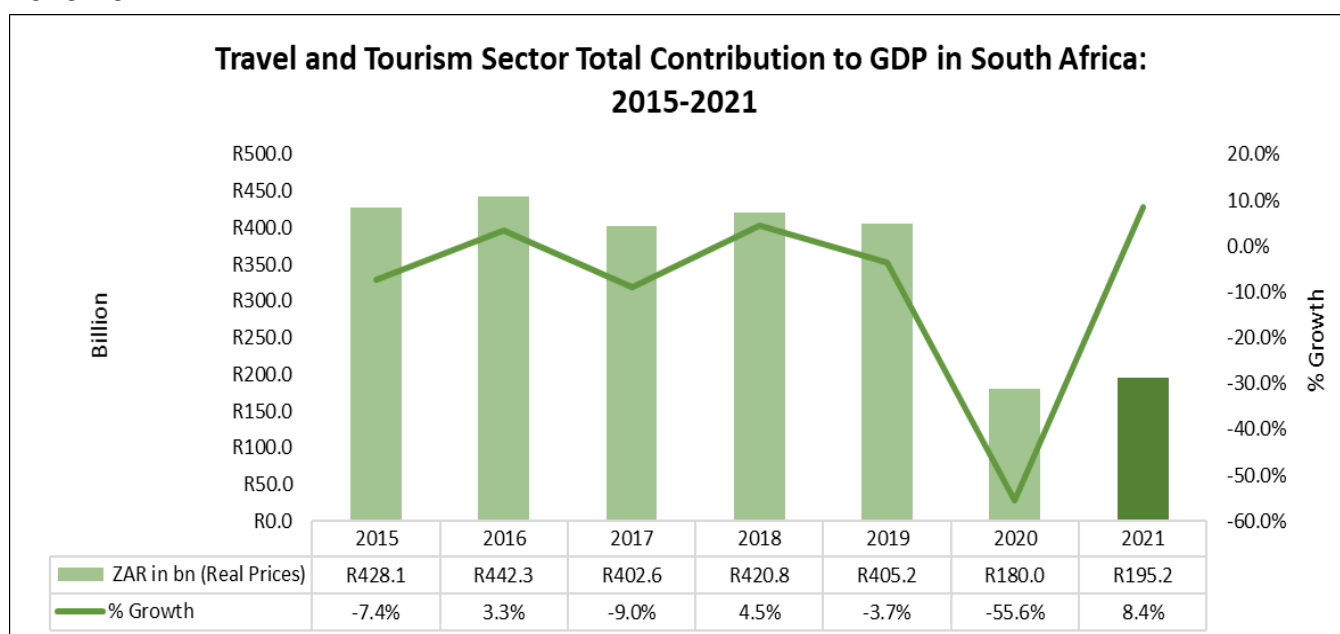
Section Three: Economic Value of Tourism for South Africa

This section of the report provides figures on the contribution of the travel and tourism sector to GDP and employment for South Africa by using data reported in the latest WTTC report released during 2022.

3.1 Travel and Tourism Sector's Total Contribution to GDP in South Africa: 2015-2021

The data used in this section was also sourced from the WTTC country report for South Africa: 2021. Figure 9 below shows that for the period 2020-2021, it was estimated that the total (direct and indirect) contribution of tourism to GDP increased from R180,0 billion in 2020 to R195,2 billion in 2021 (3.2% of GDP), which was an increase of 8,4%.

Figure 9: Travel and Tourism Sector's Total Contribution to GDP in South Africa: 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Share of GDP - Relative Contribution (% whole economy)	7.0%	7.2%	6.5%	6.7%	6.4%	3.1%	3.2%

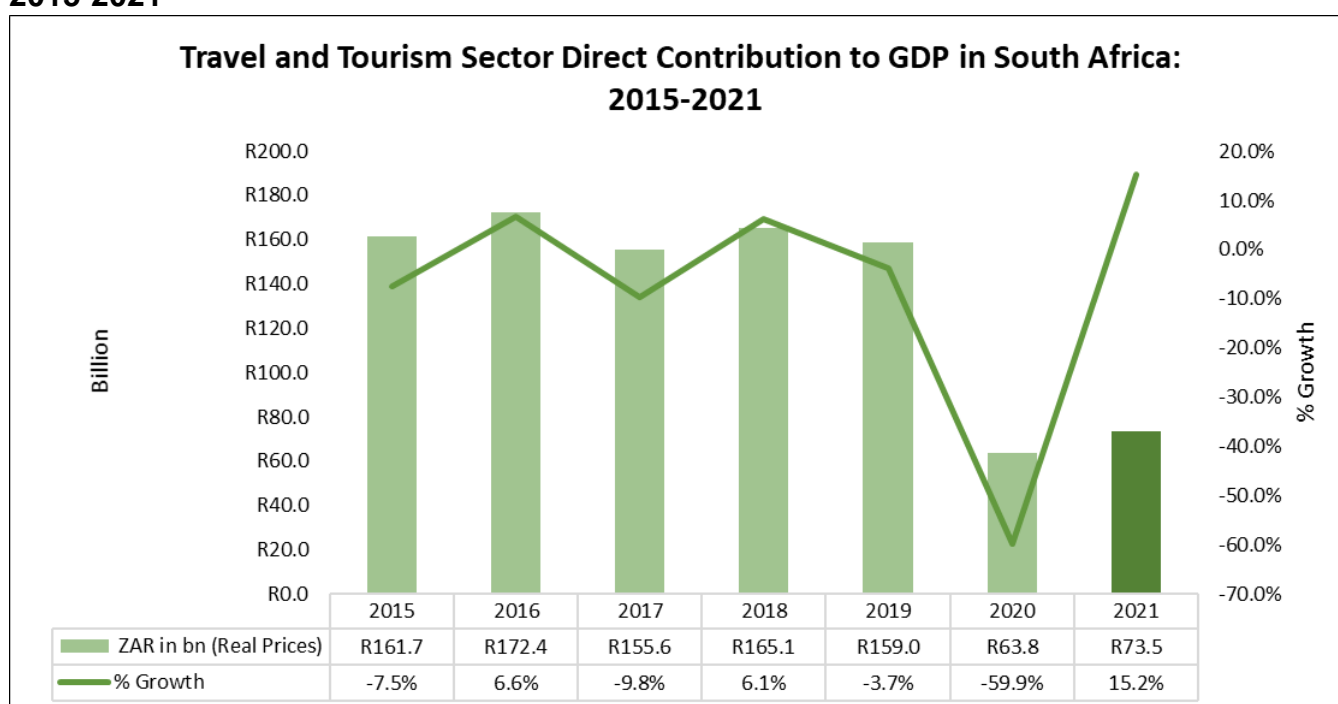
Note: Real 2021 prices

Source: WTTC, South Africa Report, 2022

3.2 Travel and Tourism Sector's Direct Contribution of Tourism to GDP in South Africa: 2015-2021

Figure 10 below provides estimates from WTTC on the direct contribution of travel and tourism for the period 2015 to 2021. According to WTTC, it was estimated that the direct contribution of tourism to GDP went up from R63,8 billion in 2020 to R73,5 billion in 2021 (1,2% of GDP), which was an increase of 15,2 %.

Figure 10: Travel and Tourism Sector's Direct Contribution to GDP in South Africa: 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Share of GDP - Relative Contribution (% whole economy)	2.7%	2.8%	2.5%	2.6%	2.5%	1.1%	1.2%

Note: Real 2021 prices

Source: WTTC, South Africa report, 2022

3.3 Travel and Tourism Sector's Total Contribution to Employment in South Africa: 2015-2021

Data on the total contribution of the travel and tourism sector to employment in South Africa was sourced from WTTC and is provided in the figure below.

Figure 11: Travel and Tourism Sector's Total Contribution to Employment in South Africa: 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Percentage Share of Employment: Contribution (%) of Relative whole economy)	9.1%	9.3%	8.8%	9.4%	9.3%	7.0%	7.3%

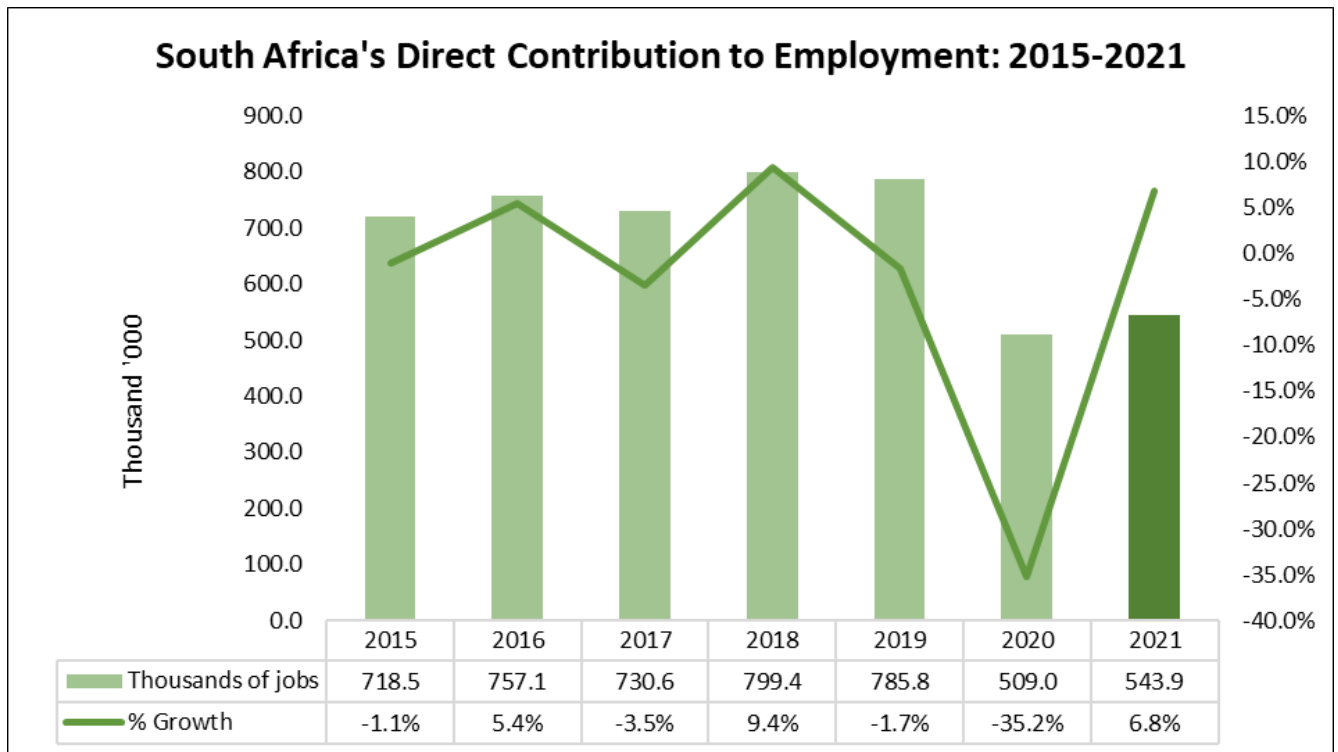
Source: WTTC South Africa report, 2022.

According to WTTC estimates, in 2021 the travel and tourism sector contributed about 1,081,500 jobs, which was an increase of 1,9% (contributing 7,3% to total employment) compared to 1,061,400 jobs (7,0 share % to the country's total employment) in 2020.

3.4 Travel and Tourism Sector's Direct Contribution to Employment in South Africa: 2015-2021

According to WTTC, it was estimated that the direct contribution of tourism to employment increased from 509 000 in 2020 to 543 900 in 2021 (3,7% of employment), which was a positive growth of 6,8%.

Figure 12: Travel and Tourism Sector's Direct Contribution to Employment in South Africa: 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Percentage Share of Employment: Relative Contribution (% whole economy)	4.6%	4.8%	4.5%	4.9%	4.8%	3.4%	3.7%

Source: WTTC South Africa report, 2022.

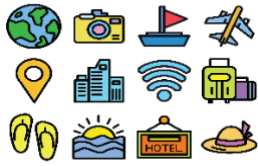
The WTTC estimates for global, Africa and South Africa have indicated that the travel and tourism sector's contribution to GDP has improved in 2021 compared to 2020 results.

For the sector's economic value to return to pre-pandemic levels, the Tourism Business Council for South Africa (TBCSA) have recommended for the following actions to be put in place for the sector's recovery:

- *Vaccination of the entire tourism sector is key to building confidence.*
- *Dealing with uncertainty regarding arrivals protocols.*
- *Harmonization of travel protocols in SA and SADC region.*
- *Creation of African specialists in source markets to work closely with source markets trade partners.*
- *Understanding consumers' concerns and desires under COVID-19.*

Source: Parliamentary Monitoring Group: TBCSA Parliamentary briefing: Tourism Sector current state of affairs, 15 March 2022

The Minister of Tourism, Ms Lindiwe Sisulu, in her Budget Vote 2022/23 speech confirmed the protection and creation of tourism jobs going forward by the government through various departmental programmes namely; Market Access Support Programme (MASP) Tourism Equity Fund (TEF), Tourism Grading Support Programme (TGSP) and the Women in Tourism (WiT) Programme (South African Government, 2022).



CHAPTER TWO: INBOUND TOURISM PERFORMANCE

The performance of inbound tourism in 2020 and 2021, was mainly affected by the closing of borders to prevent the spread of COVID-19. UNWTO reported that as of 6 April 2020, 96% of all worldwide destinations had introduced travel restrictions. Around 90 destinations had completely or partially closed their borders to tourists, while a further 44 were closed to certain tourists depending on country of origin (UNWTO, 2020). These restrictions resulted in significant declines in tourist arrivals at a global and national level for the years 2020 and 2021 compared to 2019. With international restrictions in place, many countries have developed domestic tourism campaigns and strategies that aim to drive the recovery of the sector, particularly for those countries with a large domestic market example the United States of America and the United Kingdom (UNWTO, 2022). However, domestic tourism could not compensate for the drop in international tourism in countries that are largely dependent on international demand (UNWTO, 2022). In 2021, with the roll-out of the COVID-19 vaccine, many countries began lifting travel restrictions which allowed for more people to travel internationally (UNWTO, 2022). This chapter aims to report on the performance of inbound tourism at a global, regional (Africa) and country level for the period 2021 compared to 2020. Furthermore, Euromonitor's Travel Survey findings are also presented in this chapter which indicates the travel preferences and behaviours of potential travelers.

The key global indicators that are reported in this section include tourist arrivals, tourism receipts, top five global destinations and expenditure. The South African tourism inbound performance focuses on key indicators such as total tourist arrivals including the country's top 10 Africa and overseas markets, purpose of visit, average length of stay and spend. The data used to report global inbound and Africa's inbound performance was mainly

sourced from the UNWTO. The South African data was mainly sourced from Stats SA and South African Tourism.

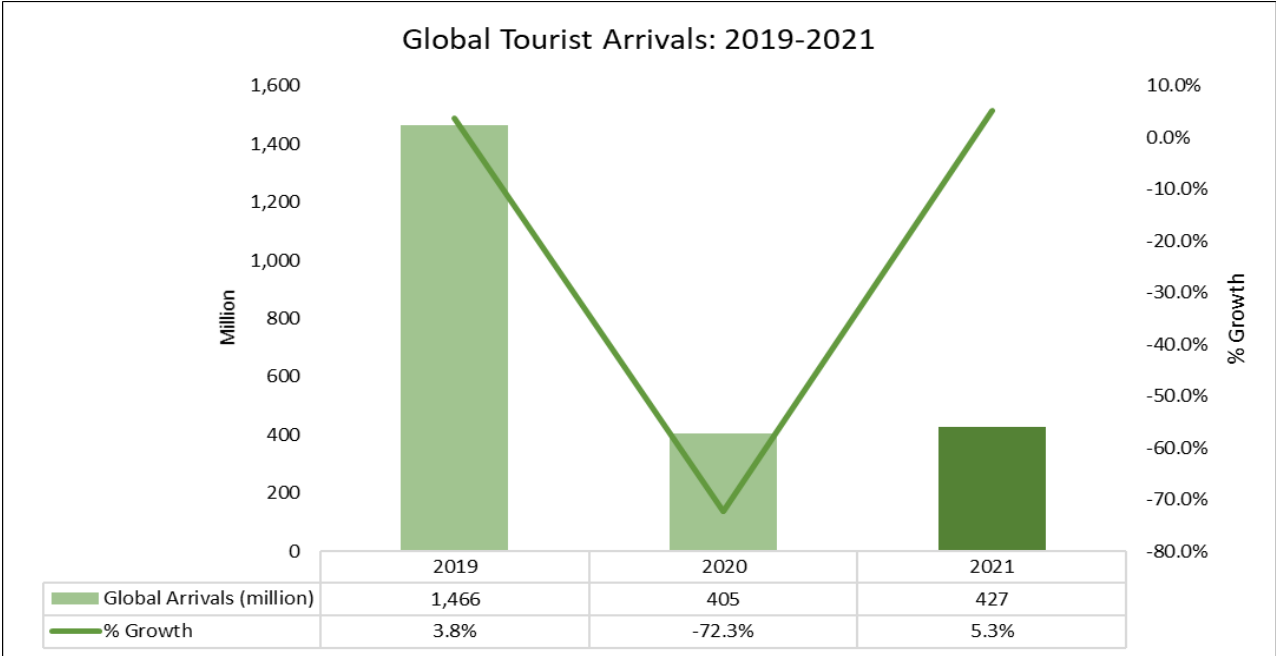
Section One: Global Inbound Tourism Performance

This section of the report covers the global performance of the tourism sector by analysing key indicators such as tourist arrivals, tourism receipts, tourism expenditure and key tourism outbound markets. The data was mainly sourced from the UNWTO.

1.1 Global Tourist Arrivals: 2019-2021

The following section compares the trends of global tourist arrivals for the period 2019 to 2021, as reported by the UNWTO. Figure 13 below indicates that there was a total of 427 million global tourist arrivals recorded in 2021, which was an increase of 5,3% compared to 2020 (405 million). The highest decline of -72,3% was in 2020 where tourist arrivals decreased from 1.5 billion in 2019 to 405 million in 2020.

Figure 13: Global Tourist Arrivals: 2019-2021



Source: UNWTO World Tourism Barometer, May 2022 and September 2021

1.2 Global Tourist Arrivals by Region: 2020-2021

Table 3 below indicates tourist arrivals by region for the period 2020-2021. All regions had an increase in international arrivals except for Asia and the Pacific (-65,0%) and the Middle East (-6,4%). Europe had the highest growth of 20,2%, followed by the Americas (18,0%), and Africa (2,4%). The statistics indicate that in 2021, tourist arrivals in Europe exceeded the 200 million mark with a share of 67,2% of the total global tourist arrivals (UNWTO, 2022).

Table 3: Global Arrivals by Region: 2021 compared to 2020

Region	2021	2020	% Change	Share of Total (%)
	Million			
World	427	405	5,3%	100%
Europe	286,8	238,5	20,2%	67,2%
Asia and the Pacific	20,7	59,1	-65,0%	4,8%
Americas	82,4	69,8	18,0%	19,3%
Africa	18,4	18,0	2,4%	4,3%
Middle East	18,5	19,8	-6,4%	4,3%

Source: UNTWO World Tourism Barometer, May 2022

Europe's progress in 2021 could be derailed by the current war taking place in Ukraine. Research indicated that in the first week of the war, airline bookings within Europe fell by 23% and trans-Atlantic bookings to European countries fell by 13%, according to the travel data company ForwardKeys. Many of the European countries including Spain, Greece, Italy and Croatia that are heavily dependent on tourism had hoped to start the travel season early to make up for lost revenue from the pandemic however the worst-hit destinations are those in proximity to Ukraine, including Poland, Bulgaria, Croatia, Estonia and Hungary, which saw a decrease in bookings between 30 to 50%, according to ForwardKeys (Yeginsu, 2022: <https://www.nytimes.com/2022/04/01/travel/europe-tourism-ukraine-war.html>). UNWTO also confirmed that the war in Ukraine might also disrupt international travel in parts of Eastern Europe in 2022 and going forward (UNWTO, 2022).

1.3 Top Global Destination by Region: 2020

The figure below shows the top five destinations for international tourists by region for the period 2020 since the data for 2021 is incomplete from UNWTO.

Table 4: Global Tourist Arrivals by Region: 2020

World	Country	Arrivals
1	France	40,0
2	Italy	25,2
3	Mexico	24,3
4	United States	19,4
5	Spain	18,9
Europe	Country	Arrivals
1	France	40,000
2	Italy	25,190
3	Spain	18,933
4	Turkey	15,894
5	Austria	15,091
Asia and the Pacific	Country	Arrivals
1	China	7,967
2	Thailand	6,696
3	India	6,330
4	Malaysia	4,333
5	Japan	4,116

Americas	Country	Arrivals
1	Mexico	24,284
2	USA	19,212
3	Canada	2,960
4	Puerto Rico	2,617
5	Dominican Rep.	2,405
Africa	Country	Arrivals
1	South Africa	2,802
2	Morocco	2,778
3	Tunisia	2,012
4	Mozambique	952
5	Zimbabwe	639
Middle East	Country	Arrivals
1	UAE	7,165
2	Saudi Arabia	4,138
3	Egypt	3,677
4	Jordan	1,067
5	Bahrain	827

Source: World Tourism Barometer, May 2020

The top destinations in the world for 2020 were France followed by Italy and Mexico. France was also the top destination to travel to in the Europe region in 2020. In the Asia and Pacific region, China was the top destination, followed by Thailand and India. In Africa, the top destination for global tourists was South Africa followed by Morocco. The top destination in the Middle East region was UAE (United Arab Emirates), followed by Saudi Arabia.

According to research conducted by TravelStart (2018), five factors influence tourist decisions when selecting a travel destination. These include; recommendations from friends & relatives; popularity as a renowned destination, comprehensive information online, availability of special

offers and closeness of the destination (Planning Tank, 2018). These factors were identified before the COVID-19 pandemic. A study by Bloom Consulting and D2-Analytics (Data from April 2020) assessed travellers' potential behaviours for 2021 by proposing a range of different scenarios for travel. Travellers were asked whether they would travel under the different scenarios proposed. In the first scenario, respondents were informed that the assumption would be that the virus is controlled and has become a part of our lives and travel restrictions would not require quarantines when entering chosen destinations. Under this scenario, 55% said they would be ready for a leisure trip in the next 12 months under these assumptions. In the second scenario, it was assumed that the virus was nearly eradicated and treatment had been developed. The findings from this scenario indicated that 65% of the respondents would travel under these circumstances. In the third and final potential scenario, the virus was assumed to be fully eradicated. In this case, there was no risk of infection from COVID-19 and no restrictions to navigate. Considering these assumptions, 85% of all tourists polled said they still would travel (Bloom Consulting, 2020).

These findings presented above indicate that COVID-19 has brought new factors influencing travel that have also had an impact on travel preferences. From the study findings, there were recommendations for effective crisis management and low numbers of COVID-19 cases in a destination which influences the travellers' decision-making. Marketing agencies and authorities need to communicate the measures that a destination has put in place regarding the safety of tourists post COVID-19 (WEF, 2020).

1.4 International Tourism Expenditure by Top Ten Countries: 2020 compared to 2019

The table below indicates the top ten (10) source markets by expenditure for the period 2020 compared to 2019.

Table 5: Top Ten (10) source markets by expenditure for the period 2019-2020

2020	2019	Countries	USD\$ billion		Percent Change	
			2019	2020	*Local currencies, current prices (percentage change)	Actual Percentage calculated
Position						
1	1	China	254,6	131,1	-48,5%	-48,5%
2	3	Germany	93,2	38,9	-59,1%	-58,3%
3	2	United States	133,3	35,8	-73,1%	-73,1%
4	5	France	50,5	27,8	-46,1%	-45,0%
5	4	United Kingdom	70,6	21,7	-69,4%	-69,3%
6	10	Korea	32,7	16,1	-50,8%	-50,8%
7	9	UAE	33,4	15,1	-54,8%	-54,8%
8	20	Belgium	18,8	13	-32,0%	-30,9%
9	15	India	22,9	12,6	-42,4%	-45,0%
10	7	Canada	35,3	12,1	-65,4%	-65,7%
		World	1,483	546	Not available	-67,2%

Source: World Tourism Barometer, May 2022
*Provisional Data

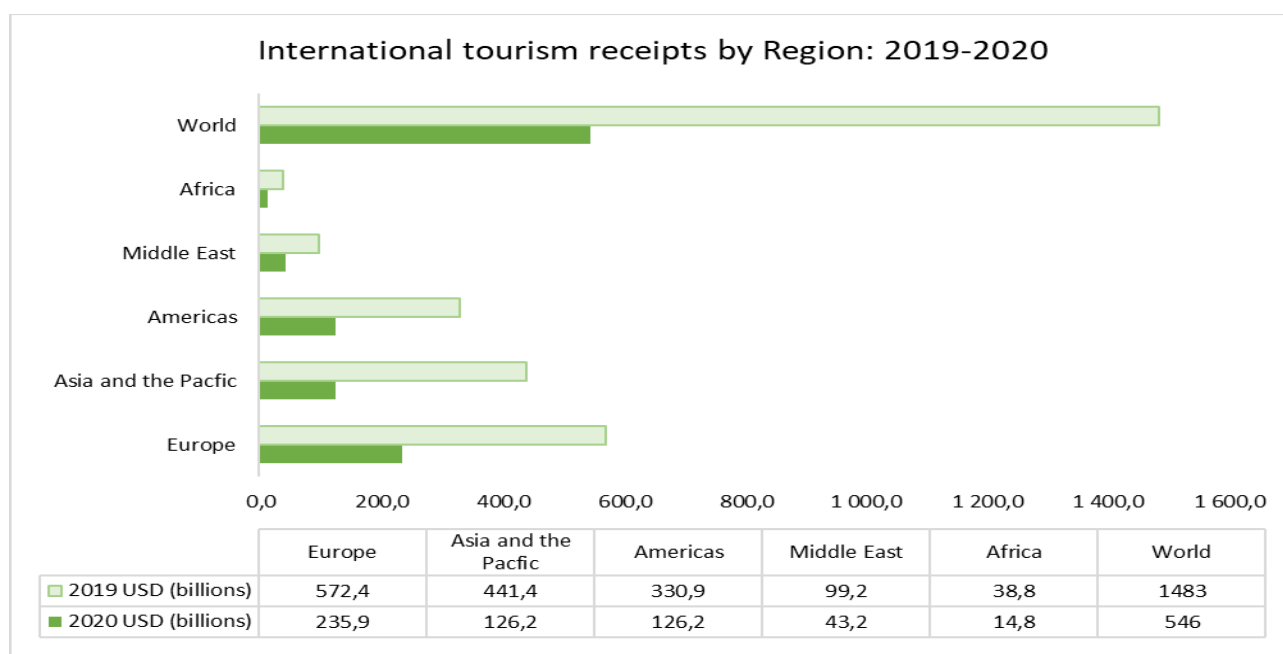
According to the UNWTO, global tourism expenditure declined by -67,2% moving from USD1,483 billion in 2019 to 546 billion in 2020. China was the top spender globally in 2020 and 2019 with a total spend of US\$131,1 billion in 2020. In real terms, the USA had the highest decline of -73,1% for actual expenditure during 2020 compared to 2019. Germany moved from 3rd position in 2019 to the 2nd position in 2020 with a total spend of US\$38.9 while Korea moved up from 10th position in 2019 to 6th position in 2020. The biggest jumper was experienced by Belgium moving up from 20th position in 2019 to 8th position in 2020. The declining growth in international tourism expenditure reported by countries for the period 2020 reflects a decreasing demand from major source markets

which is consistent with the -72,3% decline in international arrivals recorded for the same period under review (UNWTO, 2021).

1.5. International Tourism Receipts: 2019 to 2021

International tourism receipts are defined as the amount that a country earns from tourists visiting a region (UNWTO, 2022). Total international tourist receipts by region for 2020 compared to 2019 are indicated in the figure below.

Figure 14: International Tourism Receipts: 2019-2020



Regions	Percent Change 2020 compared to 2019		
	*Local currencies, current prices (percentage change)	Actual Percentage calculated	2020 % Share
Europe	-59,4	-58,8%	43,2%
Asia and the Pacific	-71,6	-71,4%	23,1%
Americas	-61,5	-61,9%	23,1%

Middle East	-56,4	-56,5%	7,9%
Africa	-61,7	-61,9%	2,7%
World	-63,3	-63,2%	100,0%

*Provisional Data

Source: World Tourism Barometer, May 2022

The total international tourism receipts generated in 2020 declined by -63,3% in local currency percentage calculation and this was an amount of about US\$546 billion in 2020 compared to US\$1483 billion in 2019. In 2020, Europe received US\$235,9 billion receipts with a decrease of -59,4% (in local currencies) compared to 2019, followed by the Americas with (US\$126,2 billion) with a decrease of -61,5% (in local currency). Middle East had a decrease of -56,4% (in local currency) which amounts to US\$43,2 billion in 2020 compared to 2019. Asia and Pacific received US\$126,2 billion and had a decreased of -71,6% (in local currency), Africa received US\$14.8 billion with decrease of -61,7% (in local currency).

1.6 Top 10 Countries by International Tourist Receipts and International Tourist Arrivals: 2019-2020

Table 6: Top Ten countries by receipts and arrivals

2020 Position	2019	Countries	USD\$ billion	
			2019	2020
1	1	United States	199,4	72,8
2	3	France	63,5	32,6
3	8	Australia	45,7	25,8
4	11	UAE	38,4	24,6
5	9	Germany	41,8	22,1
6	6	Italy	49,6	19,8
7	5	UK	52,7	18,9
8	2	Spain	79,7	18,5
9	18	Austria	22,9	13,8
10	4	Thailand	59,8	13,5

Source: UNWTO, May 2022

Table 6 above indicates the top 10 earners for 2019 and 2020. In 2020, the four (4) best-performing countries for tourism receipts were the United States (US\$72.8 billion), France (US\$32.6 billion), Australia (US\$25.8 billion) and UAE (US\$24.6 billion). The United

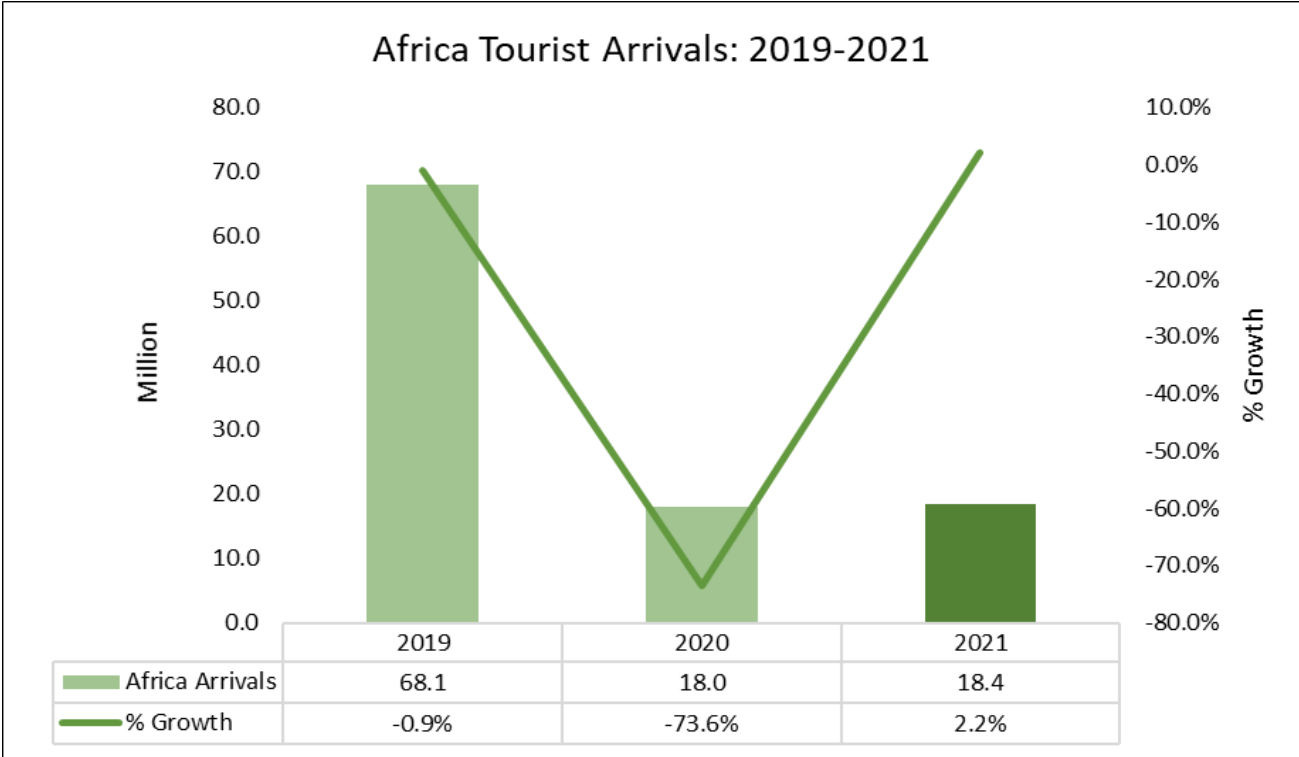
States remained in the 1st position in 2020 and 2019. France moved from the 3rd position in 2019 to the 2nd position in 2020 and Australia moved from the 8th position in 2019 to the 3rd position in 2020. Italy remained in the 6th position in 2019 and 2020. Austria moved from the 18th position in 2019 to the 9th position in 2020. Thailand dropped from 4th position in 2019 to the 10th position in 2020.

Section Two: Regional Inbound Tourism Performance (Sub-Saharan Africa)

2.1 Africa Tourist Arrivals: 2019-2021

The following section compares the trends of African tourist arrivals for the period 2019 to 2021, as reported by the UNWTO. Figure 15 below indicates that there was a total of 18,4 million tourist arrivals in Africa recorded in 2021, which was an increase of 2,2% compared to 2020 (18,0 million). The highest decline of -73,6% was in 2020 where tourist arrivals decreased from 68,1 million in 2019 to 18,0 million in 2020.

Figure 15: Africa Tourist Arrivals: 2019-2021



Source: (UNWTO 2022 and 2021)

2.2 Top Africa Destination by Country: 2020

The table below shows the top five destinations for international tourists in Africa for the period 2020 since the data for 2021 is incomplete from UNWTO.

Table 7: Africa Tourist Arrivals by Country: 2020

Africa Country Ranking	Country	Arrivals
1	South Africa	2,802
2	Morocco	2,778
3	Tunisia	2,012
4	Mozambique	952
5	Zimbabwe	639

Source: UNWTO, May 2022

In 2020, South Africa was the number one destination for Africa followed by Morocco and Tunisia. As mentioned previously, destinations would have to adopt marketing strategies that promote safe and healthy travel while living with the COVID-19 pandemic. Data has shown that Africa has the lowest vaccination rate of any continent, with just 28% of the population receiving at least one dose of a vaccine (Holder, 2022). The COVID-19 pandemic also had a negative impact on the economic growth in Africa, with the continent's Gross Domestic Product (GDP) contracting significantly in 2020 (Selah, 2022). The UNWTO's Agenda for Africa indicates that some African countries have requested UNWTO to assist them with the following priorities to better support them as they recover from the impact of COVID-19:unlocking growth through investment promotion and public-private partnerships, promoting innovation and technology, promoting travel facilitation, including enhanced connectivity and tourism visa policies, fostering resilience, including through promoting safety and security and crisis communications and advocating for "Brand Africa" (UNWTO, 2020).

Section Three: Inbound Tourism Performance in South Africa

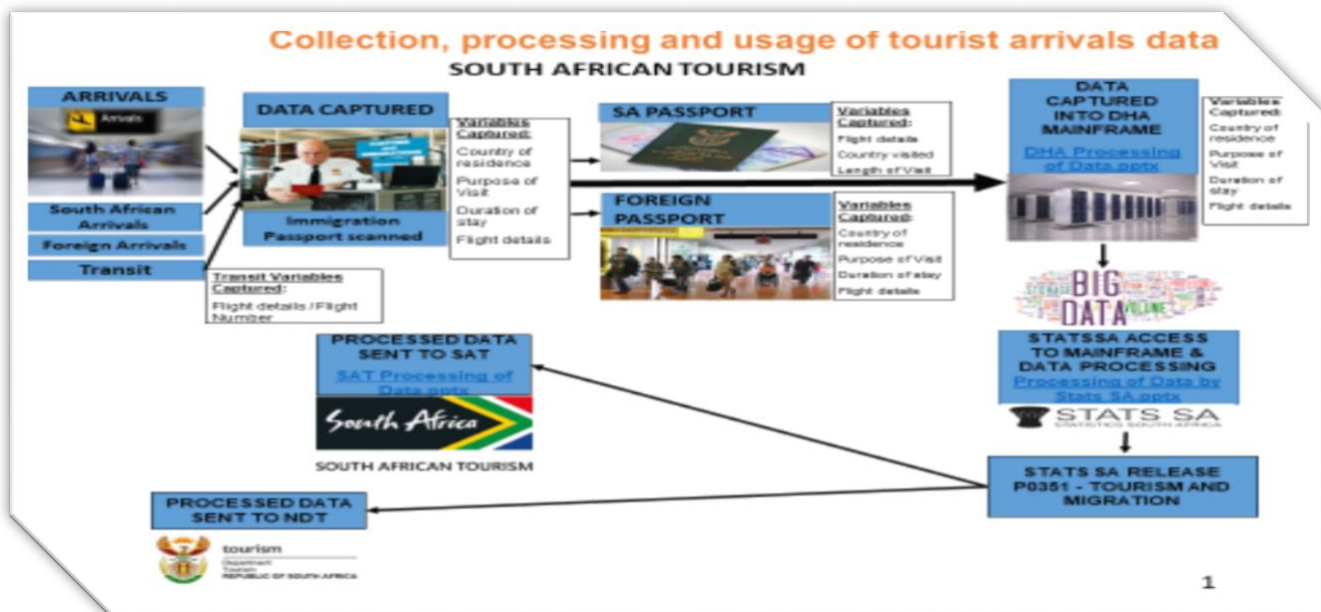
Tourism is regarded as an export industry as tourist arrivals from other countries spend on tourism products and services such as accommodation, transport and other related products within the country. By generating tourist exports through receipts, countries increase their foreign currency earnings and contribution to the economy's growth.

This section provides an analysis of South African tourism inbound performance focusing on key indicators such as total tourist arrivals and spend.

3.1 Collection, Processing of Tourist Arrivals in South Africa

In South Africa, the Department of Home Affairs (DHA) is responsible for collecting information on all migration data. The figure below aims to indicate the collection and processing of foreign arrivals data which includes people travelling for tourism purposes.

Figure 16: Data collection and processing of foreign arrivals (including tourists)



As seen in the figure above, travel information is firstly collected by immigration officers at all land, air and sea ports of entry on all travellers arriving into or departing from South Africa. The information is sourced directly from travel documents either by scanning them or by capturing information from the travel documents onto the port's electronic database. Some of the information not indicated in the traveller's document is sometimes requested verbally and captured in the system accordingly. Individual ports regularly transmit the data to the national database i.e. DHA's population Movement Control System (MCS). Statistics South Africa (Stats SA) then downloads the migration data covering a particular calendar month from the system. The processing of the data to produce amongst others data on tourist arrivals may be time-consuming therefore there is a two-month lag in the release of the monthly data by Stats SA.

According to the UNWTO and definitions published by Stats SA, a tourist is any visitor travelling to a place other than that of his/her usual environment for more than one night but less than twelve months, and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited. By applying the definition of a tourist and the purpose of visit relating to tourism activities as defined by UNWTO, Stats SA can separate the number of tourists from the total travellers to South Africa using the purpose of visit and the length of stay (more than 24 hours). The data is published in the monthly Tourism and Migration report with a two-month lag.

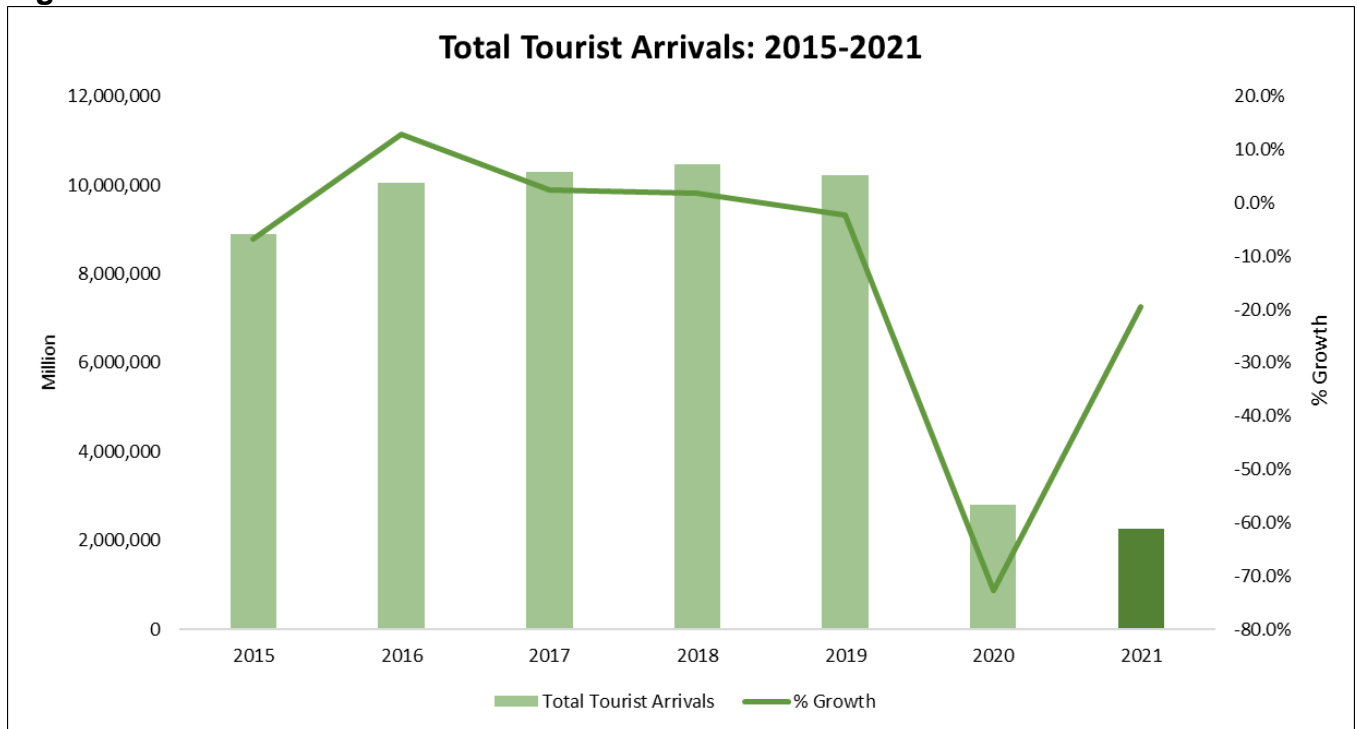
Stats SA can only provide data on tourist arrivals and SA Tourism conducts a Tourism Departure Survey every month to collect information on other key tourism indicators such as spend, geographic spread and seasonality index of tourists visiting the country. The methodology used for this survey can be sourced from SA Tourism Annual Tourism Performance Reports.

3.2 Tourists Arrivals to South Africa: 2015-2021

South Africa is considered the largest destination in the Sub-Saharan region reaching a record-breaking of more than 10 million international tourist arrivals annually from 2016-2019 which can be seen in figure 17 below. In 2021, a total of 2 255 699 tourist arrivals

was recorded which was a decline of -19,5% (-546 621) compared to 2020. The figure below indicates tourist arrivals for the period 2015 to 2021. Tourist arrivals to the country recorded an increase of 12,8% in 2016 compared to 2015. Tourist arrivals continued to grow in 2017 and 2018, however, the growth was slower during these two years. In 2019 tourist arrivals decreased by -2,3%.

Figure 17: International Tourist Arrivals: 2015-2021



	2015	2016	2017	2018	2019	2020	2021
Total Tourist Arrivals	8 903 773	10 044 163	10 285 197	10 472 105	10 228 593	2 802 320	2 255 699
% Growth	-6,8%	12,8%	2,4%	1,8%	-2,3%	-72,6%	-19,5%
Difference	-645 463	1 140 390	241 034	186 908	-243 512	-7 426 273	-546 621

Source: Stats SA Tourism & Migration data, December 2021

3.3 Tourist Arrivals by Region: 2021 Compared to 2020

Table 8 indicates that total tourist arrivals from the overseas market decreased by -42,8% (-283 226) except for the Middle East and North America which increased by 1,4% and 0,01% respectively. Australasia (-80,0%) recorded the highest decrease followed by Central and South America (-67.4%), Europe (-51.4%) and Asia with a decrease of -

24,0%. Tourist arrivals from Africa decreased by -12.3% (-263 915) during the same period under review.

Table 8: Total Tourist Arrivals by Region: 2021 vs 2020

Region	2020	2021	Diff	% Diff
EUROPE	446 653	217 241	-229 412	-51,4%
NORTH AMERICA	89 504	89 514	10	0,01%
CENTRAL & SOUTH AMERICA	30 368	9 889	-20 479	-67,4%
AUSTRALASIA	24 651	4 932	-19 719	-80,0%
MIDDLE EAST	12 399	12 574	175	1,4%
ASIA	57 455	43 654	-13 801	-24,0%
TOTAL OVERSEAS	661 030	377 804	-283 226	-42,8%
TOTAL AFRICA	2 137 524	1 873 609	-263 915	-12,3%
Unspecified	3 766	4 286	520	13,8%
GRAND TOTAL	2 802 320	2 255 699	-546 621	-19,5%

Source: Stats SA Tourism and Migration data, December 2021

Table 9 below gives the rankings of the top ten African source markets for the period January-December 2021 compared to January-December 2020. Most of the top ten African source markets moved their positions except for Eswatini, Botswana and Namibia which ranked in 4th, 5th and 6th positions respectively in Jan-December 2020 and Jan-December 2021. Mozambique, Zambia, Tanzania and DRC all moved up their positions in 2021. Mozambique was 3rd position during January-December 2020 and moved to 1st position during the same period in 2021. Zambia moved from 8th position to 7th position and Tanzania moved from the 10th position to the 9th position during the period under review. DRC moved from the 12th position in January-December 2020 to the 10th position in January-December 2021 removing Angola from the top ten African country rankings. Zimbabwe moved from 1st position to 2nd position and Lesotho moved from 2nd position to 3rd position for the period under review. More than half of all the top ten countries recorded an increase with Namibia recording the highest positive growth of 67.8%, followed by Zambia (47,7%), DRC (42,6%), Mozambique (23,7%), Tanzania (20,7%) and Malawi (5,5%).

Table 9: South Africa's Top 10 African Source Markets: 2021 vs 2020

Country	Rank 2021	Tourist Arrivals 2021	Rank 2020	Tourist Arrivals 2020	% Change from 2020 to 2021
Mozambique	1	522 866	3	422 537	23,7%
Zimbabwe	2	410 730	1	684 546	-40,0%
Lesotho	3	355 255	2	448 745	-20,8%
Eswatini	4	177 650	4	214 947	-17,4%
Botswana	5	103 158	5	129 467	-20,3%
Namibia	6	91 471	6	54 511	67,8%
Zambia	7	68 669	8	46 486	47,7%
Malawi	8	56 313	7	53 365	5,5%
Tanzania	9	13 248	10	10 977	20,7%
DRC	10	12 918	12	9 062	42,6%

Source: Stats SA Tourism and Migration data, December 2021

Table 10 shows the rankings of the top ten overseas source markets. Comparing January-December 2021 with January-December 2020, most of the top 10 overseas markets recorded a decrease in tourist arrivals except for Russia Federation which increased by 63,3% and the USA (14,0%). All of the overseas source markets moved their positions during the period under review. The USA replaced the UK as the main overseas source market during the period under review. In the January-December 2021 top ten list, Brazil and Australia were replaced by Russian Federation and Belgium.

Table 10: South Africa's Top 10 Overseas Source Markets: 2021 vs 2020

Country	Rank 2021	Tourist Arrivals 2021	Rank 2020	Tourist Arrivals 2020	% Change from 2020 to 2021
USA	1	82 020	3	71 959	14,0%
UK	2	45 777	1	132 384	-65,4%
Germany	3	44 388	2	106 092	-58,2%
The Netherlands	4	21 757	5	35 026	-37,9%
France	5	19 761	4	41 023	-51,8%
India	6	17 662	8	18 892	-6,5%
Switzerland	7	11 375	10	15 697	-27,5%
Russian Federation	8	10 625	19	6 494	63,6%
Belgium	9	9 106	12	12 726	-28,4%
Canada	10	7 494	9	17 545	-57,3%

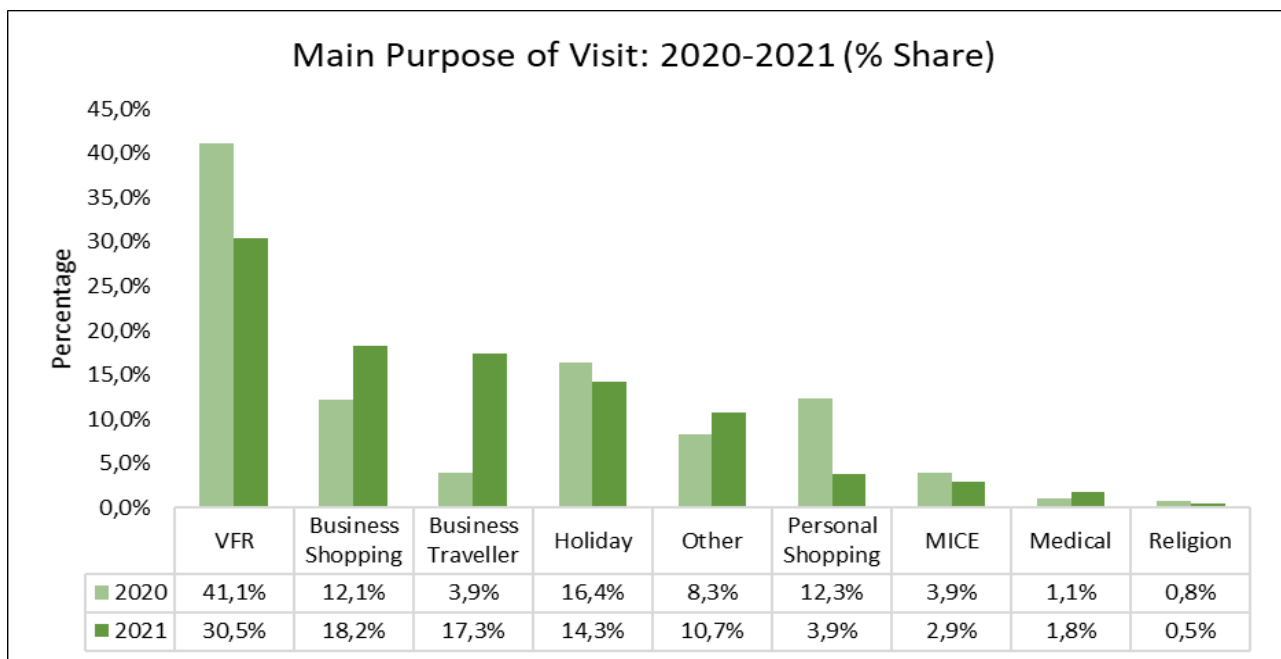
Source: Stats SA Tourism and Migration data, December 2021

3.4 Main Purpose of Visit for International Tourist Arrivals: 2021

Tourists often travel to different destinations for different purposes. Understanding the different purposes of visit categories that influence tourists' travel is important when it comes to marketing a destination. The purpose of visit for tourism includes amongst others travelling to visit friends and relatives, holiday, shopping and business in line with the definition of a tourist.

The main reasons for international tourists to visit South Africa in 2021 were to visit friends and relatives (VFR) (30,5%); holiday (14,3%); and personal shopping (12,3%), as indicated in the figure below.

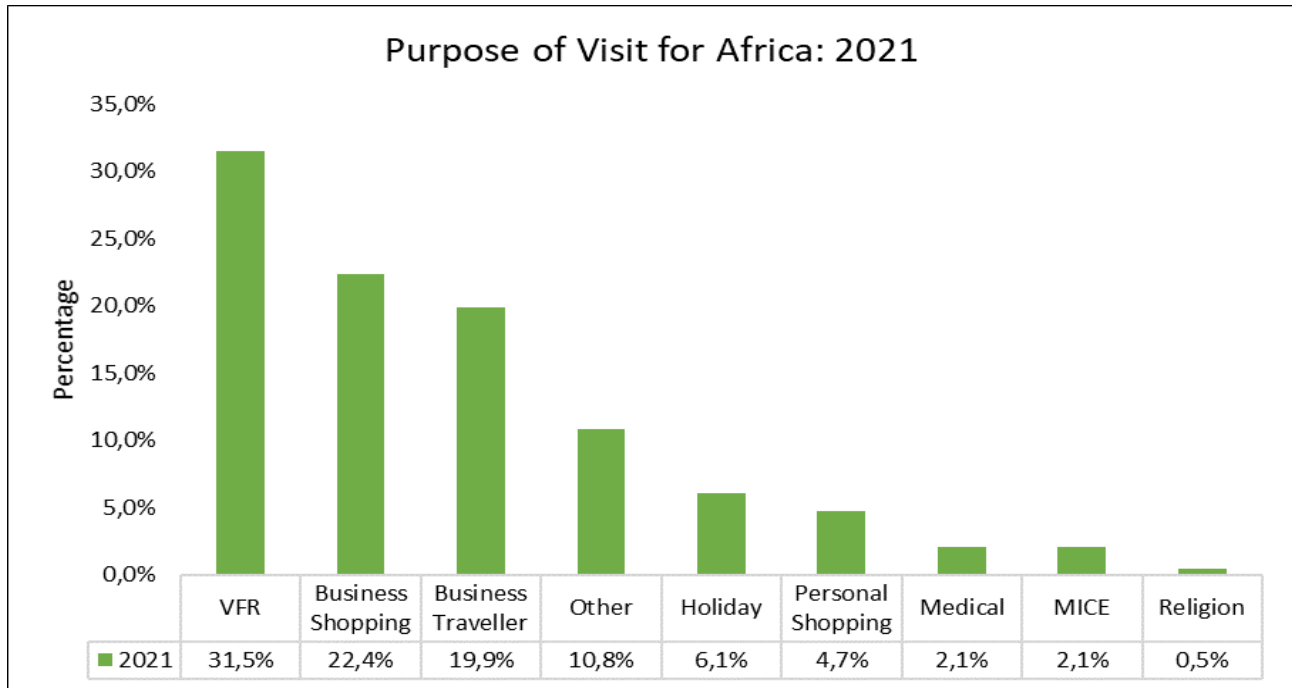
Figure 18: Main Purpose of Visit for International Tourist Arrivals: 2021



Source: SA Tourism Performance Report 2021

The results in the figure below indicate the main purpose of visit for tourists travelling from Africa to the country for the period 2021 compared to 2020.

Figure 19: Purpose of Visit for Tourist Arrivals from Africa: 2021

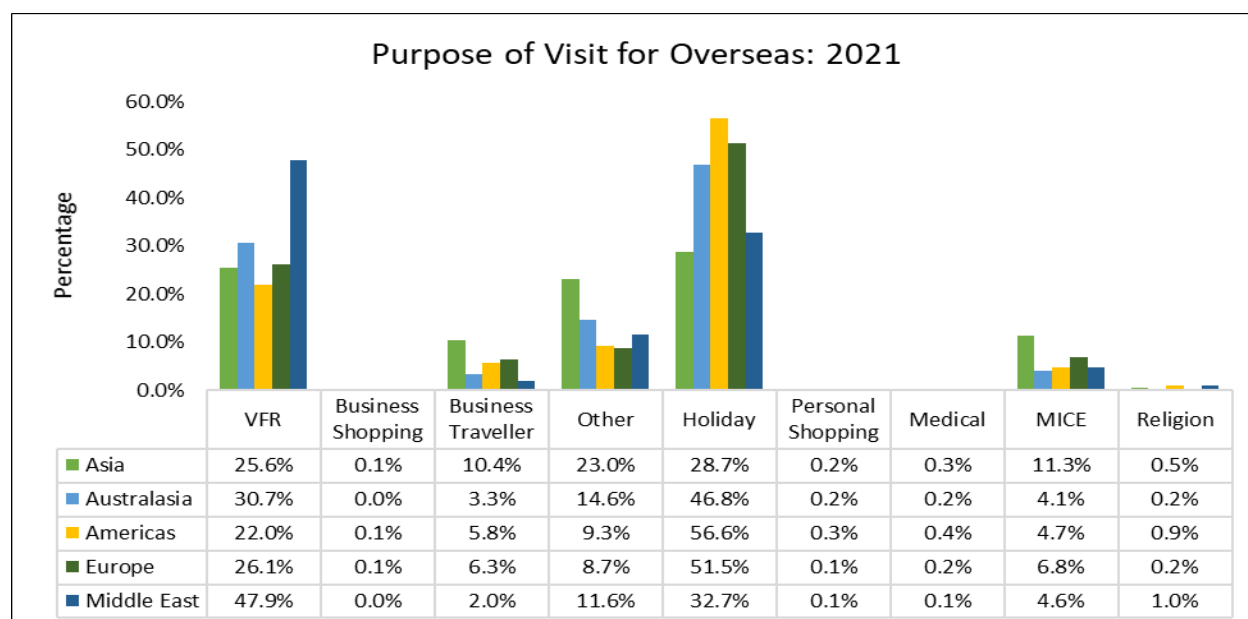


Source: SA Tourism Performance Report 2021

Tourists from the African region predominantly visited South Africa for VFR purposes (31,5%) followed by business purposes (22,4%) and business travellers (19,9%) in 2021. Less than 5% of tourists from the African region visited South Africa for medical (2,1%), MICE (2,1%) and religion (0,5%) purposes.

Figure 20 below indicates the main purpose of visit results for tourists from overseas regions namely; Asia, Australasia, Central and South America, Europe, the Middle East and North America.

Figure 20: Main Purpose of Visit for Overseas Markets: 2021



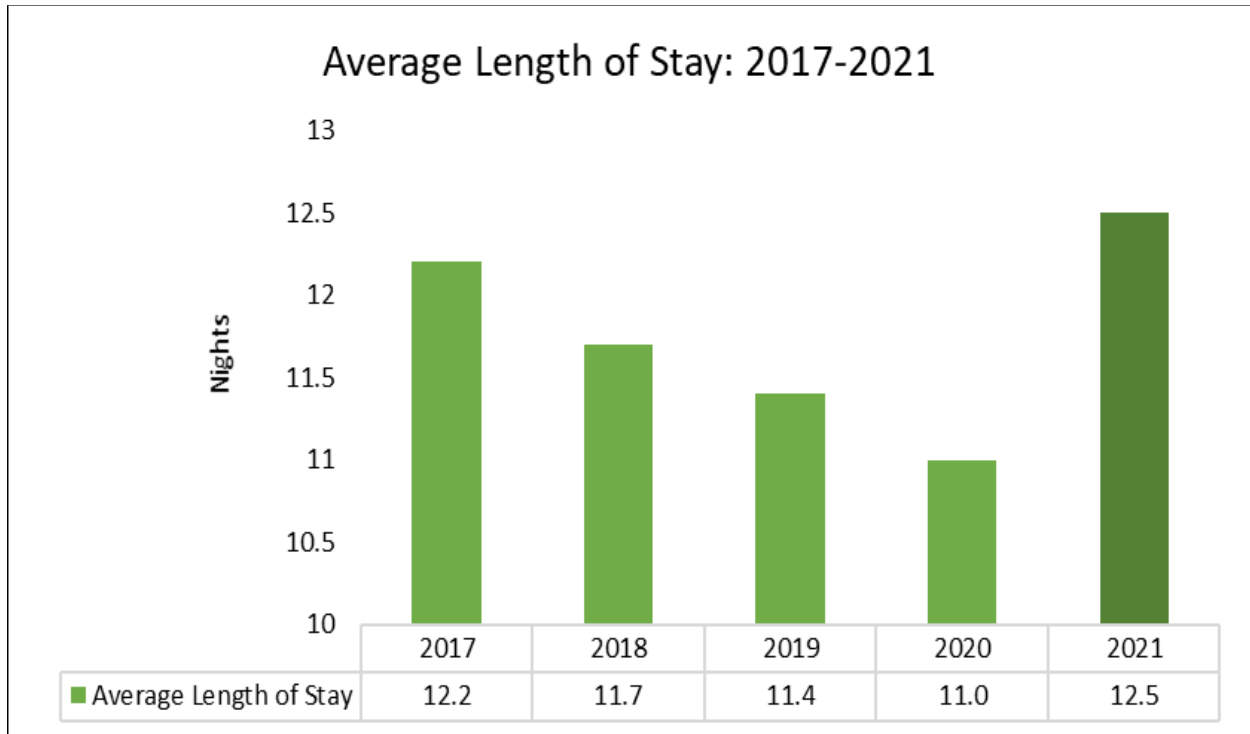
Source: SA Tourism Performance Report 2021

The results for the regions within the overseas markets indicated that more than half of tourists from the Americas (56,6%) and Europe (51,5%) main purpose for visiting South Africa was for holiday purposes. Middle East was leading with tourists visiting South Africa for VFR purposes (47,9%). This analysis highlights the importance of market agencies catering to the different international markets' preferences for purpose of visit.

3.5 Length of Stay for International Tourist Arrivals: 2017-2021

Averagely, the length of stay for international tourists was slightly better in 2021 compared to 2020. The length of stay results for 2021 indicated that the number of nights spent by international tourists went up slightly from 11.0 nights in 2020 to 12.5 nights in 2021.

Figure 21: Average Length of Stay: 2017-2021



Source: SA Tourism Performance Report 2021

3.6 Total Foreign Direct Spend by Region (excluding capital expenditure): 2021 compared to 2020

One of the indicators that is used to measure the importance of tourism to the economy is how much tourists spend while they are travelling within the country, given that their expenditure contributes to the country's economy as well as job creation. Table 11 below indicates that the total foreign direct spend for international tourists was R20.8 billion in 2021, which was a decrease of -6,8% from R22.3 billion in 2020.

Table 11: Spend by Region: 2021 compared to 2020

Region	2021	2020	% Change
Africa	R10,564,636,720.00	R9,667,917,579.00	9.3%
Asia	R729,626,188.00	R936,304,813.00	-22.1%
Australasia	R292,570,941.00	R505,642,896.00	-42.1%
Central and South America	R225,473,489.00	R519,116,108.00	-56.6%
Europe	R6,058,005,443.00	R8,610,930,267.00	-29.6%
Middle East	R309,696,717.00	R202,489,296.00	52.9%
North America	R2,630,106,067.00	R1,893,277,721.00	38.9%
Total Foreign Direct Spend	R20,810,115,566.00	R22,335,678,680.00	-6.8%

Source: SA Tourism Performance Report 2021

The importance of arrivals from Africa could be seen by their contribution to total foreign direct spend which was about 50,8% of the total spend in 2021 and the rest of the contribution was from overseas markets.

3.7 Total Foreign Direct Spend by Top Five African Source Markets

The top five African markets by total foreign direct spend are provided in the table below. Most of the total spend from African markets was from Mozambique with a total spend of R3.6 billion followed by Zimbabwe (Rabout 2 billion) and Lesotho (R1.4 billion) in 2021.

Table 12: Total Foreign Direct Spend by top five African Markets: 2021

Rank	Country	Total Foreign Direct Spend 2021	Total Foreign Direct Spend 2020
1	Mozambique	R3 640 703 698	R1 180 902 948
2	Zimbabwe	R1 963 302 915	R3 818 355 456
3	Lesotho	R1 414 937 766	R728 731 007
4	Namibia	R543 799 992	R281 567 104
5	Malawi	R471 201 570	R626 957 683

Source: SA Tourism Performance Report 2021

3.8 Total Foreign Direct Spend by Top Five Overseas Markets

The top five overseas markets by total foreign direct spend are provided in the table below. Most of the total spend from overseas markets was from the USA with a total spend of R2.3 billion followed by the UK (R1.5 billion) and Germany (R1.4 billion) during 2021.

Table 13: Total Foreign Direct Spend by Top five Overseas Markets: 2021

Rank	Country	Total Foreign Direct Spend 2021	Total Foreign Direct Spend 2020
1	USA	R2 346 271 913	R1 530 863 904
2	UK	R1 491 927 666	R2 837 077 088
3	Germany	R1 351 301 507	R1 968 532 048
4	Netherlands	R618 825 566	R782 406 499
5	France	R531 603 477	R660 861 484

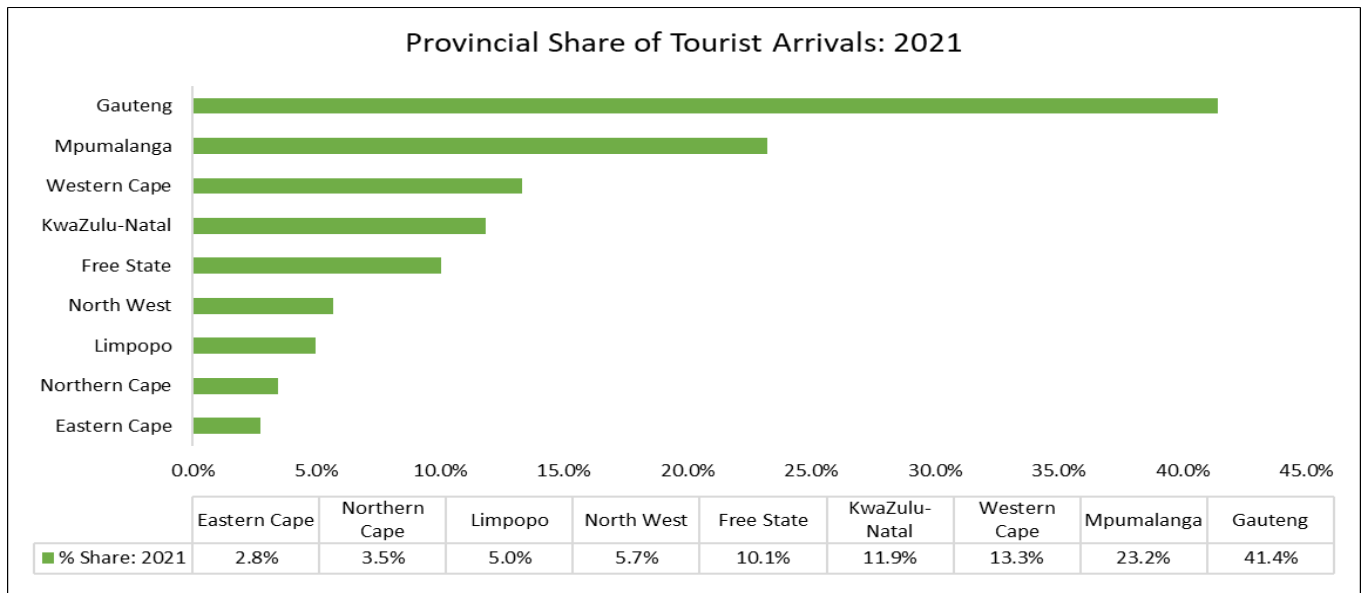
Source: SA Tourism Performance Report 2021

3.9 Provincial Share of Tourist Arrivals: 2021

The figure below shows the provincial share of total foreign tourist trips. Provincial tourist arrivals are counted by the number of trips taken by a foreign tourist e.g. the number of trips for a tourist from the UK who visits three (3) provinces in South Africa will be counted as three (3) to correctly report on trips for each province. It is for this reason that the total number of tourists visiting provinces is higher than those reflected in the total tourist arrivals from Stats SA which captures the actual number of foreign tourists into the country which captures one trip when they enter and leave the borders.

The Figure below indicates that in 2021 most international tourists visited Gauteng (41,4%), followed by Mpumalanga (23,2%) and the Western Cape (13,3%). The three least visited provinces included the Eastern Cape (2,8%), the Northern Cape (3,5%) and Limpopo (5,0%). To increase the impact and benefit of inbound tourism, provincial marketing agencies should continue to encourage tourists to visit their respective provinces. Tourism planners should also consider developing tourism products that would attract international tourists to the less visited provinces.

Figure 22: Provincial Share of Tourist Arrivals: 2021



Source: SA Tourism Performance Report Data Cuts, 2021

Section Four: Euromonitor International's Voice of the Consumer: Travel Survey Results: 2021 compared to 2020

Euromonitor conducts an annual online consumer survey with respondents ranging in age from 15 to 74+. Consumers in each market/country are surveyed each round, with many topics tracked over time. The survey is conducted in the following markets/countries; Argentina, Australia, Belgium, Brazil, Canada, Chile, China, Colombia, Denmark, Egypt, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Nigeria, Peru, Philippines, Poland, Russia Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom USA and Vietnam. The survey was conducted in May 2022. This section of the report uses the findings from the survey to understand potential travellers' preferences and attitudes.

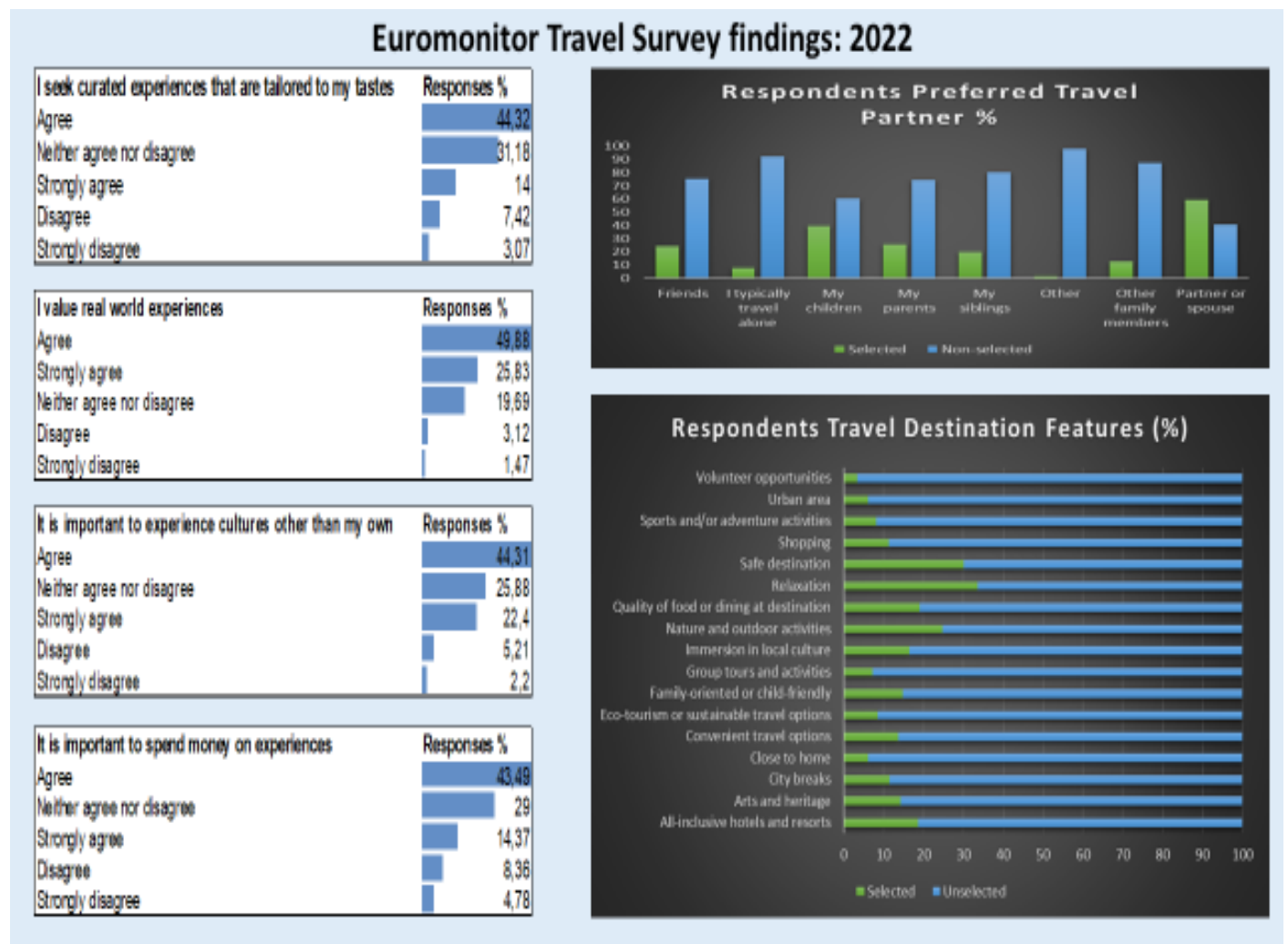
4.1 Respondents' Attitudes towards Travel Experiences and Preferences

The total number of respondents that took part in the survey was 39 832. The figure below presents the findings from the survey. The results of the survey indicated that most of the respondents are seeking curated travel experiences (agree: 44,32%), value real

word experiences (49.88%), prefer to experience a different culture (49,88%) and spend money on experiences (43,49%). In regards to respondents' preferred travel partners, most respondents preferred to travel with their partners or spouses followed by parents and friends.

The findings above indicate that when selecting a destination, most respondents chose relaxation as a key travel destination feature followed by a safe destination and nature and outdoor activities. These findings are relevant particularly to marketing companies when developing packages that cater to travellers' behaviours and preferences.

Figure 23: Euromonitor Travel Survey Findings: 2022



N=39 832
2022

Source: Euromonitor Travel Survey Findings Data Tool,



CHAPTER THREE: PERFORMANCE OF TOURISM-RELATED INDUSTRIES GLOBALLY AND IN SOUTH AFRICA

Many industries are economically dependent on the tourism sector. Industries that are directly affected by the tourism sector include amongst others; accommodation, restaurants, transportation, amusements, and retail trade. The TSA developed by Stats SA provides industry ratios which are calculated for each of the different tourism industries based on the proportion that is consumed by visitors. This chapter of the report focuses on the performance of some of the tourism-related industries globally and in South Africa. The performance of these industries is key to the tourism sector's contribution to GDP and total employment. For this section, the global data was sourced from International Airports Transport Association (IATA), STR Global Hotel and Euromonitor. Data for South Africa was sourced from Statistics South Africa (Stats SA), STR Global Hotel, Euromonitor and Airports Company South Africa (ACSA).

Section One: Global Tourism Related Industry Performance

This section provides an overview of the global tourism-related industries' performance. Data for this section was sourced from the International Airports Transport Association (IATA) and the Hotel News.

1.1 Air Transport Performance: 2021 compared to 2019

The table below provides the performance of the global aviation industry for 2021 compared to 2019. The data was sourced from International Airport Transport Association (IATA). The data comparing 2021 with 2020 was not available from the IATA performance report.

According to IATA data, the total market Revenue Passenger Kilometre (RPK), which is calculated by the total number of revenue passengers multiplied by the total distance travelled, indicates that there was a 79,5% increase in 2021 compared to 2019.

The total market results for the Available Seat Kilometres (ASK: number of seat carriers have available multiplied by the number of kilometres flown) indicated that there was a 45,51% growth in 2021 compared to 2019. An increase in ASK was also experienced in the international and domestic markets.

Passenger Load Factor (PLF) is an airline industry indicator that measures how much of an airline’s passenger carrying capacity is used (UNWTO, 2021). The PLF for the total market decreased from 82,6% in 2019 to 72,3% in 2021. In 2021, the international market had a PLF of 68,9% and the domestic market had a PLF of 75,5% which indicates that there were slightly fewer seats filled with paying passengers on international flights compared to domestic flights in 2019.

Table 14: Air Transport Performance Indicators: 2021 compared to 2019

Total Market	RPK		ASK		PLF	
	Year on year % Change		Year on year % Change		Year on year % Change	
	2021	2019	2021	2019	2021	2019
International	182,8%	4,1%	98,1%	3,0%	68,9%	82,0%
Domestic	34,5%	4,5%	14,8%	4,1%	75,7%	83,7%
Total Market	79,5%	4,2%	45,5%	3,4%	72,3%	82,6%

Source: IATA, December 2021.

RPK – Revenue Passenger Kilometres, ASK – Available Seat Kilometres, PLF – Passenger Load Factor

Forecasts from IATA indicate that overall passenger numbers are expected to reach 4.0 billion in 2024 (counting multi-sector connecting trips as one passenger), exceeding pre-COVID-19 levels (103% of the 2019 total). In 2021, overall passenger numbers were 47% of 2019 levels. According to IATA, passenger numbers are expected to improve to 83% in 2022, 94% in 2023, 103% in 2024 and 111% in 2025 (IATA, 2022). For the aviation sector to recover from the COVID-19 pandemic, IATA recommends governments work

together to remove all travel barriers (including quarantine and testing) for those fully vaccinated with a WHO-approved vaccine, the removing of all travel bans and accelerating the easing of travel restrictions (IATA, 2022).

1.2 Global Hotel Industry Performance: 2020-2021

The data for the performance of the hotel industry was sourced from Hotel News. The global performance of the hotel industry by region for 2020 and 2021 is indicated in the table below.

Table 15: Hotel performance indicators, 2021 compared to 2020

Region	Occupancy Rate (%)		Average Daily rate (ADR)		Revenue per available Room (RevPAR) US\$	
	2021	% change from 2020	US\$ 2021	% change from 2020	US\$ 2021	% change from 2020
Asia and the Pacific	48.7%	9.4%	77.7	4.7%	37.8	14.5%
Americas	55.8%	30.7%	123.6	19.6%	69.0	56.3%
Europe	43.3%	30.7%	121.7	16.4%	52.7	52.1%
Africa & Middle East	51.0%	26.9%	131.4	17.2%	67.1	48.7%

Source: STR Global Hotel, 2021

Occupancy rate is one of the key indicators used to monitor the performance of a hotel since the indicator measures the percentage of available rooms in a hotel that was sold during a specified period. All regions recorded an increase in occupancy rate with Europe and the Americas having the highest growth of 30,7%. Another key indicator used to measure hotel performance is the Average Daily Rate (ADR) which provides the average rate paid for rooms sold and is calculated by dividing room revenue by rooms sold. Americas recorded the highest growth 19,6% followed by Africa & Middle East (17,2%) and Europe (16,4%) in 2021 compared to 2020. Finally, the Revenue per available room (RevPar) is a measure that the hotel industry uses to determine the revenue generation capability of a hotel. The RevPar is calculated by dividing the total room revenue with the total number of available rooms in a hotel. RevPar differs from the ADR in that the RevPAR is affected by the share of unoccupied available rooms, while ADR shows only the average rate of rooms actually sold (UNWTO, 2020). All regions recorded an increase

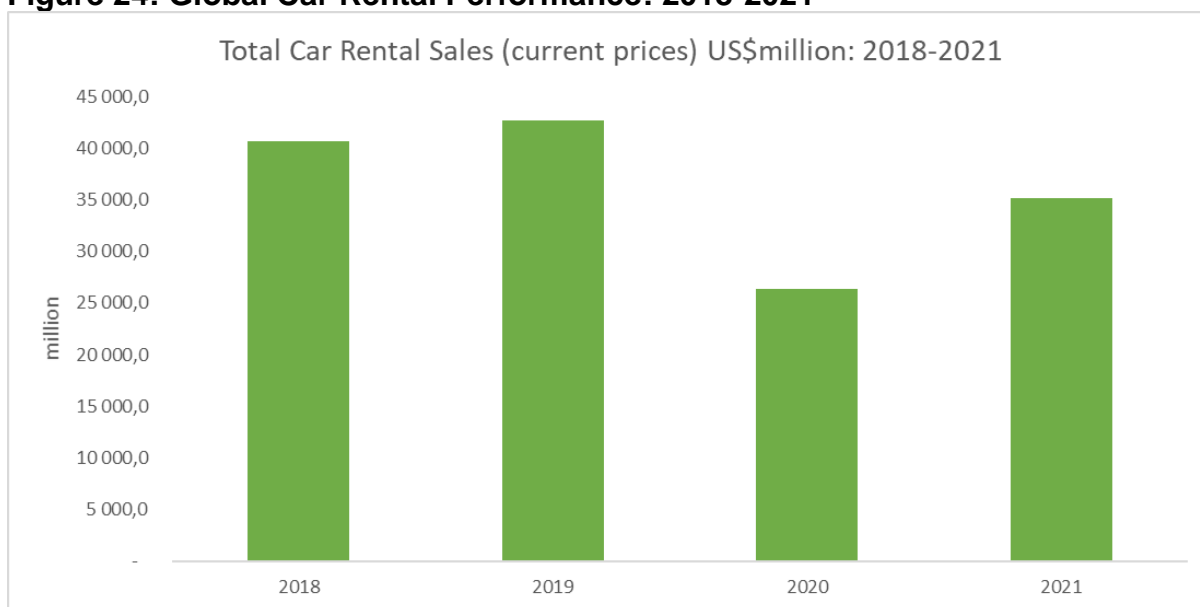
in RevPar, with the Americas having the highest growth of 56,30% followed by Europe (52,1%), Africa and the Middle East (48,7%) and Asia and the Pacifica with 14,5%.

The most recent data for the global hotel industry indicates that from Jan-August 2022, all hotel performance indicators showed an increase compared to the same period in 2021 (STR Global Hotel, 2022). Research by STR Global Hotel indicated that labour shortages, inflation, and geopolitical concerns remain some of the factors that are affecting the recovery of the hotel industry (STR Hotel, 2022).

1.3 Global Car Rental Performance

Car rental is an important industry for the tourism sector since tourists often use car rentals to travel within the country globally. Figure 24 below indicates car rental sales globally for the period 2018 to 2021. Car rental sales increased from USD40 673, 4 million in 2018 to USD42 670,4 million in 2019, which was an increase of 4,9% (USD 1 997,0 million). Car rental sales decreased by -38,1% (USD-16 276,0 million) in 2020 compared to 2019, moving from USD42 670,4 million in 2019 to USD26 394,4 million in 2020. Comparing car rental sales for 2021 with 2020, there was an increase of 33,2% recorded moving from USD26 394,4 million in 2020 to USD35 163,0 million (USD8 768,0 million).

Figure 24: Global Car Rental Performance: 2018-2021



Total Car Rental Sales (current prices) US million	2018	2019	2020	2021
Total Car Rental Sales (current prices) US million	40 673,4	42 670,4	26 394,4	35 163,0
Difference (US million)		1 997,0	- 16 276,0	8 768,6
% Growth		4,9%	-38,1%	33,2%

Source: Euromonitor, data cuts, 2022.

Section Two: Tourism Related Industry Performance in South Africa

Impact of Coronavirus (COVID-19) on tourism-related industries performance: 2021

On 11 March 2020, the World Health Organisation (WHO) declared the Coronavirus (COVID-19) outbreak a pandemic (WHO, 2020). To limit the spread of COVID-19, many countries had started to introduce lockdown measures, which prevented people from leaving their countries. On 1 May 2020, the South African government adopted the risk-adjusted strategy, which aimed to increase economic activity while putting measures in place to reduce the transmission of the virus. As part of this approach, five (5) Coronavirus alert levels were introduced, mainly indicating the different sectors that can operate under these levels. The figure below provides a summary of the different lockdown regulations

for the accommodation, food and beverage and aviation industries under level 5-1 which was implemented during the months of 2021. The performance of the tourism-related industries therefore should be viewed within the context of South Africa's COVID-19 lockdown regulations.

Figure 25: South Africa COVID-19 regulation for the key tourism-related industries



ACCOMMODATION				
Adjusted Level 3	Adjusted Level 1	Adjusted Level 4	Adjusted Level 2	Adjusted Level 1
All accommodation establishments and tour operators are permitted to operate, subject to a restriction on the number of persons allowed in such establishments to not be more than 50% of the available floor space.	All accommodation establishments and tour operators are permitted to operate, subject to a restriction on the number of persons allowed in such establishments to not be more than 50% of the available floor space.	All accommodation establishments and tour operators permitted to operate, subject to a restriction on the number of persons allowed in such establishments to not be more than 50% of the available floor space. Travel in and out of Gauteng is permitted only for work, for the transport of goods, for funerals or return to home. Travel between other provinces is allowed.	All accommodation establishments and tour operators permitted to operate, subject to a restriction on the number of persons allowed in such establishments to not be more than 50% of the available floor space. Interprovincial travel permitted.	All accommodation establishments and tour operators permitted to operate, subject to a restriction on the number of persons allowed in such establishments to not be more than 50% of the available floor space.
FOOD AND BEVERAGES				
Adjusted Level 3	Adjusted Level 1	Adjusted Level 4	Adjusted Level 2	Adjusted Level 1
Restaurants are all allowed to operate but are subject to strict adherence to all health protocols and must close at 8pm. Alcohol prohibited. Regulations changed on 01 Feb 2020: Restaurants are all allowed to operate but subject to strict adherence to all health protocols and must close at 10pm. Alcohol is prohibited.	Restaurants are all allowed to operate but are subject to strict adherence to all health protocols. Sale of alcohol permitted.	Restaurants are all allowed to operate but are subject to strict adherence to all health protocols. Curfew was from 9pm-4am. The sale of alcohol is prohibited for on-site or off-site consumption.	Restaurants and bars needed to close by 10 pm. No onsite consumption of alcohol after 9pm, with a maximum of 250 persons or less for indoor venues and 500 persons or less for outdoor.	Restaurants are all allowed to operate but are subject to strict adherence to all health protocols.
AVIATION				
Adjusted Level 3	Adjusted Level 1	Adjusted Level 4	Adjusted Level 2	Adjusted Level 1
Domestic air travel is allowed. International travel allowed.	Domestic air travel is allowed. International travel allowed	Limited Domestic air travel allowed. International travel allowed	Domestic air travel is allowed. International travel allowed	Domestic air travel is allowed. International travel allowed

Source: infographic was developed using information from <https://www.gov.za/coronavirus>

2.1 Accommodation Industry Performance: 2020 compared to 2021

The following sub-section of the report focuses on the performance of the accommodation industry by analysing key indicators such as total income from accommodation and occupancy rate. The data was sourced from Stats SA based on the findings from the accommodation survey.

2.1.1 Accommodation Industry Income: 2020 compared to 2021

Table 16 below provides the total income from the accommodation industry which comprises of income from restaurants, bar sales, income from accommodation only and other income for 2021-2020. Other income includes income from casino gambling, laundry and telephone services, rentals and fees received for transport services, offices, shops, garages, etc. In 2021, the total income (current prices) from the accommodation industry was R25, 388.8 million which was a growth of 18,8% compared to 2020 (R21, 370.0 million). Total income from all categories recorded an increase with total income from guest houses and guest farms recording the highest growth of about 43,4% moving from R679.3 million in 2020 to R973.8 million in 2021.

Table 16: Income from Accommodation (current prices): 2021 compared to 2020

Type of Accommodation	2021				2020				% Change Total Income 2021 compared to 2020
	Restaurants, bar sales	Accommodation only	Other income	Total income	Restaurants, bar sales	Accommodation only	Other Income	Total income	
Hotels (R million)	R2,657.4	R5,629.5	R7,499.4	R15,786.3	R2,353.1	R5,365.2	R5,524.1	R13,242.4	19.2%
Caravan parks and camping sites (R million)	R97.2	R578.7	R79.9	R755.8	R76.7	R277.9	R221.3	R575.9	31.2%
Guest houses and guest farms (R million)	R117.1	R777.9	R78.8	R973.8	R86.7	R536.6	R56.0	R679.3	43.4%
Other accommodation (lodges, bed-and-breakfast, self-catering, and 'other' establishments not classified) (R million)	R857.9	R6,716.7	R298.3	R7,872.9	R580.0	R6,061.8	R230.6	R6,872.4	14.6%
Total Industry - (R million)	R3,729.6	R13,702.8	R7,956.4	R25,388.8	R3,096.5	R12,241.5	R6,032.0	R21,370.0	18.8%

Source: Stats SA: Accommodation data cuts, July 2022

Table 17 below indicates that income from accommodation (excluding restaurants, bar sales and other income) went up by 11,9% during the same period under review. All categories of accommodation recorded a growth in income levels with caravan parks and camping sites recording the highest increase of 108,2%; followed by guest houses and guest farms (45,0%), other accommodation (10,8%) and hotels (4,9%).

Table 17: Income from Accommodation (Excluding restaurants, bar sales and other income): 2021 compared to 2020(current prices)

Type of Accommodation	2021 Accommodation only	2020 Accommodation only	% Change 2021 compared to 2020
Hotels (R million)	R5,629.5	R5,365.2	4.9%
Caravan parks and camping sites (R million)	R578.7	R277.9	108.2%
Guest houses and guest farms (R million)	R777.9	R536.6	45.0%
Other accommodation (R million)	R6,716.7	R6,061.8	10.8%
Total Industry – (R million)	R13,702.8	R12,241.5	11.9%

Source: Stats SA: Accommodation data cuts, July 2022

The monthly percentage change of income from the accommodation industry (excluding restaurants, bar sales and other income) from 2021 is provided in table 18 below. Income from accommodation recorded an increase of 5,9% and 10,6% during January and February 2020 respectively compared to the same months in 2021. This was an improvement compared to the decline recorded during the same months in 2021 compared to 2020. Income from accommodation recorded an increase from April to December 2021 compared to the same months in 2020. The highest growth was recorded in April (2 432,8%) and May (1 735,5%) 2021 compared to the same months in 2020. Although the income from accommodation continued to record a growth from April 2021 compared to the same month in 2020, the growth was decreasing.

Table 18: Year-on-Year Change in Income from Accommodation

MONTH	2020	2021
January	5.9%	-69.4%
February	10.6%	-74.1%
March	-40.6%	-39.0%
April	-98.0%	2 432.8%
May	-97.4%	1 735.5%
June	-96.4%	671.8%
July	-92.0%	274.9%
August	-82.3%	126.1%
September	-73.0%	72.7%
October	-67.7%	52.5%
November	-67.8%	66.4%
December	-52.5%	17.9%

Source: Stats SA: Accommodation Report July 2022

2.1.2 Accommodation Industry Occupancy Rate: 2021 compared to 2020

Table 19 below indicates occupancy rates by accommodation type from 2021 compared to 2020. The average accommodation occupancy rate recorded in 2021 was 24,8% which was a growth compared to 19,6% in 2020. Compared to the previous year, total occupancy rates began to increase from April 2021 to December 2021.

Table 19: Occupancy Rate: 2020 compared to 2021 (Average % Rate)

Month	Hotel	Caravan Parks and Camping Sites	Guest-Houses and Guest Farms	Other Accommodation	Total Accommodation
Jan-20	43	40.1	40.6	48.6	44.5
Jan-21	13.4	32.6	14.5	27.4	18.8
Feb-20	50.4	39.3	39.3	49.8	48.6
Feb-21	15.3	33.7	15.1	27.2	19.8
Mar-20	28.5	38.5	26	34.1	30.4
Mar-21	20.2	38.2	15.6	30.9	23.8
Apr-20	1.5	0.4	0.9	1	1.2
Apr-21	24.3	40.3	17.4	33.4	27.1
May-20	1.4	0.4	0.4	1.6	1.3
May-21	21	46.5	16.5	29.3	24.1
Jun-20	3.7	0.4	1.3	3.7	3.3
Jun-21	16.8	46.4	16.5	27.6	21.4
Jul-20	5.4	0.8	3.7	5.5	5.1
Jul-21	12.8	43.7	9.3	21.6	16.4
Aug-20	8.5	8.4	3.8	13.4	9.6

Month	Hotel	Caravan Parks and Camping Sites	Guest-Houses and Guest Farms	Other Accommodation	Total Accommodation
Aug-21	20.3	39.6	17.3	27.1	22.9
Sep-20	14.2	27.7	8.1	23.4	17
Sep-21	26.3	43.2	21.7	32.3	28.4
Oct-20	17.6	40.2	15.6	29.7	22.2
Oct-21	31.2	42.4	21.8	34	31.5
Nov-20	19.8	24	17.7	28	22.5
Nov-21	31.8	28.7	22.5	31.7	30.7
Dec-20	22.9	35.4	26.4	40	29.4
Dec-21	32.1	48.7	21.9	36.1	32.9
Average Occupancy Rate 2020	20.2	31.9	15.8	26.9	19.6
Average Occupancy Rate 2021	21.5	34.5	16.8	28.7	24.8

Source: Stats SA: Accommodation data cuts, July 2022

Data from STR hotel for the period 2020 compared to 2021 shows that there was a decrease recorded in all hotel performance indicators. Hotel occupancy rate decreased by -1,2% in 2021 compared to 2020 moving from an occupancy rate of 36,5% in 2020 to 36,0% in 2021. The Average Daily Rate (ADR) for 2021 was R1 099,69 which was a decrease of -9,4% compared to R1213,53 in 2020. The Revenue Per available room also decreased by -10,5%, moving from R442,55 in 2020 to R369,10 in 2021. It should be noted that these figures might have been skewed by data for 2020, a period when there were no lockdown restrictions and regulations in place.

Table 20: South Africa Hotel Performance: 2021 compared to 2020

Period	Occupancy rate	% Change	Average Daily Rate (Rand)	% Change	Revenue per available room (Rand)	% Change	Census	Sample
Jan-Dec 2021	36,0%	-1,2%	1 099.69	-9,4	369,10	-10,5%	419	231
Jan-Dec 2020	36,5%		1 213.53		442,55			

Source: STR Hotel Data December 2021

2.2 Food and beverages industry: 2020 compared to 2021 (constant prices)

2.2.1 Food and beverages industry income: 2021 compared to 2020

The results in Table 21 indicate that the total income of the food and beverages industry in 2021 was about R 55 085,2 million, which was an increase of 25,1% when compared to R 44 019,1 million in 2020. Take-away and fast food outlets, and restaurants and coffee shops showed a growth in income of 45,0% and 24,4% respectively. Catering services was the only one that recorded a decline in the food and beverages industry with -8,3%.

Table 21: Total Income by Type of Food and Beverage Industry: 2021 compared to 2020 (constant prices)

Categories of Food and Beverages	2020	2021	% Change
Catering services (R million)	R8,378.5	R7,686.7	-8.3%
Take-away and fast food outlets (R million)	R14,879.4	R21,572.1	45.0%
Restaurants and coffee shops (R million)	R20,761.2	R25,826.4	24.4%
Total Industry (R million)	R44,019.1	R55,085.2	25.1%

Source: Stats SA: Food and beverages data cuts, July 2022

Table 22 below indicates the year-on-year change in total food and beverage industry income from January to December 2021 compared to January to December 2020. There has been a growth in income from April 2021 compared to the decline in the same period for 2020.

Table 22: Year on Year Change in Income Total Food and Beverage Industry Income: 2020 vs 2021

MONTH	2020	2021
January	1.7%	-46.4%
February	-0.4%	-35.3%
March	-32.5%	-5.4%
April	-95.1%	1 393.0%
May	-88.2%	545.9%
June	-65.4%	93.4%
July	-57.4%	36.7%
August	-52.7%	43.4%
September	-42.9%	26.8%
October	-37.1%	26.7%
November	-35.6%	12.6%
December	-36.9%	17.7%

Source: Stats SA: Food and Beverage Report July 2022

2.3 Airline Industry Performance: 2020 compared to 2021

2.3.1 Passenger Arrivals Movement: 2021 compared to 2020

Table 23 provides the total passenger arrivals at Airports Company South Africa (ACSA) airports during 2021 compared to 2020. Total passenger arrivals increased by 22,9%, from 7 296 351 in 2020 to 8 970 765 in 2021. International and unscheduled passengers recorded a decrease of -18,2% and -23,4% respectively in 2021 compared to 2020. Regional and domestic passengers recorded a growth of 36,0% and 34,0% respectively in the same period under review. Table 10 further provides the percentage growth by month for 2021 compared to 2020 for the different categories of passenger arrivals (international, regional, domestic and unscheduled) to South Africa.

Table 23: Arriving Passengers: 2021 compared to 2020

Arriving Passengers	2021	2020	% Change 2021 compared to 2020
International	1,208,707	1,478,090	-18.2%
Regional	148,110	108,902	36.0%
Domestic	7,567,708	5,649,023	34.0%
Unscheduled	46,240	60,336	-23.4%
Total	8,970,765	7,296,351	22.9%

Source: ACSAs data cuts, December 2021

2.3.2 Passenger Departure Movement: 2021 compared to 2020

Table 24 shows the total passenger departing from Airports Company South Africa (ACSA) airports during the period 2021-2020. Total departing passengers increased by 22,1%, from 7 372 639 in 2020 to 9 002 822 in 2021. The table also indicates that there were 7 578 928 domestic passengers that departed in 2021, which was a growth of 33,6% compared to 5 673 768 departing domestic travellers in 2020. There was a -17,8% decline in departing international passengers during 2021 compared to 2020. The number of passengers on unscheduled flights in 2021 decreased by -53,4%; decreasing from 100 331 in 2020 to 46 714 in 2021. Table 12 also provides the percentage growth by month for

2021 compared to 2020 for the different categories of departing passengers (international, regional, domestic and unscheduled) to South Africa.

Table 24: Departing Passengers: 2021 compared to 2020

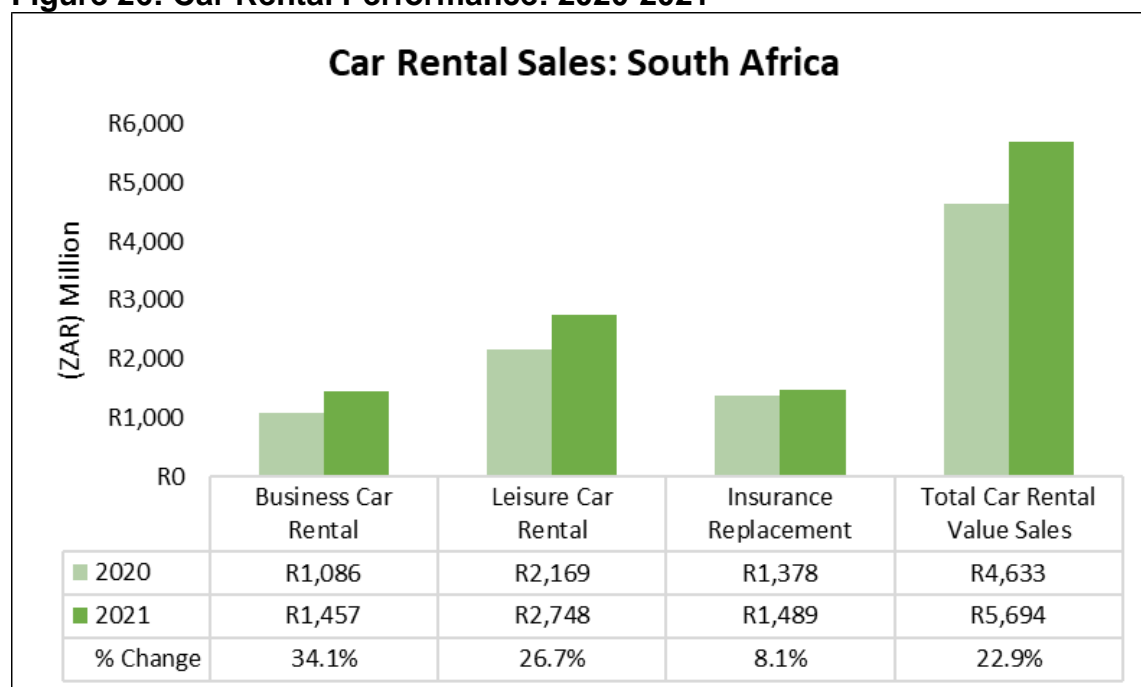
Departing Passengers	2021	2022	% Change 2021 compared to 2020
International	1,226,626	1,491,364	-17.8%
Regional	150,554	107,176	40.5%
Domestic	7,578,928	5,673,768	33.6%
Unscheduled	46,714	100,331	-53.4%
Total	9,002,822	7,372,639	22.1%

Source: ACSAs data cuts December 2021

2.4 Car Rental Performance in South Africa: 2020-2021

Recent data from Euromonitor indicates that the car rental value sales in South Africa for 2020 was R4 633 billion, which grew by 22.9% to reach R5 694 billion in 2021. The figures below indicate that bookings from leisure tourism continue to drive the growth of car rental in 2020 and 2021.

Figure 26: Car Rental Performance: 2020-2021







































Source: Euromonitor data-cuts, 2022

2.5 The Travel & Tourism Development Index (TTDI) for South Africa: 2021

The World Economic Forum (WEF) is responsible for developing the Travel and Tourism Development Index (TTDI). The main aim of the TTDI is to measure a set of factors and policies of countries that enable the sustainable development of the tourism sector. This section of the report gives the TTDI results for South Africa for 2021 compared to 2019 since the report is published biennially (every two years). The Travel & Tourism Development Index (TTDI) 2021 is a revised version of the 15-year-old Travel & Tourism Competitiveness Index (TTCI) series, a flagship index of the World Economic Forum's Platform for Shaping the Future of Mobility (WEF, 2022). This revised index serves as a strategic benchmarking tool for policy-makers, companies and complementary sectors to advance the future development of the Travel and Tourism (T&T) sector by providing unique insights into the strengths and development areas of each country/economy to enhance the realization of sector potential and growth.

The TTDI results for South Africa show that out of 117 countries, South Africa was ranked 68th position in 2019 and 2021 (WEF, 2021). Looking at different factors, South Africa moved from a ranking of 59/117 in 2019 to 41 for the prioritisation of Travel and Tourism. South Africa's ranking in price competitiveness also improved in 2021 (43/117) compared to 2019 (48/117). Some of the pillars that experienced a decline in ranking include; business environment, human resources and labour market and ICT readiness. These results could be used by policy-makers to better understand the factors that contribute to South Africa's development.

Figure 27: Tourism Development Index for South Africa: 2021

SA Competitiveness				World Ranking: 2021 (68/117)				
	2021		2019		2021		2019	
 Rank Score 	Pillar 1: Business Environment	74 3,7	 	66 3,8	Pillar 9: Air Transport Infrastructure	43 3,7	 	47 3,9
	Pillar 2: Safety and Security	112 3,5	 	113 3,4	Pillar 10: Ground and Port Infrastructure	73 3,3	 	63 3,4
	Pillar 3: Health and Hygiene	93 3,5	 	92 3,6	Pillar 11: Tourist Service Infrastructure	71 3,2	 	68 3,4
	Pillar 4: Human Resources and Labour Market	76 4,0	 	59 4,2	Pillar 12: Natural Resources	13 4,9	 	12 4,8
	Pillar 5: ICT Readiness	59 5,1	 	68 4,8	Pillar 13: Cultural Resources	26 3,9	 	24 3,2
	Pillar 6: Prioritization of T&T	41 4,3	 	59 4,3	Pillar 14: Non-Leisure Resources	21 4,1	 	24 3,9
	Pillar 7: International Openness	95 2,6	 	95 2,6	Pillar 15: Environmental Sustainability	109 3,4	 	108 3,4
	Pillar 8: Price Competitiveness	43 5,5	 	48 5,3	Pillar 16: Socioeconomic Resilience and Conditions	94 3,5	 	80 3,7
					Pillar 17: T&T Demand Pressure and Impact	88 3,7	 	78 3,8

Note: Overall scores range from 1 to 7 where 1 = worst and 7 = best.

source: WEF report 2021 and data file, 2021



CHAPTER FOUR: DOMESTIC TOURISM PERFORMANCE

Most countries often tend to focus on inbound tourism due to the revenue earned through exports however domestic tourism remains the leading form of tourism, representing an important tool for regional economic growth and development (WTTC, 2018). The economic benefits of domestic tourism can assist with poverty alleviation and job creation. Domestic travel helps address seasonality within regions, while also dispersing tourists to less visited rural areas, which tend to be overlooked by foreign visitors (WTTC, 2018). In 2020, domestic tourism performance across all countries was negatively affected by COVID-19 regulations which prevented people from travelling within their countries. This chapter provides the performance of domestic tourism by focusing on data from WTTC on domestic tourism expenditure compared to international tourism expenditure for the period 2021 compared to 2020 globally.

In regards to South Africa's domestic tourism performance, domestic tourism performance for 2019 was included in the 2018/19 STR which has been published. Due to challenges in data collection and some changes in methodologies during 2020 and 2021 which was impacted by COVID-19 lockdown regulations in the country, the Department of Tourism together with key stakeholder saw a need to do further data confrontation on available domestic tourism performance results from South Africa Tourism. The 2020 and 2021 official domestic tourism results would be reported in the next publication. Stats SA has also not released 2021 and 2020 DTS results. In the absence of DTS data for South Africa, this chapter focuses on the strategies and campaigns that have been implemented in South Africa to promote domestic tourism. The

chapter also explores the effects of COVID-19 on travel in South Africa considering the number of cases and deaths in the country. Finally, the challenges for South Africa's domestic tourism recovery is also discussed in the chapter.

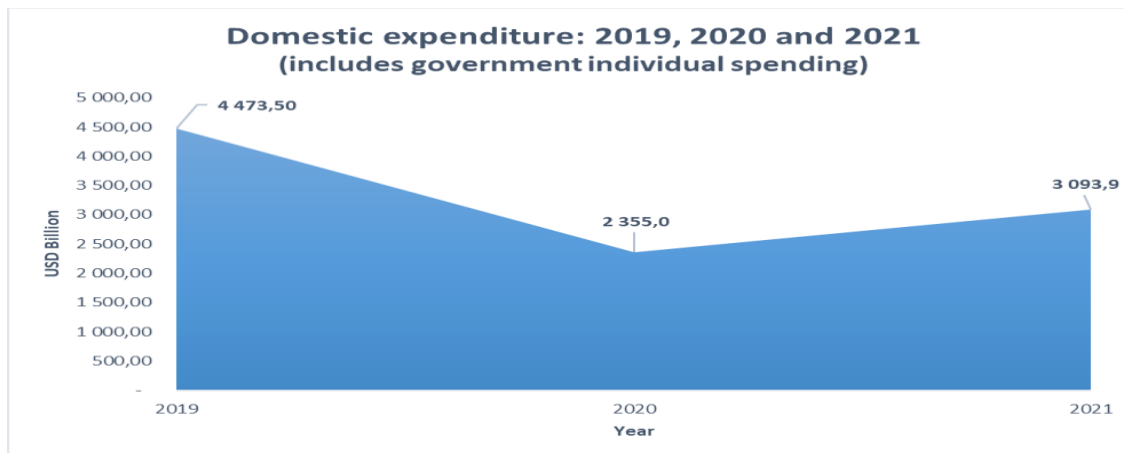
Section One: Domestic Tourism Expenditure Performance Globally:

1.1 Domestic Tourism Expenditure 2019, 2020 and 2021 (Real 2021 prices)

WTTC defines domestic expenditure as tourism spending within a country by that country's residents for both business and leisure trips. Multi-use consumer durables are not included since they are not purchased solely for tourism purposes. This is consistent with total domestic tourism expenditure definition used in TSA.

The figure below shows that domestic expenditure declined by -47,4% in 2020 compared to 2019, moving from USD4 473,5bn in 2019 to USD2 355,0bn in 2020. In 2021, total domestic expenditure increased by 31,4% compared to 2020.

Figure 28: Domestic Expenditure: 2019, 2020 and 2021



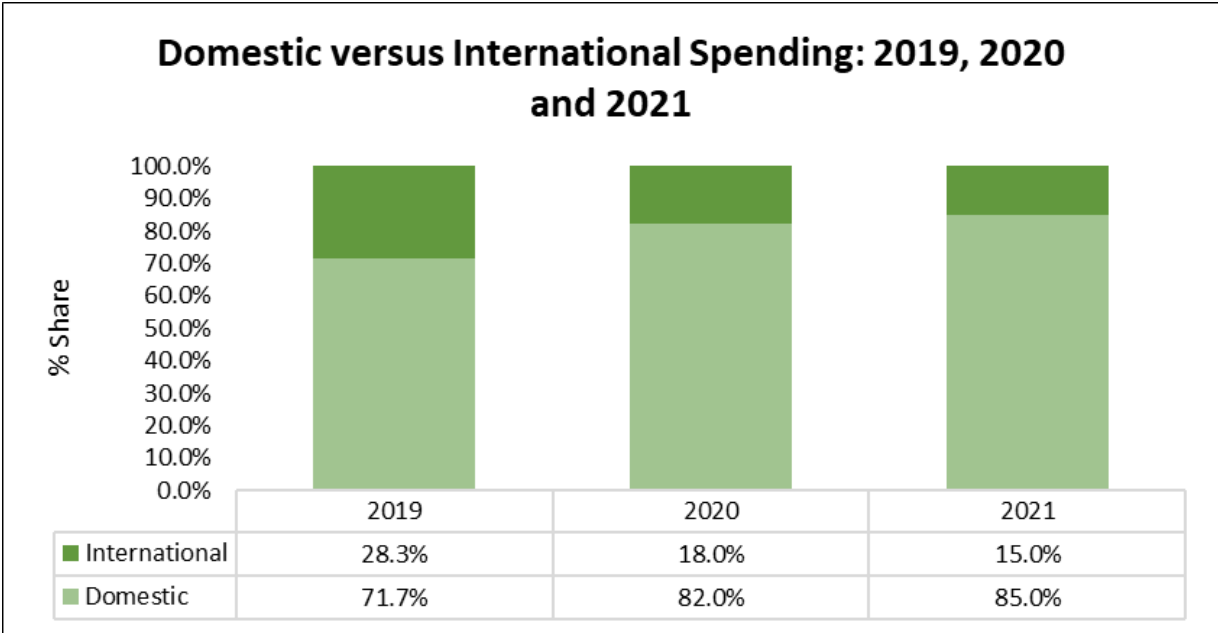
Indicator	2019	2020	2021
Domestic expenditure (includes government individual spending) (USD billion, real 2021 prices)	4 473,5	2 355,0	3 093,9
% Change		-47,4%	31,4%

Source: WTTC, World Report 2021

1.2 Domestic Spending versus International Spending Globally: 2019, 2020 and 2021

The figure below shows that domestic travel spending generated 85,0% of direct Travel & Tourism GDP in 2021 compared to 15,0% from international spending (i.e. foreign visitor spending or international tourism receipts). The share of international tourism spending has declined for 2020 and 2021 which could be a result of COVID-19 which prevented travel across countries.

Figure 29: Domestic Spending versus International Spending: 2019, 2020 and 2021



Source: WTTC, World Report 2021

1.3 Domestic Tourism Performance in Countries with the Highest Total GDP Contribution by the Travel and Tourism Sector

The table below ranks the top five countries according to the highest share of domestic spending to the total Travel and Tourism Spending. Japan leads with domestic tourism contributing 99,3% to the total travel and tourism spending in the country followed by Australia (98,0%), China (97,0%), the UK (96,2%) and Brazil (96,0%). According to UNWTO, domestic tourism has been responsible for the recovery of the sector in many destinations, in particular in those with a large domestic market. However, domestic tourism is still not compensating for the drop in international tourism in many countries that are largely dependent on international demand (UNWTO, May 2022).

Table 25: 2021 Share of Total Travel and Tourism Spending: Domestic versus International

Country	Domestic	International
Japan	99,3%	0,7%
Australia	98,0%	2,0%
China	97,0%	3,0%
United Kingdom	96,2%	3,8%
Brazil	96,0%	4,0%

Source: WTTC, World Report 2021 published in 2022

Section Two: South Africa’s Domestic Performance

2.1 South Africa's Domestic Tourism Performance

Growing domestic tourism in the country has become a top priority for South Africa since many destinations have only recently begun to open country borders for travel. Promoting domestic tourism has always been a priority for the Department of Tourism. In 2012, a Domestic Tourism Strategy was developed by the Department together with tourism stakeholders to increase domestic tourism expenditure (revenue), and domestic tourism volume, enhance measures and efforts aimed at addressing seasonality and equitable geographical spread and enhance the level of the culture of tourism/travel among South Africans (Domestic Tourism Strategy, 2012). The National Tourism Sector Strategy’s (NTSS) key pillars also include key elements that will drive the development and growth of the domestic market. The Tourism Sector Recovery Plan which was developed in March 2021 in response to the impacts of the COVID-19 crisis on the Tourism Sector, highlights the need to stimulate domestic tourism in the country which could assist with the recovery of the sector.

Domestic travel became a more viable solution that could assist in stimulating the tourism economy in South Africa. The lockdown regulations for provincial travel were eased before international travel in the country. Tourism marketing agencies used this opportunity to launch domestic tourism campaigns that were aimed to encourage South Africans to travel within the country. Some of these campaigns include amongst others:

- **We ARE OPEN:** In 2020, the Western Cape government in collaboration with Wesgro, launched the “We Are Open” domestic tourism campaign that encouraged South Africans to take advantage of the many affordable and world-class attractions that Cape Town and the Western Cape have to offer (Western Cape Government, 2020)
- **#Share South Africa campaign:** The campaign encouraged South Africans to travel locally by showcasing the tourist attractions in the different provinces. SMME workshops were also hosted in each province to allow these businesses to load their deals and products onto the Sho’t Left platform. The campaign was launched by South Africa Tourism (SA Tourism,2020)
- **Home Sweet Home:** In August 2022, the Industrial Development Corporation (IDC) in partnership with SA Tourism and TBCSA, worked with selected establishments, airlines, and tour operators to launch a travel campaign aimed at stimulating economic recovery and activity in the tourism sector. As part of the campaign, travellers have an opportunity to secure holiday and leisure travel at a significantly discounted rate of up to 35% to selected destinations spread across the country. The campaign works with a draw system whereby winners get up to 35% off the cost of their next local travel package. (IDC, 2022).

‘Fear of Travel’ after COVID-19 pandemic

These campaigns were particularly important to relieve the public’s fear and improve tourists’ safety in a post-pandemic context which was one of the effects of the COVID-19 pandemic. Research has indicated that the COVID-19 pandemic has created an unprecedented level of public fear and panic, which has negatively impacted the tourism industry and could impede tourism recovery after the pandemic is over (Zheng, Qiuju and Ritchie, 2021). The increasing number of cases and deaths has led to an unprecedented level of anxiety, fear and panic, and understandably, the avoidance of human contact. Statistics South Africa’s Midyear Population Estimates (MYPE) report, published in 2022, indicates that COVID-19 has had an impact on South Africa’s mortality rate (Stats SA,

2022). The report indicates that by 01 July 2021 the National Department of Health reported just over 60 000 people had lost their lives to COVID-19 and by the end of June 2022 cumulatively more than 101 000 confirmed COVID-19 deaths were reported (NICD, 2022). The report noted that these figures are conservative and vastly incomplete estimates. Data compiled by Medical Research Council (MRC) shows that currently, there have been over 300 000 excess deaths from natural causes in South Africa since the COVID-19 pandemic started. Almost 85% of excess deaths can be attributed to the COVID-19 pandemic (Moultrie et al., 2021). Considering the high number of deaths associated with COVID-19, it is understandable that there could be a fear of travel amongst South Africans.

As case study, in December 2021, Cape Town Tourism conducted a survey to understand the intentions and motivations of South Africans who intended to travel in December 2021. The survey also explored the challenges and influencing factors of respondents who indicated that they were not travelling during the period. The quantitative online survey was conducted during the period 14-21 October 2021. The sample included 1 728 responses of which 1 152 were travellers and 576 were non-travellers.

The key findings from the survey indicated that 67% of respondents planned to travel in December 2021 which was an improvement from the 60% of respondents who did not plan to travel in December 2020. Factors that influenced the decision to travel were the reduced number of cases as well as the rollout of the COVID-19 vaccine. Factors that influenced non-travel during the December period included; financial constraints (76%), Covid-19 concerns (27%), planning a trip in 2022 (6%), work commitments (5%), family (2%) and other (3%). Comparing the 2021 results with December 2020, respondents concerns for COVID-19 declined to move from 68% in December 2020 to 27% in 2021.

In assessing how COVID-19 safety protocols influence the choice of a travel destination, 57% of the total sample indicated that the vaccination rate and/or COVID-19 safety protocols influence their choice of travel destination (Cape Town Tourism, 2021). These findings suggested that South Africans were beginning to have more confidence to travel.

A better understanding of tourists' 'travel fear' can offer insights for tourism policy-makers and providers to boost the post-pandemic tourism recovery (Zheng, Qiuju and Ritchie, 2021). Many countries are adopting strategies that are aimed at building public confidence around safe travelling while living with a pandemic.

2.2 Challenges for South Africa's Domestic Tourism Recovery

The rising costs of fuel and energy in 2022 have become the leading cause of concern for travellers. To make a profit, many transport businesses may be forced to levy additional surcharges increasing the cost to the consumer which could negatively impact the travel industry's recovery from the effects of the pandemic. According to the research company, Global Data, Global Consumer Survey findings for 2021: Q3 indicate that 58% of respondents said that cost was the main deciding factor when booking a holiday. With the possibility of looming surcharges, many customers will likely be deterred from booking a holiday in 2022 and 2023 (Hotel Management Network, 2022).

In June 2022, all Comair flights namely Khulula and British Airways were cancelled due to the company's financial challenges. Comair is estimated to have been responsible for up to 40% of the country's aviation capacity (Smith, 2022). The suspension of Comair flights has reduced the supply of flights between Johannesburg, Cape Town and Durban, and into the Eastern Cape. Flight prices have increased dramatically in South Africa in recent months as the availability of seating declined following the liquidation of Khulula operator Comair in June 2022.

Considering the challenges above for the domestic tourism market, TBCSA has recommended that tourism businesses will have to work together to develop packages that are affordable for the South African market (PMG, 2022).



CHAPTER FIVE: TOURISM OUTLOOK AND RECOVERY

The findings presented in the chapters above indicate that the tourism sector's recovery from COVID-19 is dependent on a number of factors namely; socio-economic conditions, vaccination rates, and travel confidence (UNWTO, 2022). This chapter of the report uses scenarios from UNWTO to estimate global tourist arrivals for 2022. For South Africa, data from Euromonitor and Oxford Economics was used to provide tourist arrival estimates for 2022, 2023, 2024 and 2025.

Section One: Global Tourism Outlook Performance

This section of the report uses scenarios from UNWTO to estimate global tourist arrivals for 2022.

1.1 International Tourist Arrivals Forecasts from UNWTO

UNWTO has published 2022 scenarios for global tourist arrivals as indicated in the figure below. There are two scenarios presented by UNWTO for 2022 global tourist arrivals. The following assumptions are provided for each of the scenarios.

Scenario 1 (baseline) assumes:

- traveller sentiment will continue improving strongly in the coming months;
- a growing number of destinations will continue to lift all coronavirus-related travel restrictions;

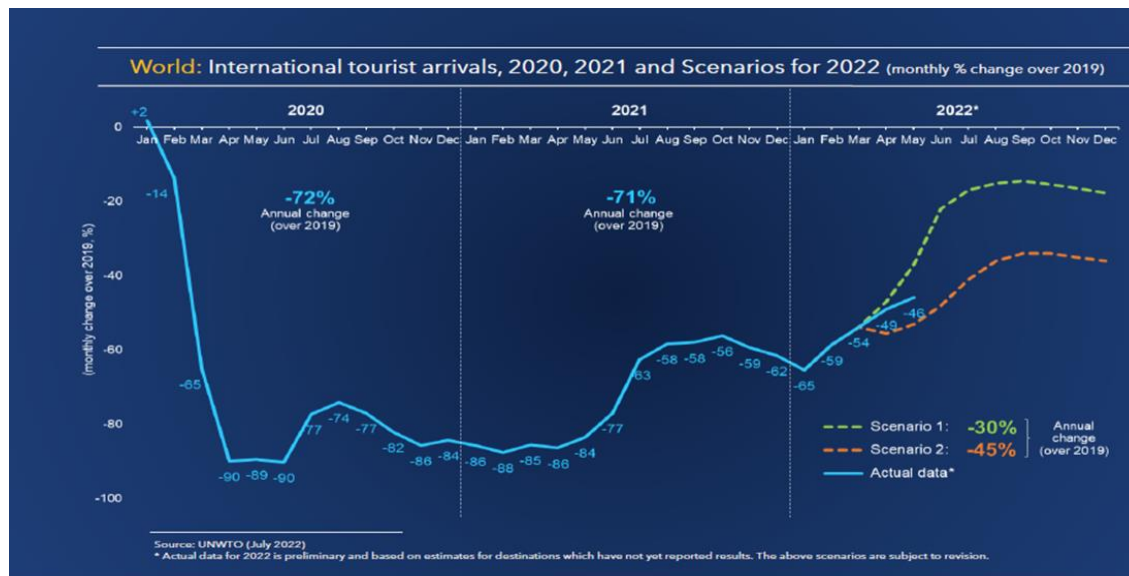
- Health conditions will continue improving or remain favourable in destinations where infections are already very low, with no major reversals; and
- limited deteriorating economic conditions, mostly high inflation.

Scenario 2 (downside) assumes:

- slower recovery due to prolonged travel restrictions in some parts of the world despite traveller confidence rising considerably; and
- the slightly larger impact from economic factors, including high oil prices and thus those more expensive transport and accommodation services.

The figure below indicates that in scenario one, international arrivals are expected to climb to 70% of 2019 levels in 2022 (-30% compared to 2019). Scenario two estimates international arrivals to reach 55% of 2019 levels (-45% versus 2019). Looking at global tourist arrivals data for the first five months of 2022 (actual data), that data could follow both scenarios. UNWTO has reported that the sector could potentially expect a slower recovery forward in 2022 due to the rising oil prices and weaker consumer confidence that could dampen travel demand in the coming months. The recent challenges reported by the aviation industry were namely, long queues at the airports, flight delays and cancellations in some airports. These challenges could also impact international tourism numbers going forward. UNWTO also indicated that the war in Ukraine might also disrupt international travel in parts of Eastern Europe (UNWTO, 2022).

Figure 30: Forward-looking: International Tourist Arrivals for 2020, 2021 and estimates for 2022



Source: World Tourism Barometer, May and July 2022

1.2 Forecasts from WTTC: Global Economic Value of Tourism

Forecasted figures from WTTC indicate that the future outlook for the Travel and Tourism sector is positive. Travel & Tourism contribution to total GDP is set to grow on average by 5.8% annually between 2022 and 2032, outpacing the growth of the overall economy (2.7% per year). WTTC has also reported that the Travel & Tourism sector's total GDP contribution could return to 2019 levels by the end of 2023. The research also indicates that the sector is also expected to create nearly 126 million new jobs within the next decade. The recovery of the Travel and Tourism sector however is dependent on favourable socio-economic conditions. Governments need to focus on co-existing with COVID-19 while enhancing preparedness for future crises, offering safe travel experiences, supporting equitable vaccine distribution and continuing to ease the conditions of entry to destinations (WTTC, 2022).

Section Two: South Africa's Tourism Outlook Performance

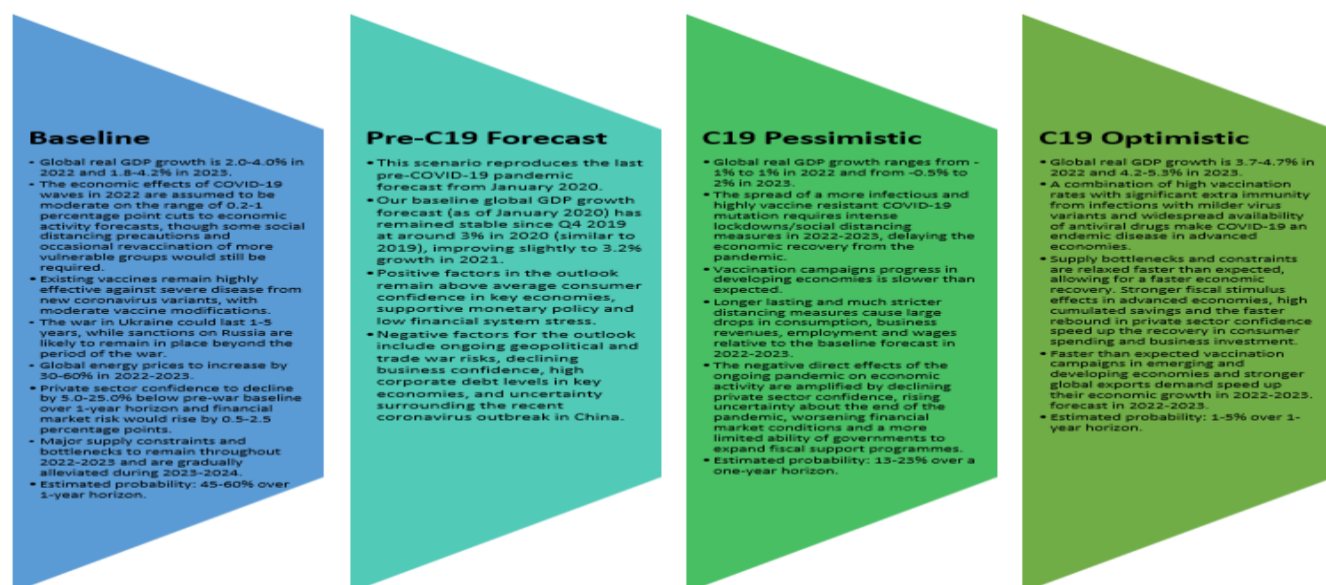
This section presents South Africa's expected performance for the tourism sector by using forecasted data from different sources. The data is sourced from Oxford Economics, Euromonitor and WTTC.

2.1 Tourist Arrival forecasts for South Africa

2.1.1 Forecasts from Euromonitor

Scenarios from Euromonitor that were used to estimate tourist arrivals for South Africa for the period 2020 -2025 are indicated by Figure 31 below. The assumptions for the different scenarios are also presented in this figure.

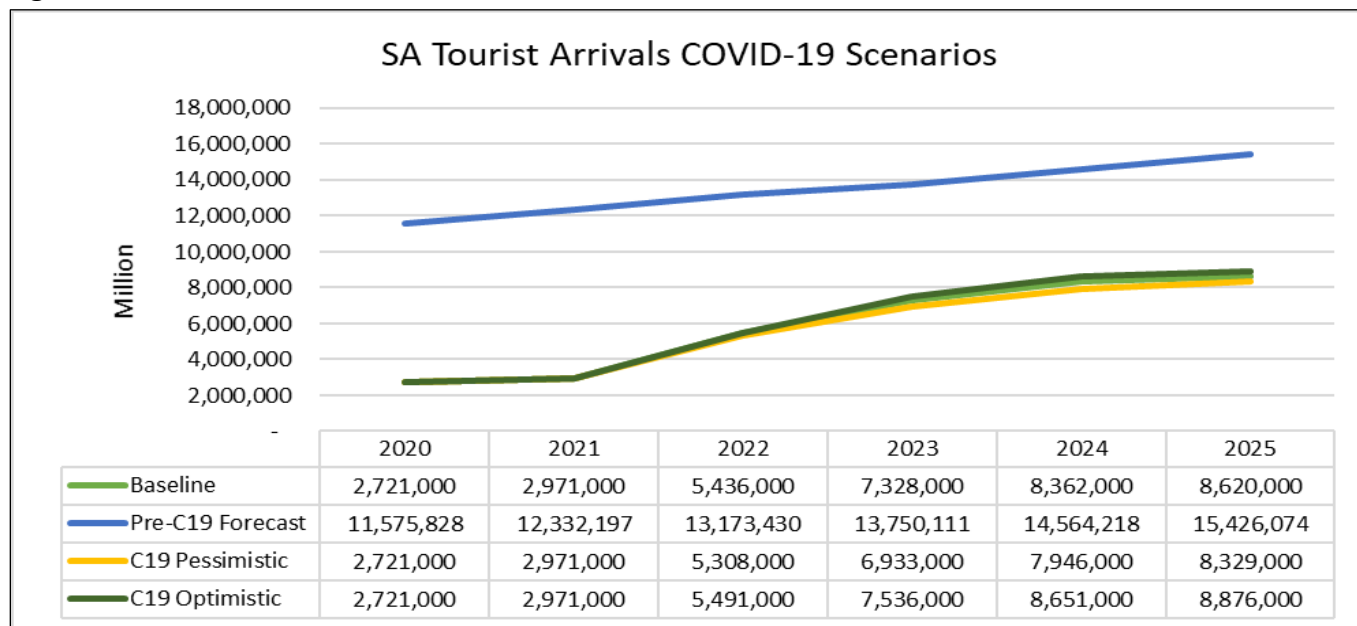
Figure 31: Euromonitor Convid-19 Assumptions for Different Scenarios



Source: Euromonitor COVID-19 Dashboard tool, data downloaded in September 2022

The figure below provides the tourist arrivals forecasts for 2020 to 2025

Figure 32: South Africa's Forecasted Tourist Arrivals for 2020- 2025



% Change	2021 compared to 2020	2022 compared to 2021	2023 compared to 2022	2024 compared to 2023	2025 compared to 2024
Baseline	9.2%	83.0%	34.8%	14.1%	3.1%
Pre-C19 Forecast	6.5%	6.8%	4.4%	5.9%	5.9%
C19 Pessimistic	9.2%	78.7%	30.6%	14.6%	4.8%
C19 Optimistic	9.2%	84.8%	37.2%	14.8%	2.6%

Source: Euromonitor COVID-19 Dashboard tool, data downloaded on 01 September 2022

As seen above, the pre-covid-19 scenario uses previous tourist arrivals figures that were not affected by COVID-19 to predict tourist arrivals for future years (2020-2025). Under this scenario, tourist arrivals were expected to increase during the period 2020-2025 which can be seen in the table above.

Forecasts from the baseline scenario indicated that South Africa's tourist arrivals in 2020 could only reach 2.7 million which is almost close to the actual tourist numbers reported by Stats SA for 2020 (2.8 million). Under this scenario, tourist arrivals for 2021 were forecasted to be close to 3 million which is an increase of 9,2% compared to 2020 forecasts (2,7 million). The main assumptions for the baseline scenario indicate that COVID-19 waves in 2022 will be moderate though some social distancing precautions

and occasional revaccination of more vulnerable groups would still be required. Under the baseline scenario, many developing economies are unlikely to vaccinate the majority of their populations before 2023-2024 or later, however growing tolerance of occasional COVID-19 spikes is likely to moderate the economic effects of the virus outside China. The war in Ukraine could last 1-5 years, while sanctions on Russia are likely to remain in place beyond the period of the war. Global energy prices are to increase by 30-60% in 2022-2023 and private sector confidence is expected to decline (Euromonitor, 2022).

The C19 pessimistic scenario assumes that global real GDP growth would range from -1% to 1% in 2022 and from -0.5% to 2% in 2023. The spread of a more infectious and highly vaccine-resistant COVID-19 mutation requires intense lockdowns/social distancing measures in 2022-2023, delaying the economic recovery from the pandemic. Longer lasting and much stricter distancing measures cause large drops in consumption, business revenues, employment and wages relative to the baseline forecast in 2022-2023. The negative direct effects of the ongoing pandemic on economic activity are amplified by declining private sector confidence, rising uncertainty about the end of the pandemic, worsening financial market conditions and a more limited ability of governments to expand financial support programmes. Considering these assumptions, it was forecasted that tourist arrivals for 2020 would be about 2,7 million and would increase to 2,9 million in 2021 which is an estimated growth of 9,2%. Under this scenario, tourist arrivals are also forecasted to increase in 2022 by 78,7% moving from 2,9 million in 2021 to 5,3 million in 2022.

The C19 optimistic scenario, forecasts tourist arrivals for 2020 also to be 2,7 million and is expected to increase to 2,9 million in 2021. Under this scenario, tourist arrivals are expected to increase in 2022 to 5,3 million which is an increase of 84,8% compared to forecasted figures for 2021 (2,9 million). The main assumptions for this scenario include; global real GDP growth would be between 3.7%-4.7% in 2022 and 4.2%-5.3% in 2023. A combination of high vaccination rates with significant extra immunity from infections with milder virus variants and the widespread availability of antiviral drugs make COVID-19 an endemic disease in advanced economies. Supply bottlenecks and constraints are relaxed

faster than expected, allowing for a faster economic recovery. stronger fiscal stimulus effects in advanced economies, high cumulated savings and the faster rebound in private sector confidence speed up the recovery in consumer spending and business investment. Faster than expected vaccination campaigns in emerging and developing economies and stronger global export demand speed up their economic growth in 2022-2023 (Euromonitor, 2022).

Actual tourist arrivals data for the period January-June 2022 compared to January-June 2021 indicate that total tourist arrivals went up by 146,8% moving from a total of 926 262 tourist arrivals recorded during January-June 2021 to 2 285 746 during the period January-June 2022. Considering the assumptions for each of the scenarios and the actual data for tourist arrivals for January-June 2022, the data seems to be following the Baseline scenario which assumes an increase in tourist arrivals for 2022 compared to 2021. This could be related to the scenario assumptions namely; the current low vaccination rates in many developing economies; the growing tolerance of occasional COVID-19 spikes and the war in Ukraine which is continuing and there is no sign of a ceasefire (Euromonitor, 2022).

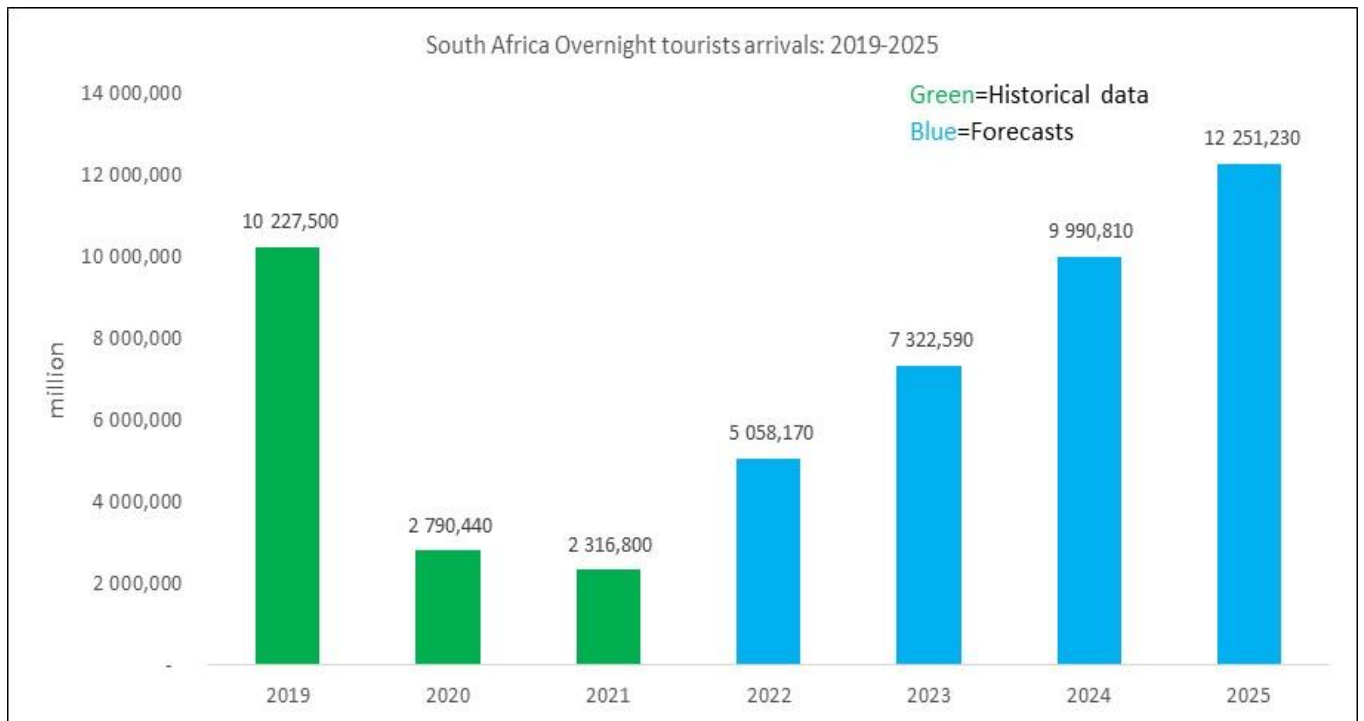
2.1.2 Forecasts from Oxford Economics: South Africa Overnight Tourist Arrivals

The figure below provides data from Oxford Economics on South Africa's overnight tourist arrivals for the period 2022-2025. Oxford Economics has stated that the definition for overnight tourist arrivals prescribes to the UNWTO definition standards. Using historical data from UNWTO, forecasted data is calculated using Oxford Economics' global macroeconomic outlook, which provides a fully linked view of economic and tourism demand for each origin and destination based upon a common set of assumptions. It is important to note that there is a slight discrepancy in the actual tourist arrivals data for South Africa used in the model. For example, actual tourist arrivals data for 2020 was 2 802 320 and Oxford Economics data reports 2 790 440.

The forecasted data from Oxford Economics indicated that tourist arrivals for 2022 compared to 2021 could increase by 118,3% moving from 2 316 800 in 2020 to 5 058

170. As mentioned above most recent tourist arrival figure for Jan-June 2022 was 2 285 746. Considering that there are six months left for the year, it is estimated that the tourist arrivals data could be more than double the 2020 figure as indicated by the Oxford Economics forecasted target for 2022. The forecasted data also indicates that tourist arrivals performance for South Africa could be more than 2019 levels by 2025 (12 251 230).

Figure 33: Oxford Economic Forecasts for South Africa’s Overnight Tourist Arrivals



	2019	2020	2021	2022	2023	2024	2025
Overnight tourist arrivals	10 227 500	2 790 440	2 316 800	5 058 170	7 322 590	9 990 810	12 251 230
% Change		-72,7%	-17,0%	118,3%	44,8%	36,4%	22,6%

Source: Oxford Economics, Tourism Databank, data downloaded on 16 September 2022

2.2 Forecasts from WTTC: Economic Value of Tourism for South Africa

Research conducted by WTTC indicates that South Africa's Travel and Tourism sector could grow at an average rate of 7.6% annually over the next decade. The sector's contribution to GDP could also reach more than ZAR 554.6 billion (7.4% of the total economy), injecting nearly ZAR 287 billion into the national economy by 2032. The sector is also expected to create more than 800,000 jobs over the next decade, to reach more than 1.9 million by 2032 (WTTC, July 2022). WTTC has also suggested that South Africa's performance was negatively affected by the detection of the Omicron virus which resulted in many countries limiting travel to South Africa. Considering these findings, South Africa's tourism sector recovery is also dependent on the government's ability to manage COVID-19 including the emergence of new variants (WTTC, 2022).

For the tourism sector to achieve a positive and sustainable recovery from COVID-19, the WTTC recommended that the lessons learned from the COVID-19 pandemic be included in the different tourism recovery plans and future crisis management strategies that countries have developed or are in the process of developing. The WTTC has developed a report that documents the lessons learnt during COVID-19 for the travel and tourism sector. Below is a summary of the lessons. More details can be found in the WTTC report:

LESSONS LEARNT DURING COVID-19, 2021.

LESSONS LEARNT FROM the COVID-19 Pandemic for the Travel and Tourism Sector, 2021.

- Collaboration & co-ordination are integral to crisis management
- Partnerships are key for managing a crisis
- Importance of crisis management to focus on humanity
- Government support is fundamental to crisis management & recovery
- Flexible systems tend to be more resilient
- Building trust with all stakeholders is an ongoing activity
- Health & hygiene are the new normal
- Sustainability is a collective responsibility
- Mental health is vital to a healthy and prosperous life
- Home is not always a "safe space"
- Large-scale digital adoption is possible

Sourced From WTTC: LESSONS LEARNT DURING COVID-19, 2021.

References

1. Airports Company South Africa (ACSA) data cuts. 2022. December 2021
2. Bloom Consulting. 2020. COVID-19 The Impact on Tourist Behaviours.
3. Bradshaw, D., Dorrington R.E., Laubscher R., Groenewald, P. and Moultrie, T., (2022). COVID-19 and all cause mortality in South Africa-the hidden deaths in the first four waves. South African Journal of Science. Vol 118 no 5/6 May/June 2022.
4. Cape Town Tourism. 2021. Domestic travel intent South African domestic consumer research December 2021.
5. Capital Business. 2022. African Tourism Sees 12pc Jump In 2021 But Remains Well Below Pre-Pandemic Levels: <https://www.capitalfm.co.ke/business/2022/01/african-tourism-sees-12pc-jump-in-2021-but-remains-well-below-pre-pandemic-levels/>
6. Department of Tourism. 2012. Domestic Tourism Strategy.
7. Department of Tourism. 2021. Tourism Sector Recovery Plan.
8. Euromonitor COVID-19 Dashboard tool, data downloaded on the 27 May 2022
9. Euromonitor. 2022. Covid-10 dashboard data cuts.
10. Euromonitor. 2022. Travel Survey Findings.
11. Holder. 2022. Tracking Coronavirus Vaccinations Around the World: <https://www.nytimes.com/interactive/2021/world/covid-vaccinations-tracker.html>
12. Hotel Management Network. 2022. Increased cost of living could result in holiday surcharges: <https://www.hotelmanagement-network.com/comment/increased-cost-holiday-surcharges/>
<https://www.gov.za/speeches/deputy-minister-lindiwe-sisulu-tourism-dept-budget-vote-202223-19-may-2022-0000>).
13. International Airport Transport Association (IATA). 2022. Air Passenger Numbers to Recover in 2024
14. International Airport Transport Association (IATA). Passenger Analysis, 2021. Air Passenger Numbers recovery (March 2022)
15. International Development Cooperation (IDC). 2022. Home Sweet Home Campaign Launch.
16. International Monetary Fund (IMF), April 2022. World Economic Outlook: War Sets Back
17. National Institution of Communicable Diseases (NICD). 2022.

18. Parliamentary Monitoring Group (PMG). TBCSA Parliamentary briefing: Tourism Sector current state of affairs, 15 March 2022: <https://pmg.org.za/committee-meeting/14071/>
19. Planning Tank. 2018. 5 Factors Influencing Tourist Destination and Tourism. <https://planningtank.com/city-insight/5-factors-influencing-tourist-destination-and-tourism#:~:text=5%20Factors%20Influencing%20Tourist%20Destination%20and%20Tourism%201,...%205%205.%20Closeness%20of%20the%20destination%20>
20. Price Waterhouse & Coopers (PWC). 2022. South African Economic Outlook 2022: <https://www.pwc.co.za/en/publications/south-african-economic-outlook.html>
21. Saleh. 2022. COVID-19 vaccination rate in Africa 2022, by country. <https://www.statista.com/statistics/1221298/covid-19-vaccination-rate-in-african-countries/>
22. Smith. 2022. 'Squeeze' on local flights as Comair operations remain suspended: <https://www.news24.com/fin24/companies/travelandleisure/squeeze-on-local-flights-as-comair-operations-remain-suspended-20220606>).
23. South Africa Tourism (SA Tourism). 2022. South Africa Tourism Performance Report 2021.
24. South Africa Tourism. South African Tourism announces campaign to inspire travellers to do Summer Differently. 2020.
25. South African Government. 2022. Deputy Minister Lindiwe Sisulu: Tourism Dept Budget Vote 2022/23.
26. Statistics South Africa (Stats SA). 2022, Accommodation data cuts. 21st February 2022.
27. Statistics South Africa (Stats SA). 2022, Tourism & Migration data, December 2021.
28. Statistics South Africa (Stats SA). 2021, Mid-Year Population Estimates. 2022.
29. Statistics South Africa (Stats SA). 2022. Food and beverages data cuts, 21st February 2022.
30. STR Hotel Global. Hotel Data: South Africa. December 2021.
31. STR Hotel Global. Hotel Data: World. December 2021.
the Global Recovery. Washington.
32. Western Cape Government. 2020. We Are Open” domestic tourism campaign launched: <https://www.westerncape.gov.za/news/%E2%80%9Cwe-are-open%E2%80%9D-domestic-tourism-campaign-launched>

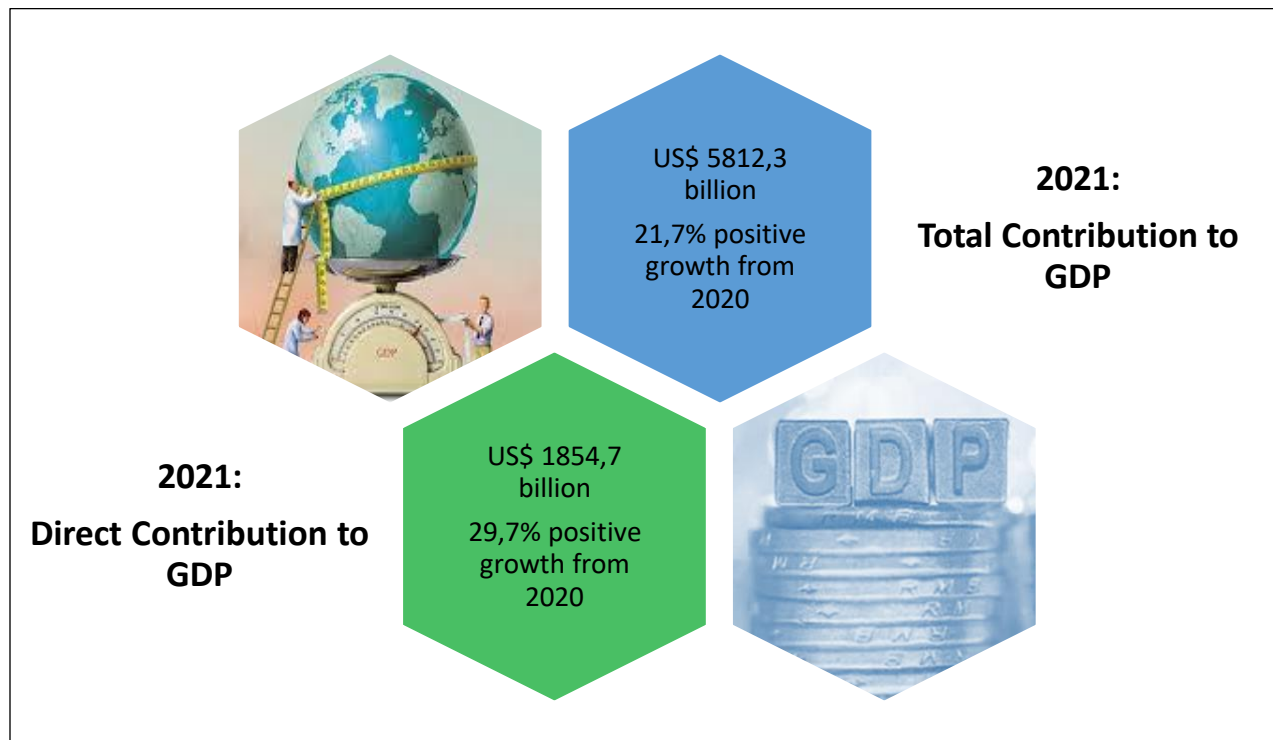
33. World Economic Forum (WEF). 2020. Top factors travellers will consider before planning a trip – what hard-hit countries can consider:
<https://www.weforum.org/agenda/2020/07/top-factors-travellers-will-consider-post-covid-19-what-hard-hit-countries-can-consider/>
34. World Economic Forum (WEF). 2022. Travel & Tourism Development Index 2021. Rebuilding for a Sustainable and Resilient Future.
35. World Health Organisation (WHO). 2022. Covid-19 Dashboard:
<https://covid19.who.int/region/afro/country/za>
36. World Tourism Organisation (UNWTO). 2020. Covid-19 Response: 96% of Global Destinations Impose Travel Restrictions. <https://www.unwto.org/news/covid-19-response-travel-restrictions>
37. World Tourism Organisation (UNWTO). 2020. UNWTO adapts agenda for Africa to accelerate tourism recovery. <https://www.unwto.org/news/unwto-adapts-agenda-for-africa-to-accelerate-tourism-recovery>
38. World Tourism Organisation (UNWTO). UNWTO World Tourism Barometer, May 2022
39. World Tourism Organisation (UNWTO). UNWTO World Tourism Barometer, May 2022
40. World Tourism Organisation. 2022. Policy Brief on Tourism and COVID-19:
<https://www.unwto.org/tourism-and-covid-19-unprecedented-economic-impacts>
41. World Travel and Tourism Council (WTTC), Travel and Tourism Economic Impact: South Africa Report: 2021. 2022.
42. World Travel and Tourism Council (WTTC): 2018. Domestic tourism importance and economic impact.
43. World Travel and Tourism Council (WTTC): Travel and Tourism Economic Impact: World 2021. 2022.
44. World Travel and Tourism Council (WTTC): Travel and Tourism Economic Impact: World 2020. 2021.
45. World Travel and Tourism Council (WTTC): Travel and Tourism Economic Impact: Africa Report 2021. 2022.
46. Zheng, Qiuju, and Ritchie. 2020. Afraid to travel after COVID-19? Self-protection, coping and resilience against pandemic ‘travel fear’

ANNEXURE A: STR 2020/21 HIGHLIGHTS

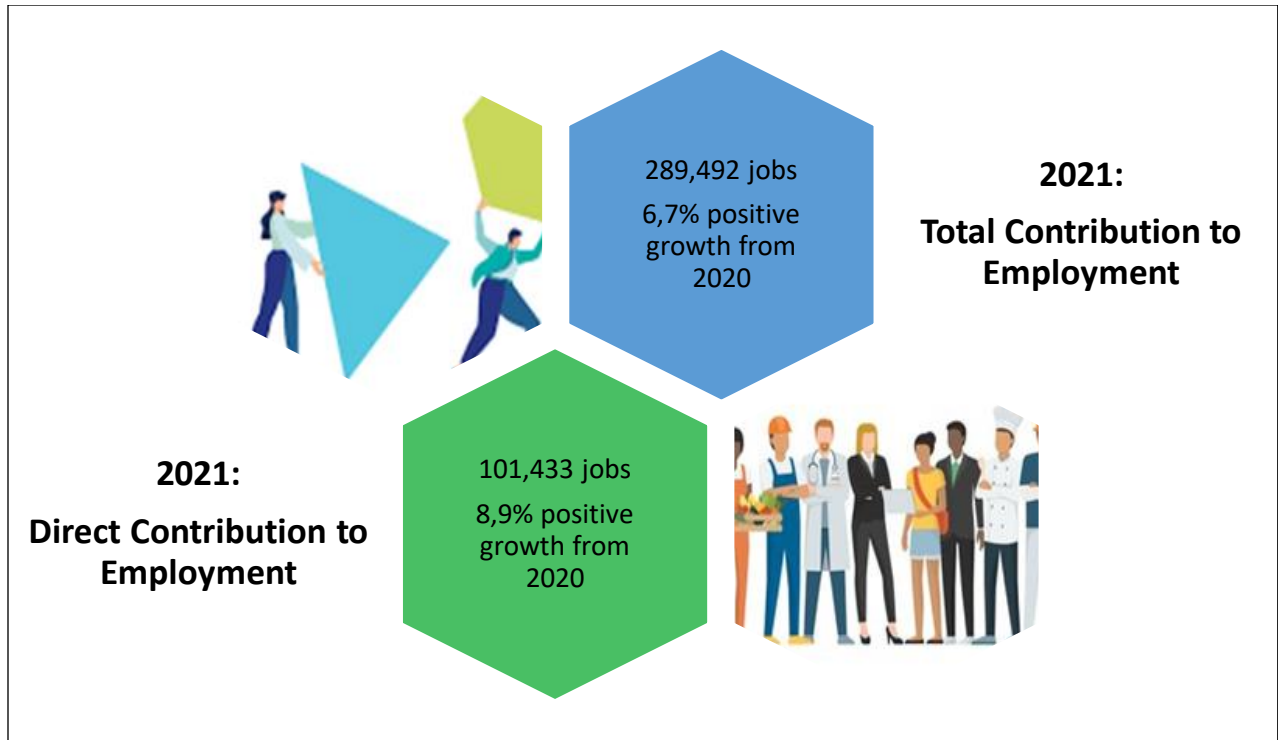
This section aims to highlight the performance of key indicators reported on in the STR 2020/21. A more detailed description of the indicators reported in this section can be found in the different chapters of the 2020/21 STR.

THE ECONOMIC VALUE OF TOURISM

Global Performance:

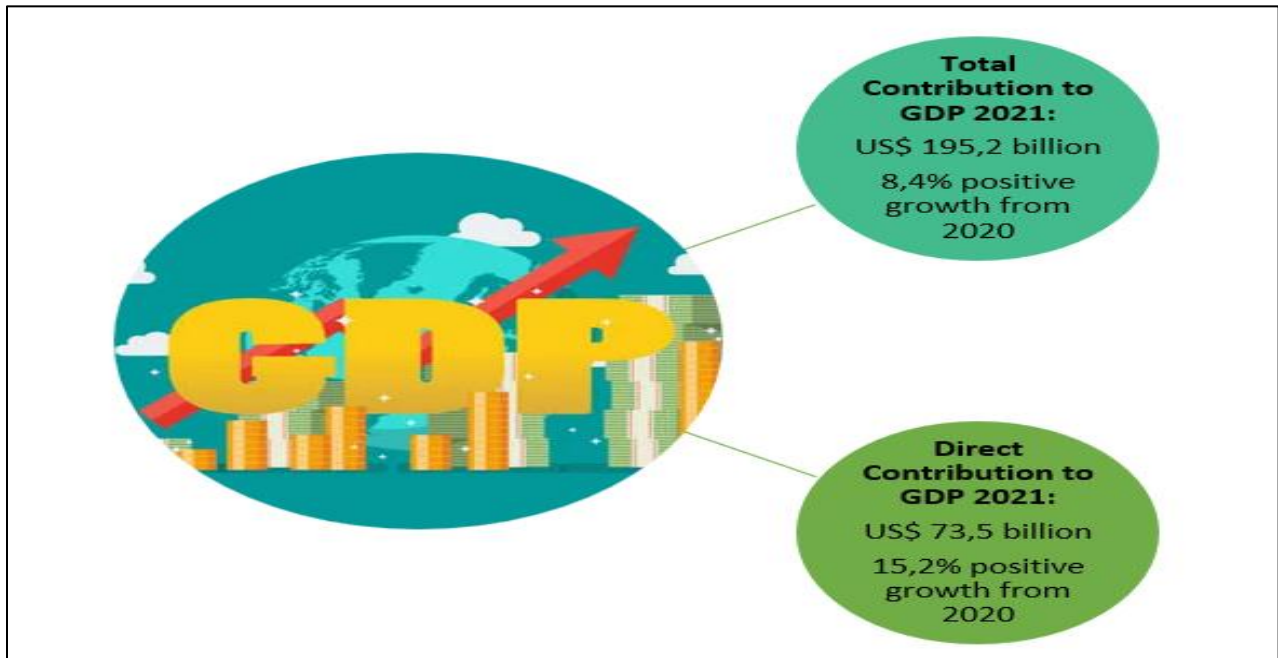


- According to WTTC, the total contribution of the travel and tourism sector to the global economy was about US\$5 812,3 billion in 2021 (6,1% of global GDP). This was a 21,7% positive growth from 2020 compared to 2021.
- The travel and tourism sector's direct contribution to GDP increased to US\$1 854,7 billion (2,0% of GDP) in 2021 compared to US\$1 430,5 billion (1,6% of global GDP).

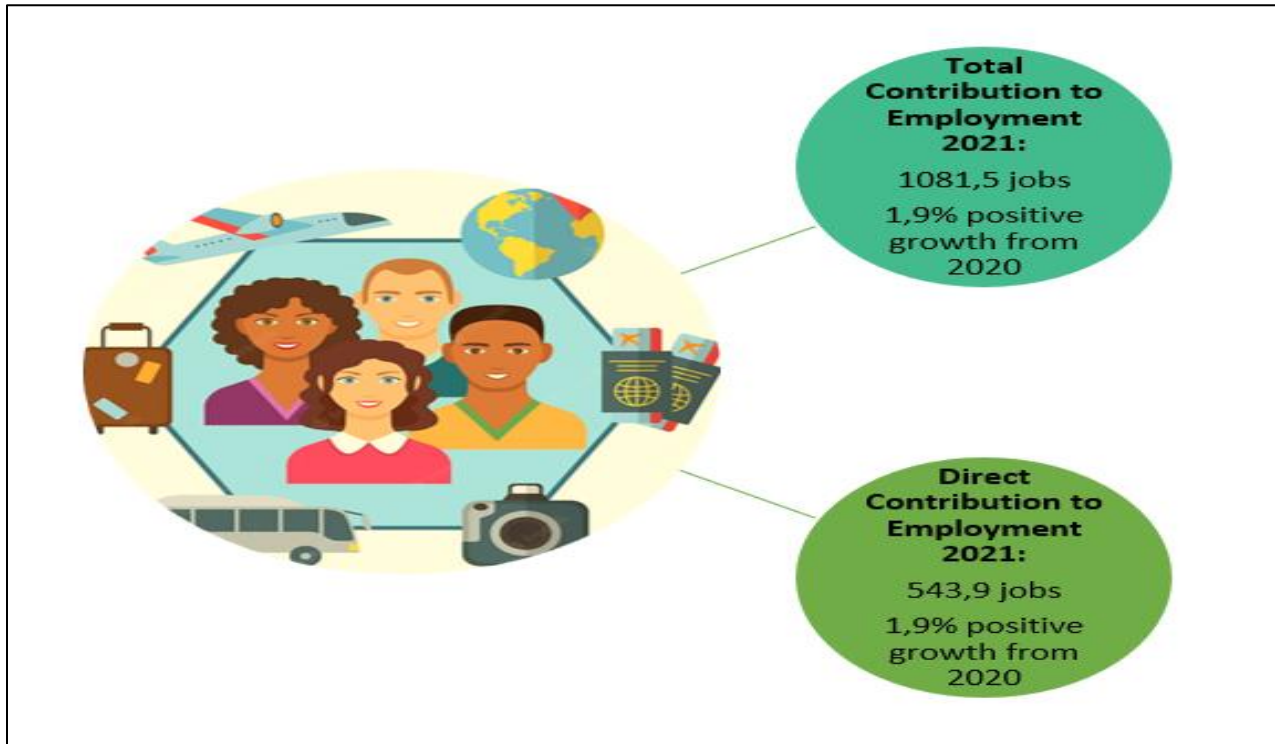


- The total and direct contribution of the travel and tourism sector to employment globally increased by 6,7% and 8,9% respectively in 2021 compared to 2020.

South Africa's Performance:



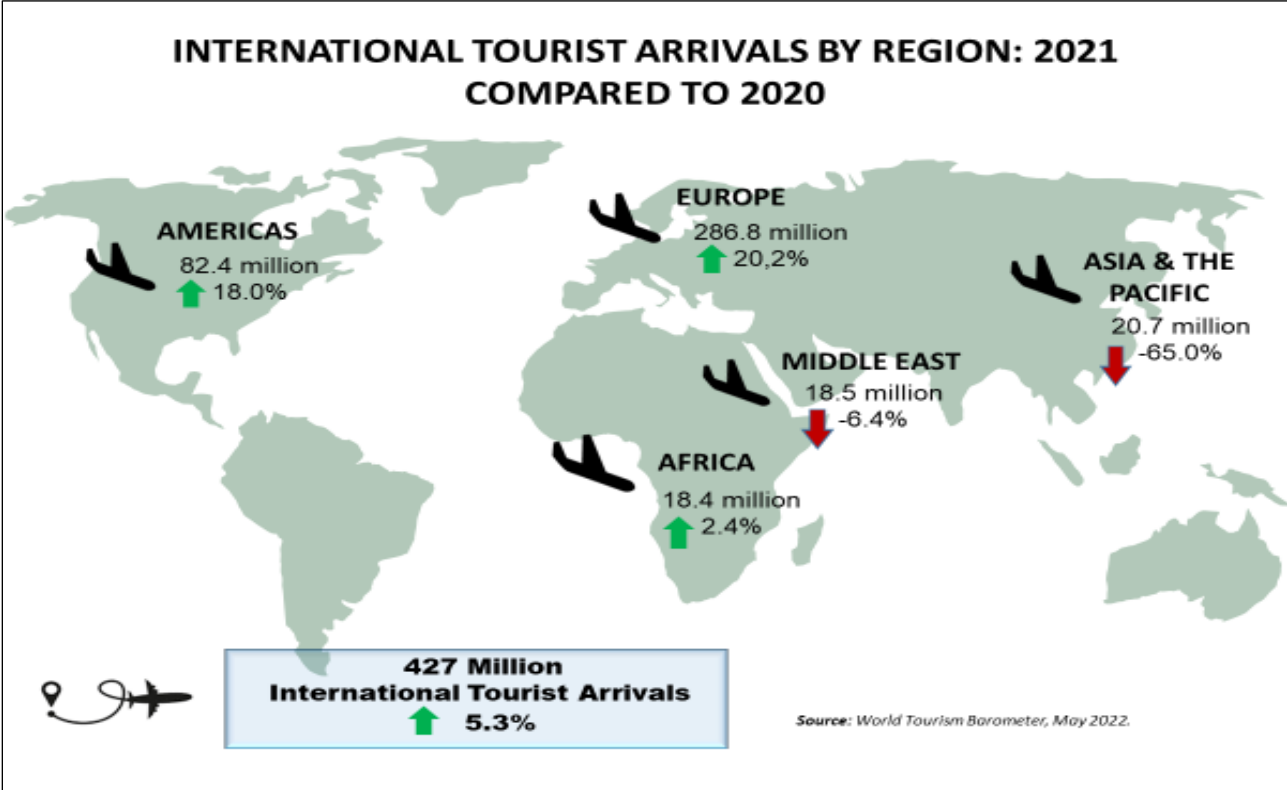
- WTTTC estimated that the total (direct and indirect) contribution of South Africa's travel and tourism sector to GDP increased from R180,0 billion in 2020 to R195,2 billion in 2021 (3.2% of GDP), which was an increase of 8,4%.
- The direct contribution of travel and tourism sector to GDP went up from R63,8 billion in 2020 to R73,5 billion in 2021 (1,2% of GDP), which was an increase of 15,2 %.



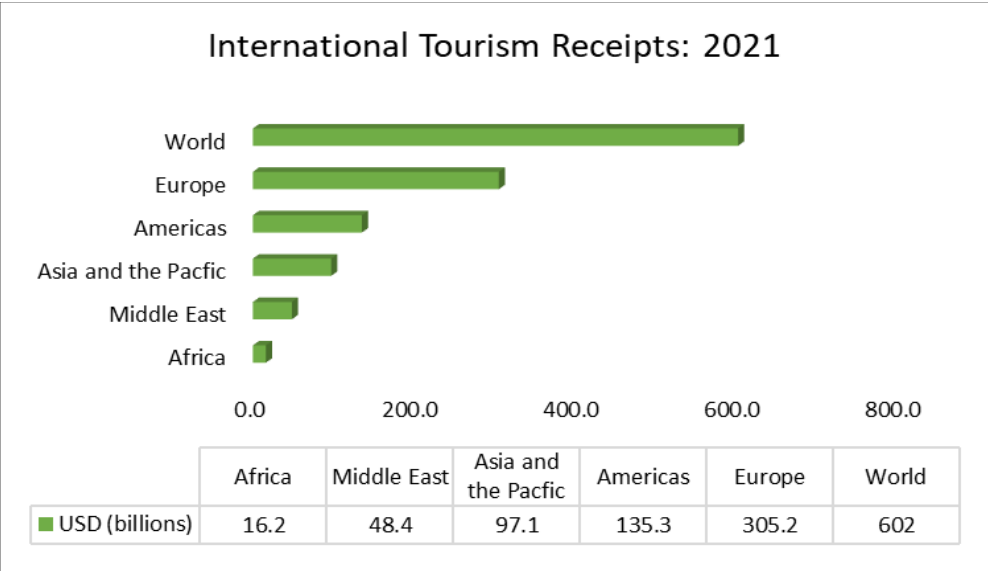
- In 2021 the travel and tourism sector contributed about 1081,5 jobs, which was a significant increase of 1,9% (contributing 7,3% to total employment) compared to 1061,4 jobs (7,0 share % to the country's total employment) in 2020.
- It was estimated that the direct contribution of tourism to employment would increase from 509 000, 000 in 2020 to 543 900, 000 in 2021 (3,7% of GDP), which was a positive growth of 1,9%.

INBOUND TOURISM PERFORMANCE

Global Performance:

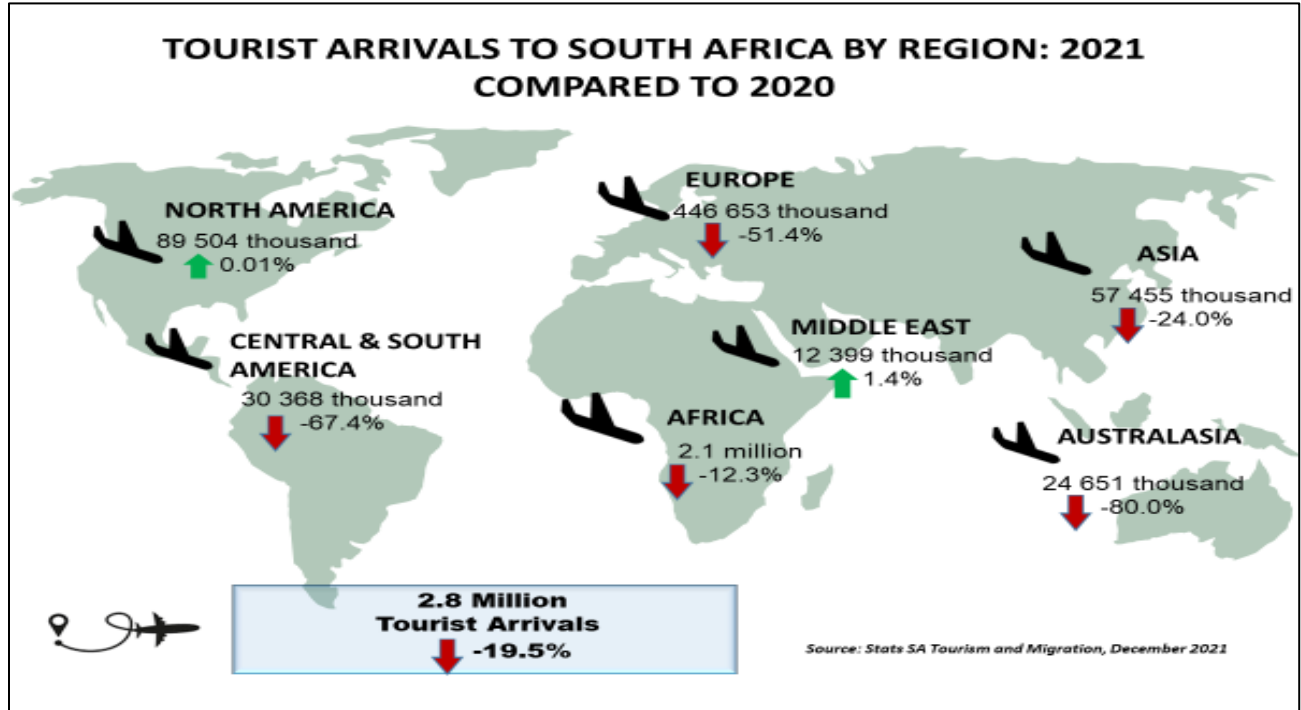


- Total international tourist arrivals for 2021 was 427 million which is an increase of 5,3%. All regions had an increase in international arrivals except Asia and the Pacific (-65,0%) and Middle East (-6,4%).



- The total international tourism receipts generated in 2021 went up by 4,4% in real terms and this was an amount of about US\$ 602 billion in 2021.

South Africa's Performance:



- South Africa received 2.8 million international tourist arrivals in 2021. North America and Middle East were the only regions that recorded a positive growth.

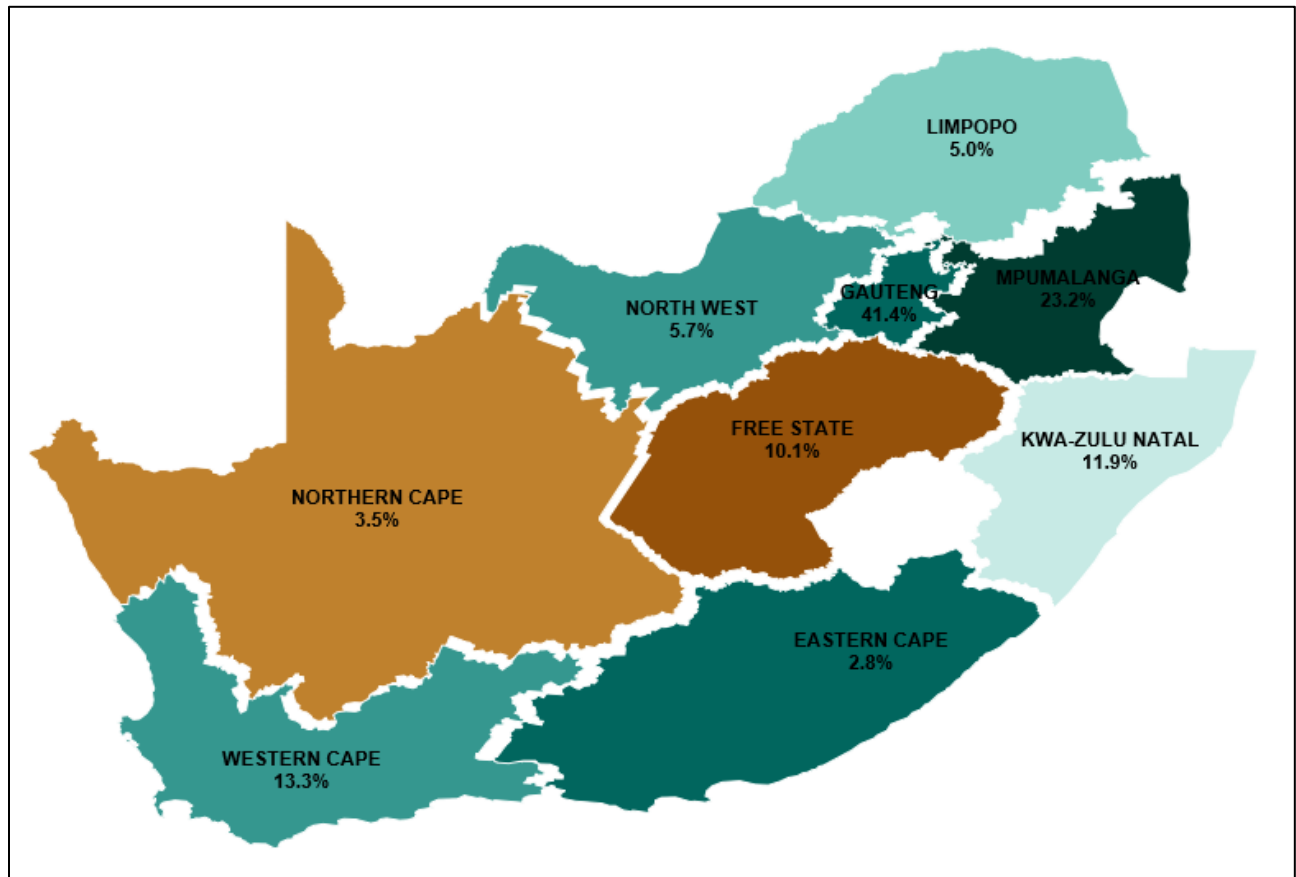
South Africa's Top 5 African and Overseas Source Markets: 2021

AFRICAN SOURCE MARKETS			OVERSEAS SOURCE MARKETS		
1		Mozambique	1		USA
2		Zimbabwe	2		UK
3		Lesotho	3		Germany
4		Eswatini	4		The Netherlands

5		Botswana	5		France
---	---	----------	---	--	--------

- Mozambique and the USA were the main African and Overseas source markets respectively for South Africa in 2021.

Main Purpose of Visit for International Tourist Arrivals: 2021

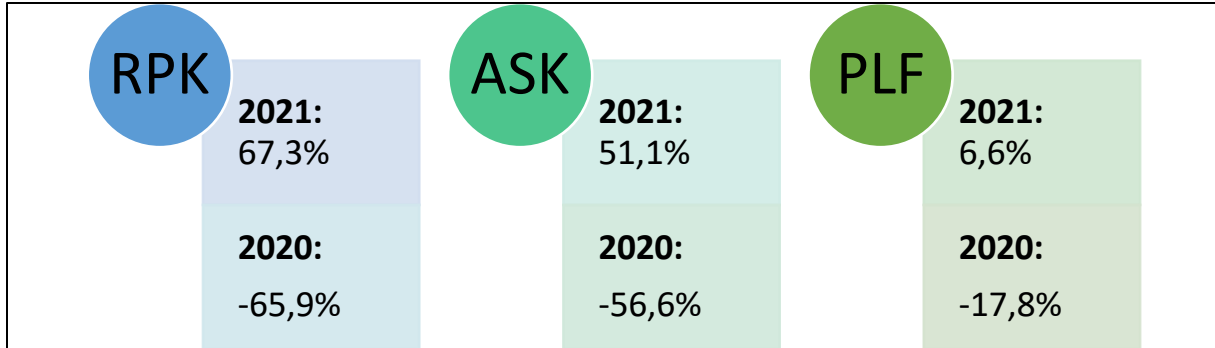


- In 2021, most international tourists visited Gauteng and Eastern Cape was the least visited province.

PERFORMANCE OF TOURISM RELATED INDUSTRIES

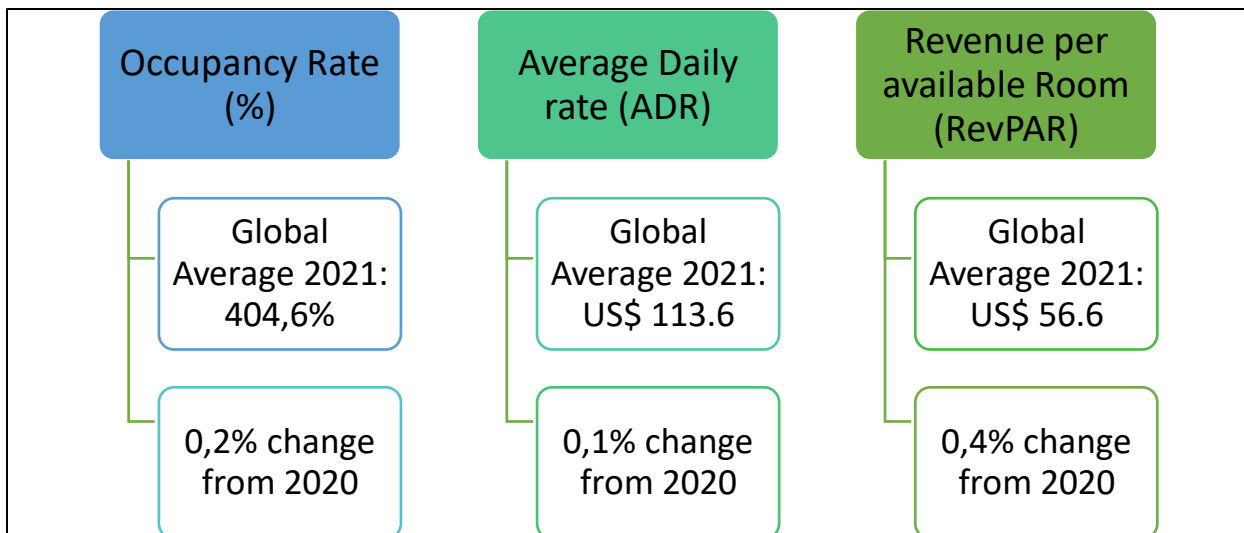
Global Performance:

Air Transport Performance Indicators 2021 compared to 2020:



- The total market results for the Revenue Passenger Kilometre (RPK), Available Seat Kilometres (ASK) and Passenger Load Factor (PLF) indicated that there was a 67,3%, 51,1% and 6,6% growth respectively in 2021 compared to 2020.

Hotel Performance Indicators: 2021 compared to 2020



- The data for the performance of the hotel industry Occupancy Rate (%), Average daily Rate (ADR) and Revenue per available Room (RevPAR) US\$ indicated that there was a 404,6%, 113,6% and 56,6% growth respectively in 2021 compared to 2020.

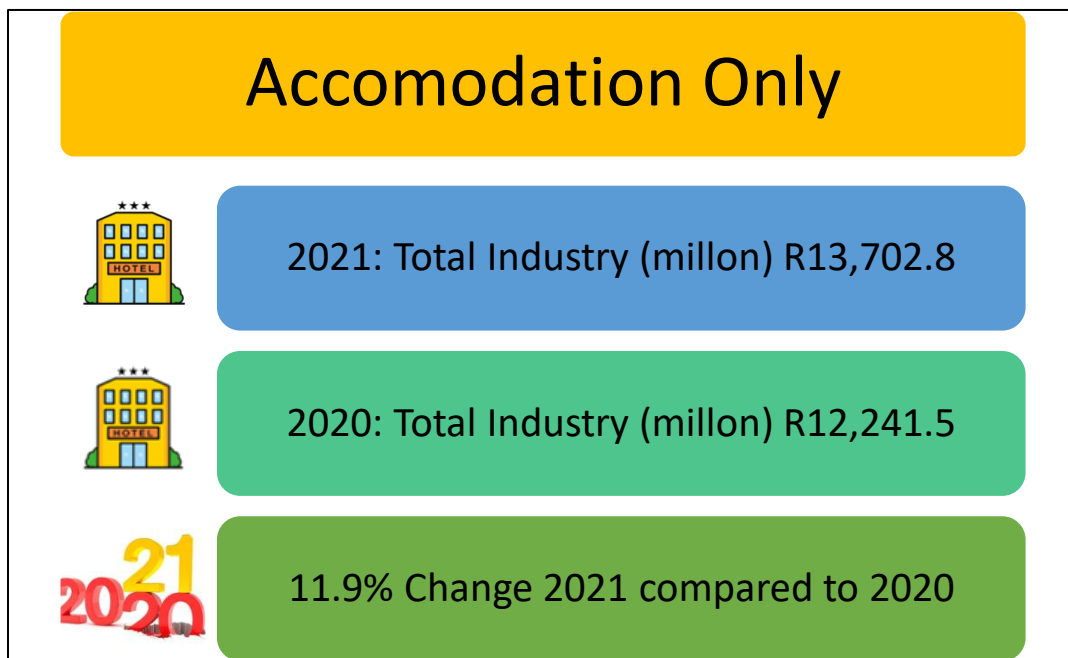
Car Rental Performance: 2021



- The performance of car rental sales globally for the period 2021 grew by 33.2% compared to 2020.

South Africa's Performance:

Income from Accommodation (Excluding restaurants, bar sales and other income 2021 compared to 2020:



- Income from accommodation (excluding restaurants, bar sales and other income) went up by 11.9% during the same period under review.

Occupancy Rate: 2020 compared to 2021 (Average % Rate)

Hotel	Caravan Parks and Camping Sites	Guest Houses and Guest Farms	Other Accommodation	Total Accommodation
2020: 20.2	2020: 31.9	2020: 15.8	2020: 26.9	2020: 19.6
2021: 21.5	2021: 34.5	2021: 16.8	2021: 28.7	2021: 24.8

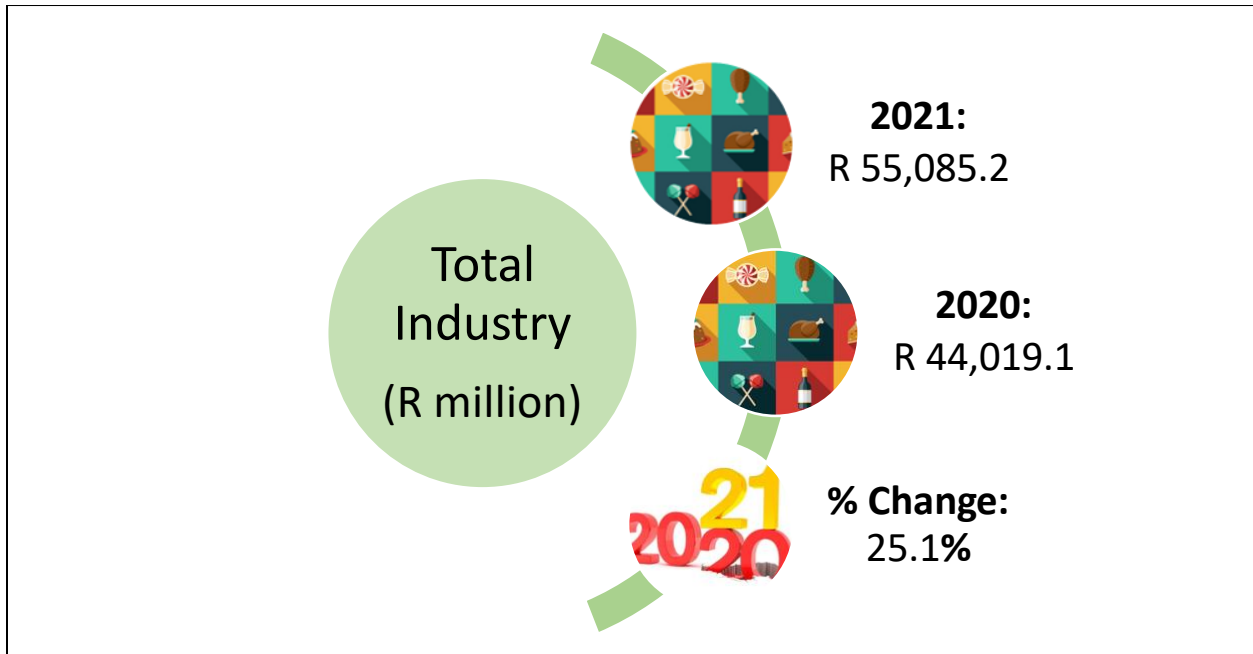
- The average accommodation occupancy rate recorded in 2021 was 24,8% which was a growth compared to 19,6% in 2020.

South Africa Hotel Performance: 2021 compared to 2020

Period	Occupancy rate	% Change	Average Daily Rate (Rand)	% Change	Revenue per available room (Rand)	% Change	Census	Sample
2021	36,0%	-1,2%	1 099,69	-9,4	369,10	-10,5%	419	231
2020	36,5%		1 213,53		442,55			

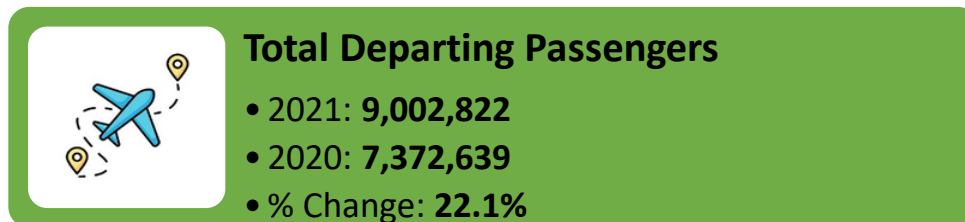
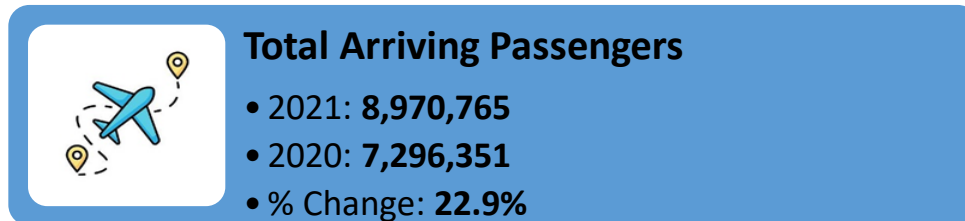
- Hotel occupancy rate decreased by -1,2% in 2021 compared to 2020 moving from an occupancy rate of 36,5% in 2020 to 36,0% in 2021. The Average Daily Rate (ADR) for 2021 was R1 099,69 which was a decrease of -9,4% compared to R1213,53 in 2020. The Revenue Per available room also decreased by -10,5%, moving from R442,55 in 2020 to R369,10 in 2021.

Total Income for Food and Beverage Industry: 2021 compared to 2020



- Total income of the food and beverages industry in 2021 was about R 56 356,7 million, which was an increase of 30,3% when compared to R 43 236,8 million in 2020.

Arriving and Departing Passengers: 2021 compared to 2020



- Total passenger arrivals increased by 22,9% in 2020, as well as total departing passengers increased by 22,1% in 2021.



Car Rental Performance: 2021



Car Rental Total Sales 2021:
R 4 633 billion

- The rental value sales in South Africa grew by 22.9% in 2021.

Tourism Development Index for South Africa: 2021

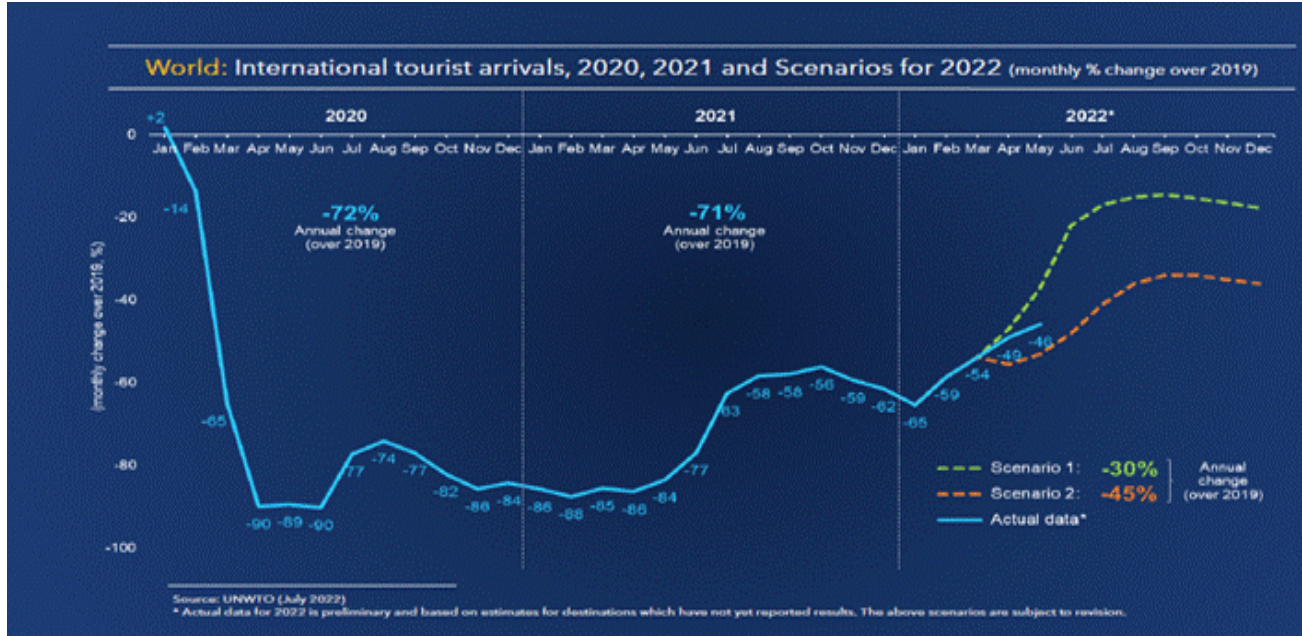
SA Competitiveness				World Ranking: 2021 (68/117)				
	2021		2019		2021		2019	
 Rank Score 	Pillar 1: Business Environment	74 3,7	★	66 3,8	Pillar 9: Air Transport Infrastructure	43 3,7	★	47 3,9
	Pillar 2: Safety and Security	112 3,5	★	113 3,4	Pillar 10: Ground and Port Infrastructure	73 3,3	★	63 3,4
	Pillar 3: Health and Hygiene	93 3,5	★	92 3,6	Pillar 11: Tourist Service Infrastructure	71 3,2	★	68 3,4
	Pillar 4: Human Resources and Labour Market	76 4,0	★	59 4,2	Pillar 12: Natural Resources	13 4,9	★	12 4,8
	Pillar 5: ICT Readiness	59 5,1	★	68 4,8	Pillar 13: Cultural Resources	26 3,9	★	24 3,2
	Pillar 6: Prioritization of T&T	41 4,3	★	59 4,3	Pillar 14: Non-Leisure Resources	21 4,1	★	24 3,9
	Pillar 7: International Openness	95 2,6	★	95 2,6	Pillar 15: Environmental Sustainability	109 3,4	★	108 3,4
	Pillar 8: Price Competitiveness	43 5,5	★	48 5,3	Pillar 16: Socioeconomic Resilience and Conditions	94 3,5	★	80 3,7
					Pillar 17: T&T Demand Pressure and Impact	88 3,7	★	78 3,8

- Travel and Tourism Development Index (TTDI) results for South Africa for 2021 compared to 2019 indicate that out of 117 countries, South Africa was ranked 68th in 2019 and 2021

TOURISM OUTLOOK AND RECOVERY

Global Performance:

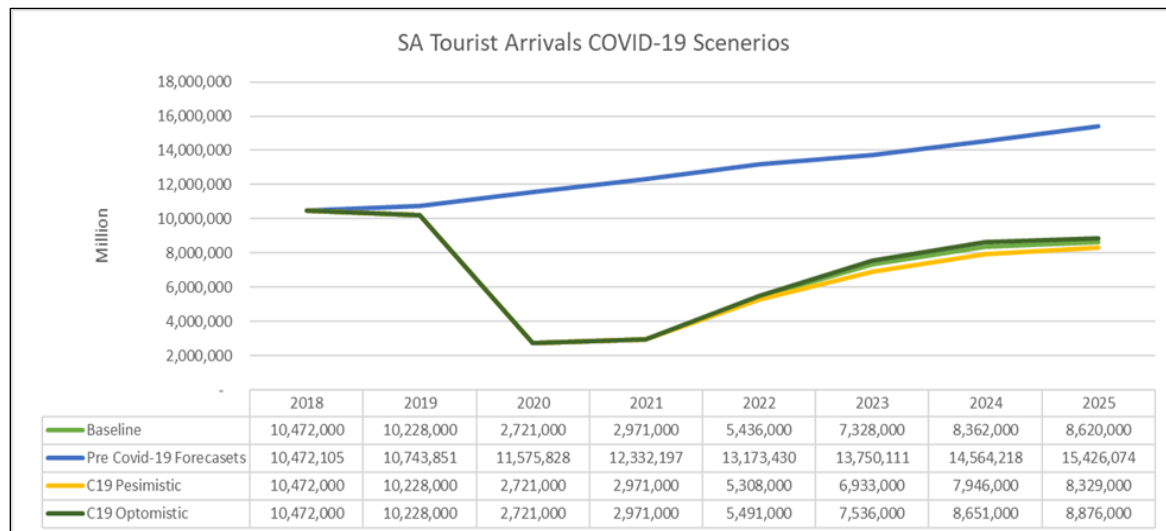
UNWTO Extended Scenarios for 2020-2022 Tourist Arrivals:



- UNWTO scenarios for 2022, indicate that in scenario one, international arrivals are expected climb to 70% of 2019 levels in 2022 (-30% compared to 2019). Scenario two estimates international arrivals to reach 55% of 2019 levels (-45% versus 2019).

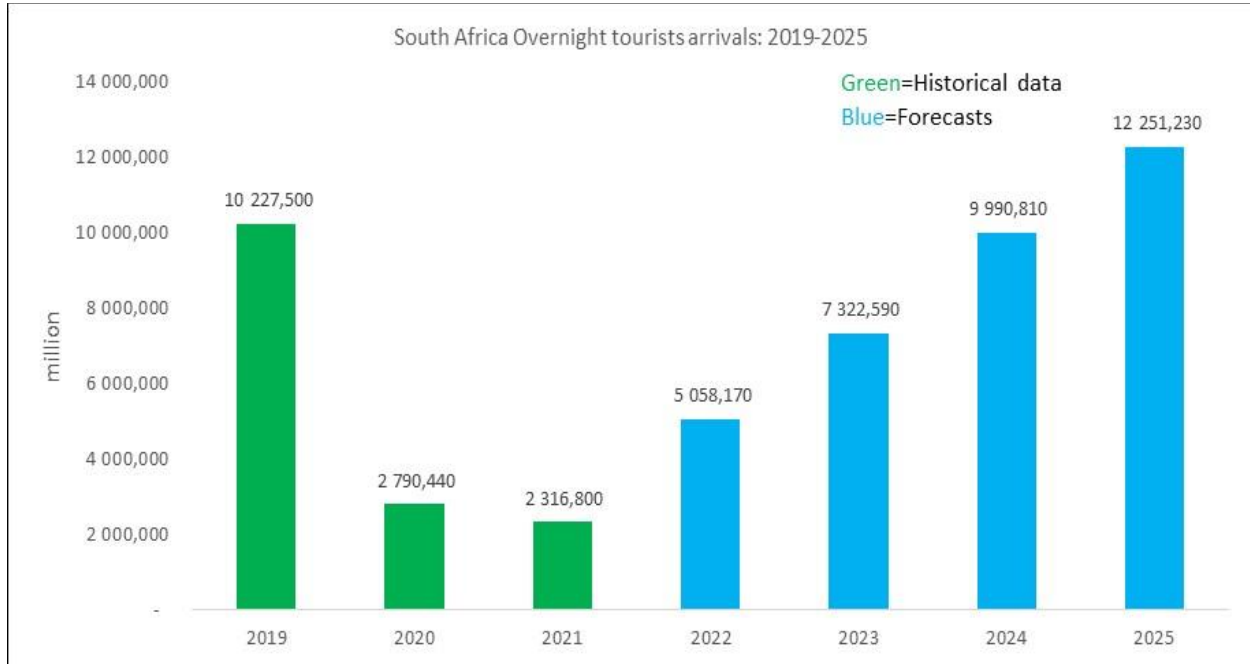
South Africa's Performance:

Euromonitor COVID-19 scenarios for Tourist Arrivals:



- Baseline, Pre-C19 Forecast, C19 Pessimistic and C19 Optimistic scenarios show a positive estimated growth from 2022 onwards.

Oxford Economics Forecasts: Overnight Tourist Arrivals



	2019	2020	2021	2022	2023	2024	2025
Overnight tourist arrivals	10 227 500	2 790 440	2 316 800	5 058 170	7 322 590	9 990 810	12 251 230
% Change		-72,7%	-17,0%	118,3%	44,8%	36,4%	22,6%

Source: Oxford Economics, Tourism Databanks, data downloaded on the 16 September 2022

- The forecasted data indicates that tourist arrivals performance for South Africa could reach above 2019 levels by 2025 (12 251 230).