tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

STATE OF TOURISM REPORT

2018/19

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LIST OF ACRONYMS

ACSA	Airports Company South Africa
ADR	Average Daily Rate
ARR	Average Room Rate
ASK	Available Seat Kilometre
CPI	Consumer Price Inflation
EC	Eastern Cape
FS	Free State
DHA	Department of Home Affairs
EPWP	Expanded Public Works Programme
EUR	EURO
GDP	Gross Domestic Product
GP	Gauteng
GBP	Great British Pound
IATA	International Air Transport Association
ICCA	International Congress and Convention Association
KZN	KwaZulu-Natal
LP	Limpopo
MICE	Meetings, Incentives, Conferences and Exhibitions
MP	Mpumalanga
MCS	Movement Control System
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: RMF	Tourism Satellite Account: Recommended Methodological Framework
TSA	Tourism Satellite Account
VFR	Visiting friends and relatives
UAE	United Arab Emirates
UNWTO	World Tourism 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 seats 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 Domestic Overnights	A trip outside of the respondent's usual environment, where they leave and return within the same day (i.e., do not stay overnight).
	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 of time. 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, International Airport Transport Association, STR Global Hotel and Statistics South Africa

INTRODUCTION AND BACKGROUND

Tourism is an important driver for economic growth and development in South Africa. During the President's 2020 State of the Nation Address, tourism was identified as one of the key areas that contributes towards South Africa's economy and has the potential to have a more significant impact in the coming years for job creation (State of the Nation Address, February 2020). Preliminary data for 2018 from the Tourism Satellite Account (TSA) indicated that the tourism sector in South Africa directly employed 739 657 persons in 2018, an increase of 8, 5% (58 038) employees compared to 681 619 in 2017. Tourism direct gross domestic product (TDGDP) increased from R118 977 million in 2017 to R130 163 million in 2018 which was a 9,4% increase. To access the growing pool of tourists travelling globally and increase tourist arrivals to the country, South Africa's strategies in growing tourism should continue to be innovative and focused to target potential tourists from the growing markets.

In 2011, the Department of Tourism together with key tourism stakeholders developed the National Tourism Sector Strategy (NTSS). The NTSS is a detailed plan that is meant to assist in accelerating the contribution of the tourism sector to the economic development of the country (NTSS, 2011). The NTSS further identifies priority actions for implementation in the short, medium and long term. The strategy has been reviewed with targets covering the period 2015 to 2026.

To monitor the performance of the sector, the Department of Tourism produces an Annual State of Tourism Report which could serve as a strategic tool to inform decision-makers and businesses on the sector's performance and developmental aspects.

STATE OF TOURISM 2018/19 REPORT STRUCTURE AND THEMES

In order to develop the STR, a framework was developed which outlined the key themes, sub-sections and the indicators that will be reported in this report. The framework provides the sources for the secondary data that has been used in the 2018/19 STR.

The secondary data was sourced from different institutions such as the United Nations World Trade Organisation (UNWTO), the World Travel and Tourism Council (WTTC), the International Air Transport Association (IATA) and Euromonitor. These data sources were used to report on the performance of the 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 Africa Tourism (SA Tourism), Statistics South Africa (Stats SA), the Airports Company of South Africa (ACSA).

As outlined above, this report follows the STR 2018/19 Framework and this includes the analysis of key tourism indicators similar to those used in the previous 2017/18 STR, to ensure consistency and continuity. This report includes the analysis of key indicators such as, but not limited to:

- Chapter One: South Africa's Tourism Economic Value
- Chapter Two: Performance of South Africa's Tourism Related Industries
- Chapter Three: South Africa's Inbound Tourism Performance
- Chapter Four: South Africa's Domestic Tourism Performance
- Chapter Five: Global Tourism Economic Impact
- Chapter Six: Global Tourism Performance
- Chapter Seven: Global Tourism Related Industries Performance

CHAPTER ONE: THE ECONOMIC VALUE OF TOURISM IN SOUTH AFRICA

The tourism sector has made a significant impact on the country's economy and job creation over the years. Usually industries are classified according to their production, however, the tourism sector output is determined by consumption spending of tourists and other visitors within the country. Measuring tourism spending therefore requires identifying visitors and their related expenditure patterns. In order to measure the economic impact of the tourism sector, the UNWTO has developed the Tourism Satellite Account: Recommended Methodological Framework (TSA: RMF), which is used as a guide to measure the direct contribution of tourism to the economy. The Tourism Satellite Account (TSA) for South Africa is compiled by Statistics South Africa (Stats SA) and it measures the direct contribution of tourism to the economy by calculating the output of each industry that is consumed by visitors (Hooper and van Zyl, 2011).

The following sub-sections of the report give an analysis of key indicators, which include tourism's contribution to South Africa's Gross Domestic Product (GDP) and employment.

1.1 Contribution of Tourism to GDP in South Africa

1.1.1 Total contribution of tourism to GDP in South Africa: 2013-2019 and forecasts for 2030

Stats SA's TSA does not produce results for the tourism sector's total contribution (direct and indirect) to GDP and employment as there is no framework or methodology to guide this measure. This data was therefore sourced from the WTTC country report for South Africa: 2019. Figure 1 below shows that for the period 2018-2019, it was estimated that the total (direct and indirect) contribution of tourism to GDP would decrease from R358,8 billion in 2018 to R354.9 billion in 2019 (7.0% of GDP), which was a decline of -1.1%. Forecasted data for 2030 indicates that South Africa's travel and tourism industry will be about R497,1 billion, resulting in 8.16% share of total GDP.

Figure 1: Total contribution of Travel and Tourism to GDP in South Africa: 2013-2019 and forecast for 2030

	2013	2014	2015	2016	2017	2018	2019	2030F
Share of GDP	8,1%	8,1%	7,5%	7,6%	6,9%	7,1%	7,0%	8,1%

Note: Real 2019 prices   *Source: WTTC, South Africa Report, 2020*

1.1.2 Direct contribution of tourism to GDP in South Africa: 2014-2018

Figure 2 below presents the provisional results for 2017 and 2018 as per the TSA published by Stats SA. The direct contribution of tourism towards the country's GDP increased from R118, 977 million in 2017 (2.6% of GDP) to R130, 163 million in 2018 (2.7% of GDP), which was a growth of 9, 4% compared to 2017.

Figure 2: Direct contribution of tourism to GDP: 2014-2018

Direct contribution of tourism to GDP 2014-2018
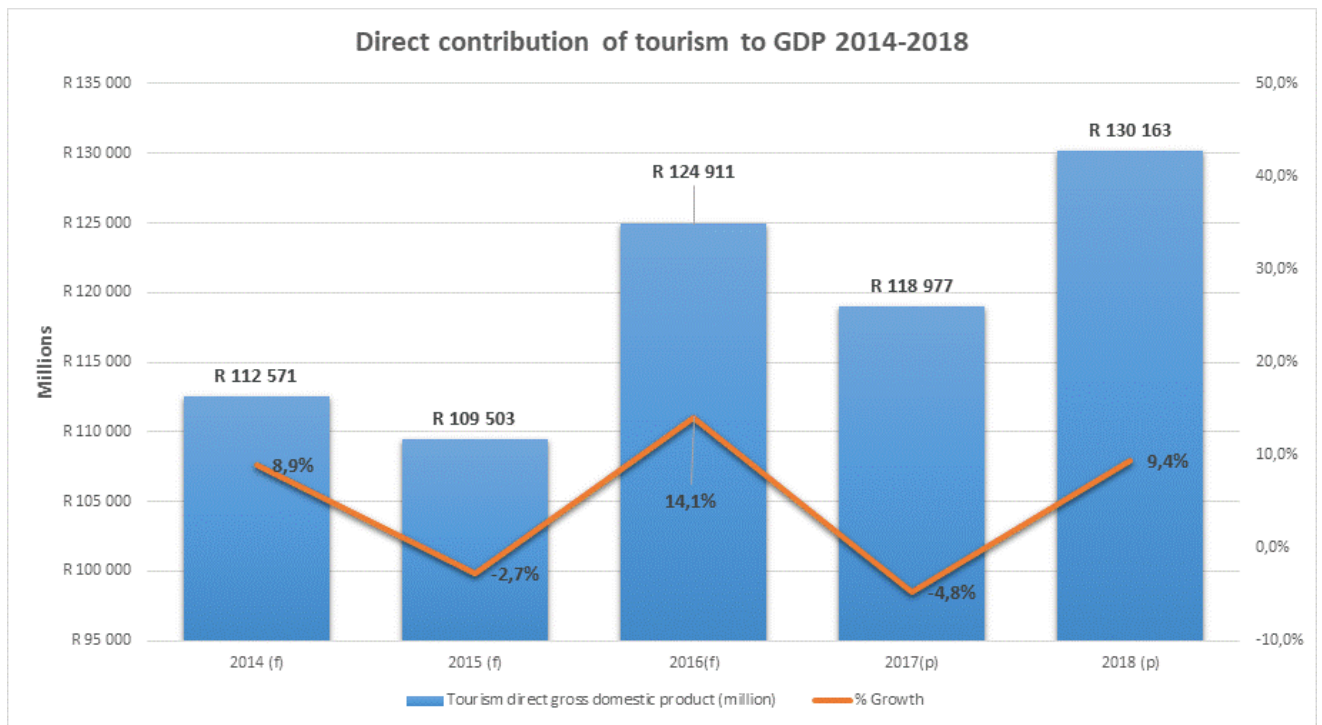
	2014	**2015**	**2016**	**2017**	**2018**
Share of GDP	2,9%	3,0%	2,7%	2,9%	2,6%

Note: (f)=Final and (p)=preliminary   *Source: Tourism Satellite Account for South Africa, final 2016 and provisional 2017 and 2018, 2019*

1.1.3 Direct contribution of tourism to GDP compared to other industries in South Africa: 2018

Figure 3 below indicates the direct percentage contribution of industries towards South Africa's total GDP in 2018 as reported by Stats SA. As mentioned in the TSA, "the tourism sector is not measured as a sector in its own right in the national accounts because tourism is not a clearly defined industry in the International Standard Industrial Classification of all Economic Activities (ISIC), but rather an amalgamation of industries such as transportation, accommodation, food and beverage services, recreation and entertainment, travel agencies, etc. (Stats SA, 2018). It is for this reason that the tourism sector does not feature as a separate industry in the graph below. The results show that the finance sector (20%), the government sector (18%), the trade sector (15.0%) and the manufacturing sector (13%) are the leading contributors towards the country's GDP. The tourism sector's direct percentage contribution to GDP in 2018 was 2.7%, which was slightly larger than the agriculture sector's contribution (2.6%) but smaller than that of utilities (4.0%).

Figure 3 Direct contribution to GDP by industry: 2018
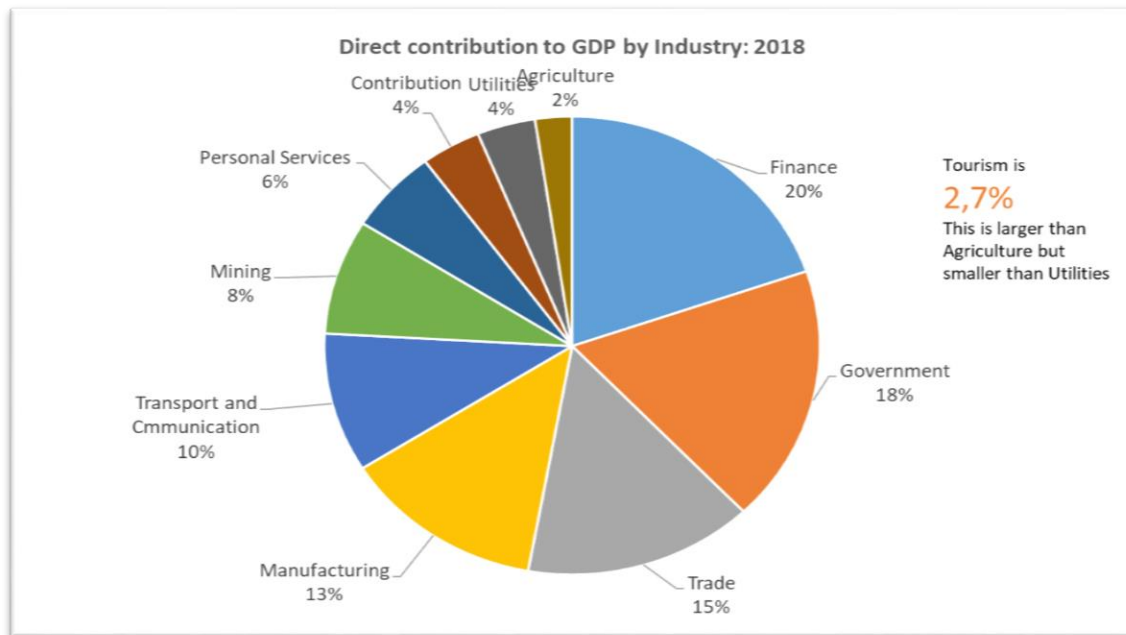
1.1.4 Estimates of direct contribution of tourism to GDP in South Africa: 2013-2019 and forecasts for 2030

The figure below provides estimates from WTTC on the direct contribution of travel and tourism for the period 2013 and forecasts for 2030. The estimates are different from the figures provided in the TSA however the trend is the same. According to WTTC, it was estimated that the direct contribution of tourism to GDP went down from R138,9 billion in 2018 to R136,9 billion in 2019 (3.1% of GDP), which was a decline of -1.5 %. Forecasted data for 2030 indicates that South Africa's travel and tourism industry will generate R1287,9 billion resulting in 3.1% share of GDP in South Africa.

Figure 4: Direct contribution of Travel and Tourism to GDP in South Africa: 2013-2019 and forecasts for 2030
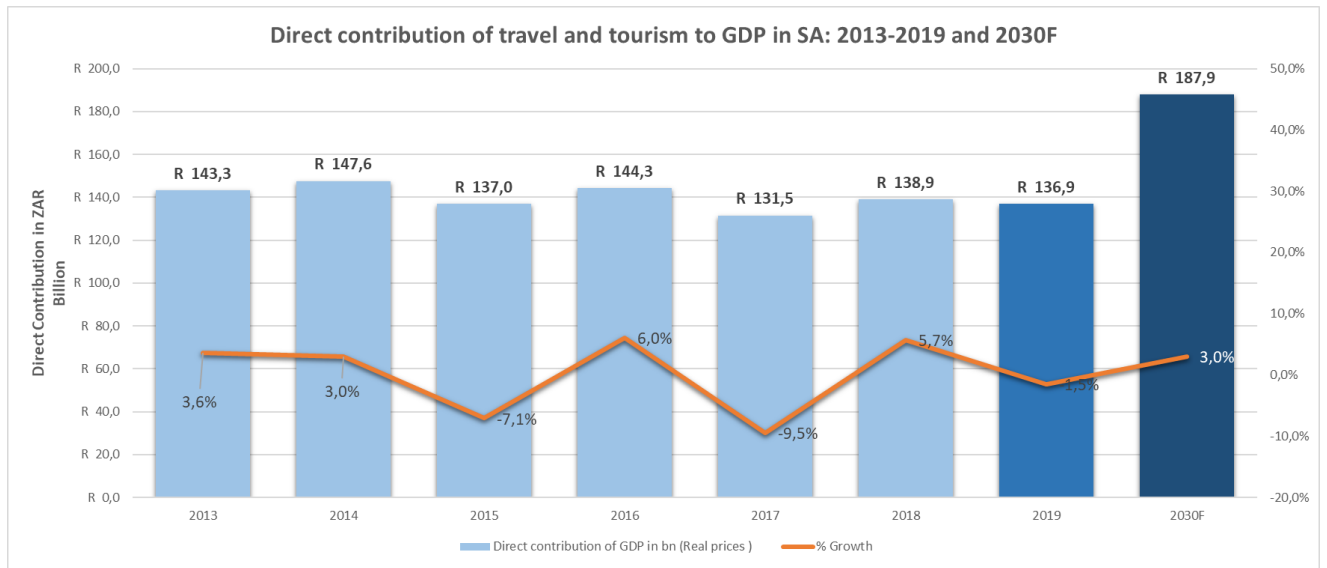
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2030F**
Share of GDP	3,0%	3,0%	2,8%	2,9%	2,6%	2,8%	2,7%	3,1%

Note: Real 2019 prices   *Source: WTTC, South Africa report, 2020*

1.2   Contribution of tourism to employment in South Africa

1.2.1   Total contribution of tourism to employment in South Africa: 2013-2019 and forecasts for 2030

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

Figure 5: Total contribution of travel and tourism to Employment in South Africa 2013-2019 and forecasts for 2030
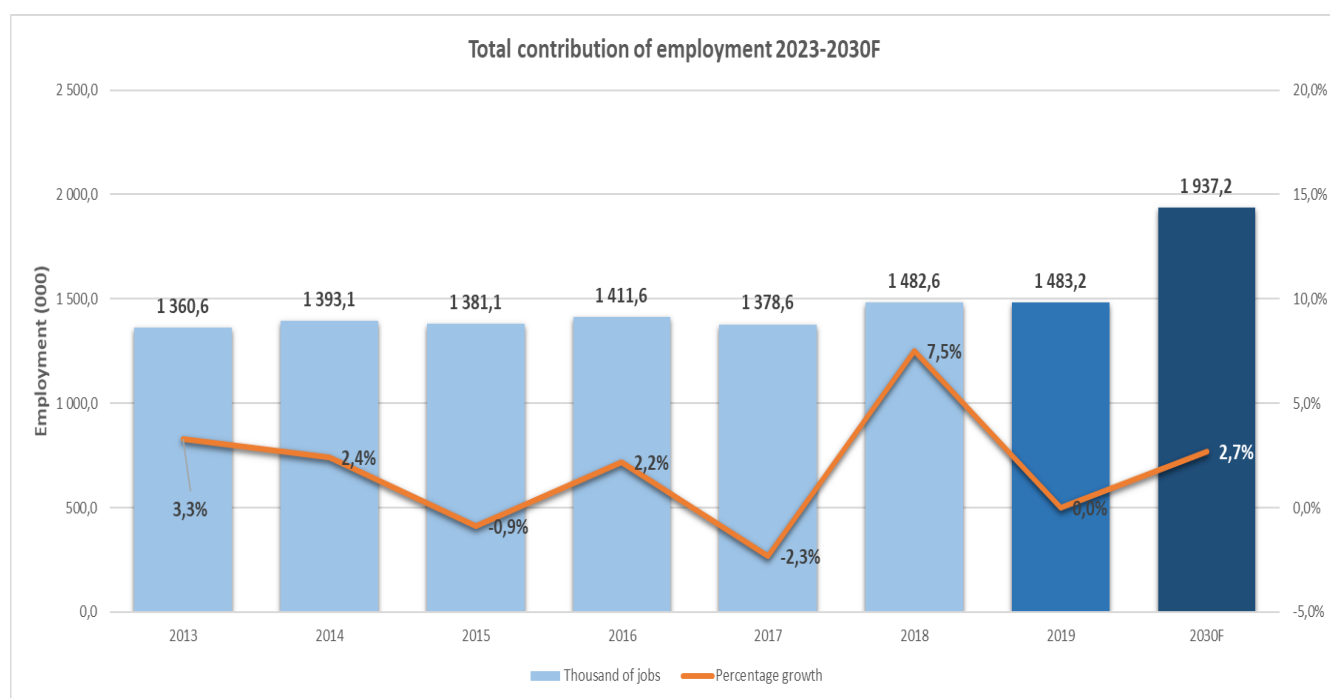
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2030F**
Share of GDP	9,2%	9,2%	8,8%	8,9%	8,5%	9,0%	9,1%	10,3%

Source: WTTC South Africa report, 2020.

According to WTTC estimates, in 2019 the travel and tourism sector contributed about 1 482 200 jobs, which was a slight increase of 0.04% (contributing 9.1% to total employment) compared to 1 482 600 workers (9.1 share % to the country's total employment) in 2018. Forecasted data for 2030 indicates that South Africa's travel and tourism sector will contribute a total of about 1 937 200 jobs with a 10.3% share of total employment.

1.2.2 Direct Contribution of tourism to employment: 2014-2018

Direct tourism employment figures were sourced from the TSA published by Stats SA, which provides final figures for the period 2014-2016 and preliminary figures for 2017 and 2018. In 2017, there was a total of 681 619 direct jobs, increasing to 739 657 direct jobs in 2018 that were created by the tourism sector. And, this increase resulted in 58 038 additional jobs created only in 2018. Preliminary results for 2018 indicate that the tourism sector directly contributed to about 4.5% to the country's total employment, which was an increase of 8.5% in the number of direct jobs in 2018 compared to 2017.

Figure 6: Direct Tourism Employment: 2014-2018

Direct Tourism Employment:201-2018

2018 (p)	739 657
2017(p)	681 619
2016(p)	705 871
2015 (f)	669 653
2014 (f)	681 915
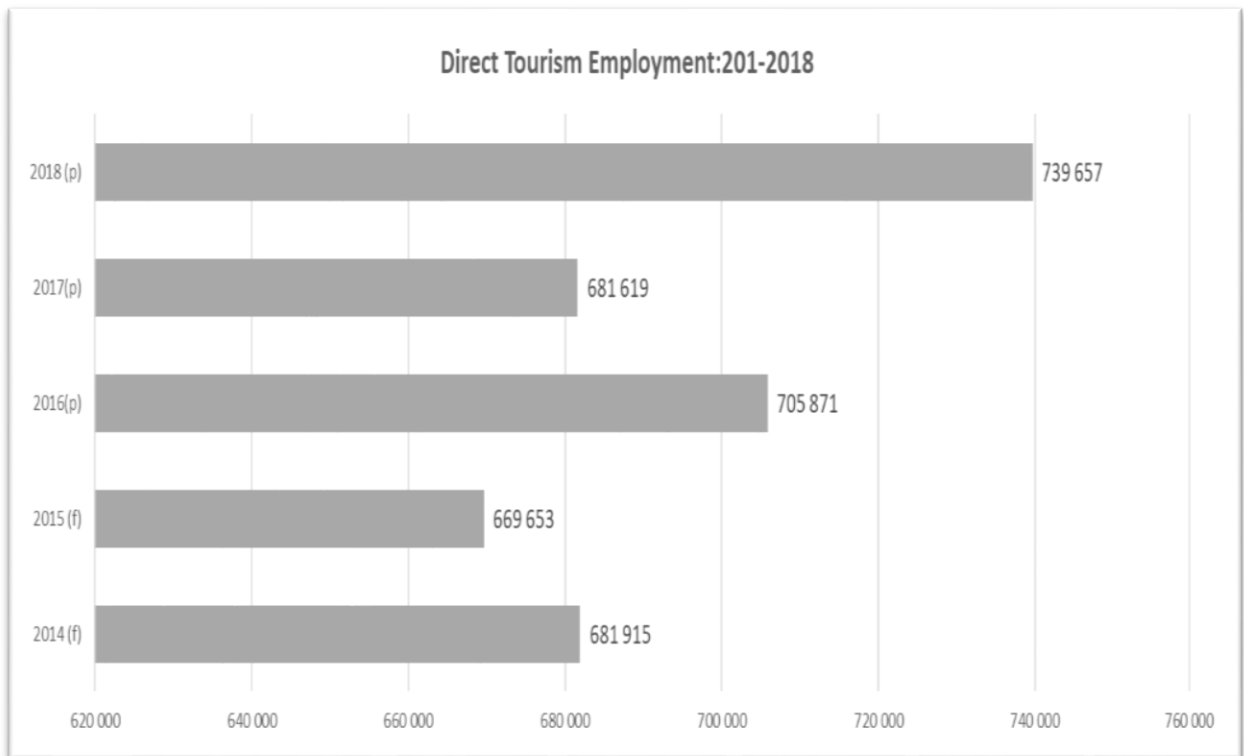
Indicator	2014 (f)	2015 (f)	2016(p)	2017(p)	2018 (p)
% of total employment in South Africa	4,5%	4,3%	4,5%	4,2%	4,5%
% Growth	3,7%	-1,8%	5,4%	-3,4%	8,5%

Source: Tourism Satellite Account for South Africa, final 201 and provisional 2017 and 2018, 2019

1.2.3 Direct Contribution of tourism to employment in South Africa: 2013-2019 and forecasts for 2030

According to WTTC, it was estimated that the direct contribution of tourism to employment would decline from 761, 700 in 2018 to 759 900 in 2019 (4.7% of GDP), which was a negative growth of -0.2%. Forecasted data for 2030 indicates that South Africa's travel and tourism will contribute about 995 500 direct jobs (approximately 5.3% share of total employment).

Figure 7: Direct Contribution of tourism to employment in South Africa: 2013-2019 and forecasts for 2030
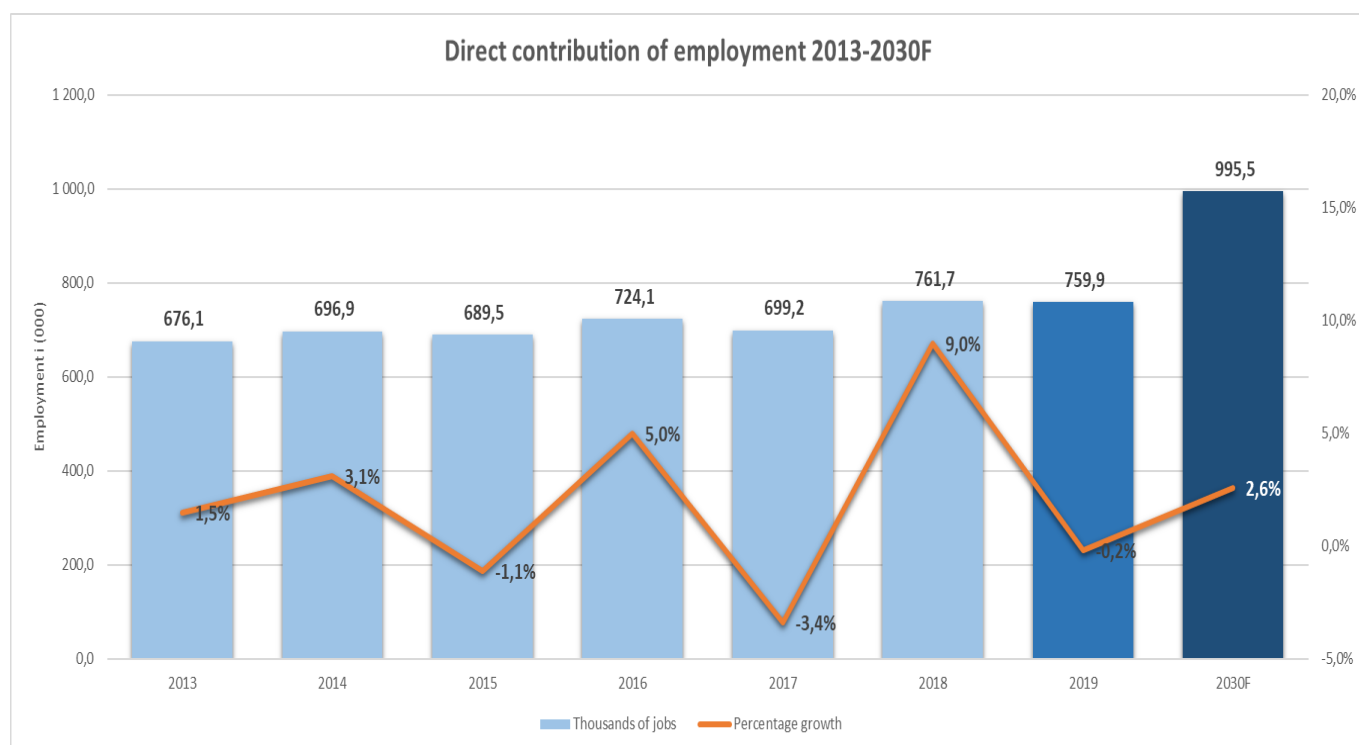
	2013	2014	2015	2016	2017	2018	2019	2030F
Share of GDP	4,5%	4,6%	4,4%	4,6%	4,3%	4,6%	4,7%	5,3%

Source: WTTC South Africa report, 2020

1.2.4 Direct contribution of tourism to employment compared to other industries in South Africa: 2018

Figure below indicates the direct contribution of South African industries towards the country's total employment in 2018. The results provided indicate that the community and social services industry (23%), the trade industry (21%) and the finance industry (15%) are the leading industries, thereby contributing more towards the country's total employment. The tourism sector's direct contribution to total employment in 2018 was 4.5%, which was larger than the contribution of the mining sector (2%) but smaller than the agriculture sector (5%). The trade and finance industries were the two industries that contributed the most towards the country's GDP in 2018.

**Figure 8: Tourism Direct Employment compared to other industries: 2018**
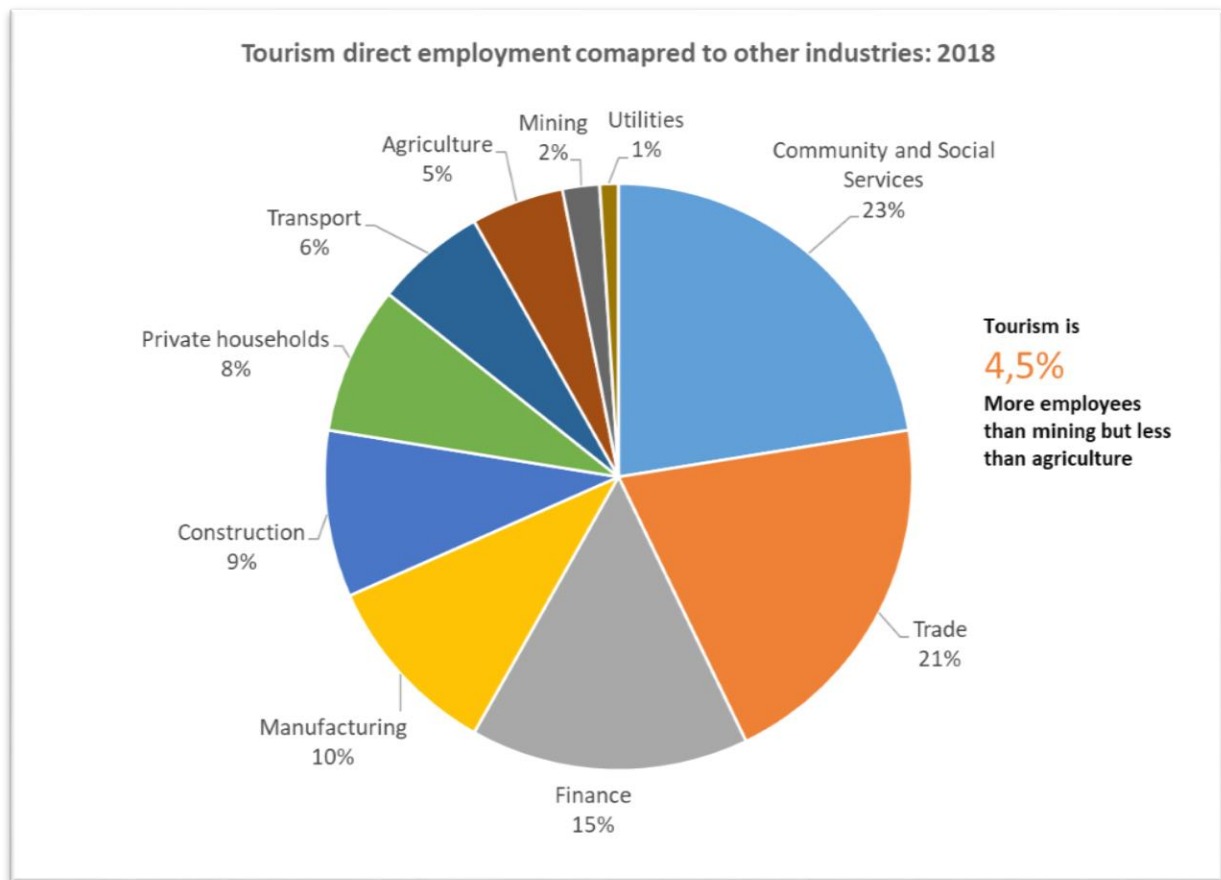
Source: Stats SA, Media Presentation for the Tourism Satellite Account for South Africa, final 2016 and provisional 2017 and 2018, 2019

1.2.5 Demographic characteristics of people directly employed in the tourism sector: 2018

Tourism has become one of the major employers in South Africa. The figure below indicates the gender and race of persons directly employed in the tourism sector during 2018. More than half of the people directly employed in the tourism sector were males (60%) against 40% of women employed.

Figure 9: Direct tourism jobs by gender: 2018 (Preliminary)
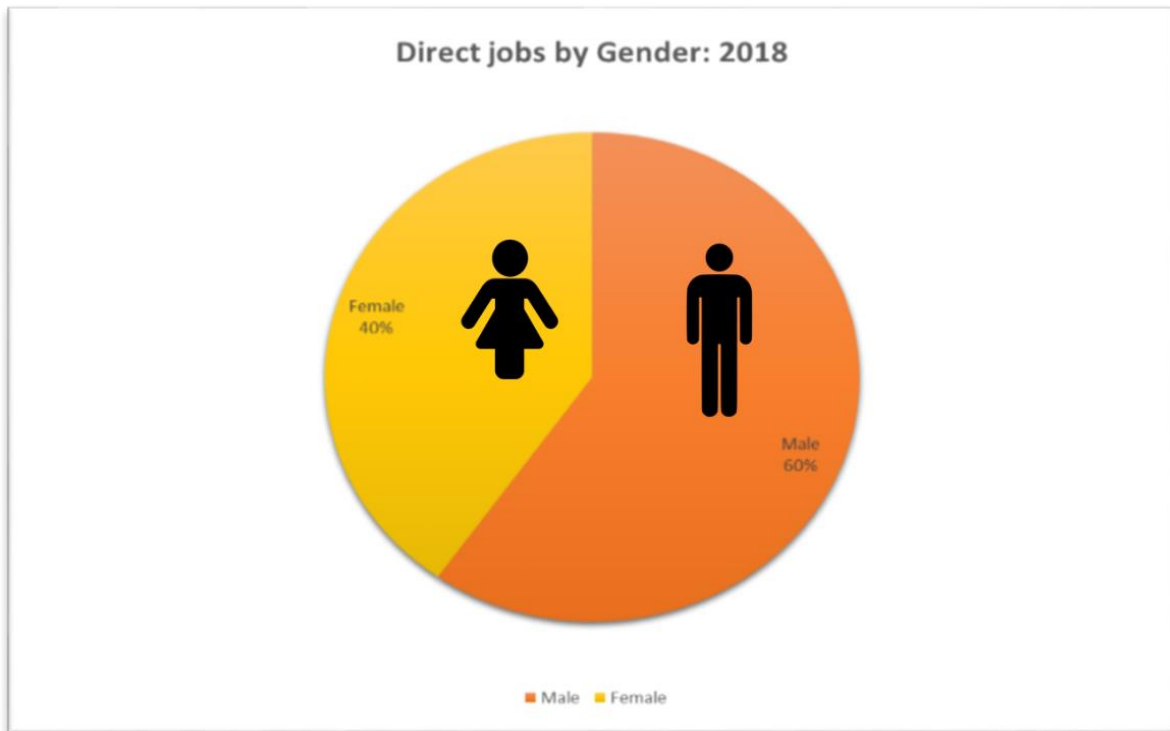
Direct jobs by Gender: 2018

Female 40%

Male 60%

■ Male ■ Female

Figure 10 below also indicates that in 2018 more males across all race groups were working in the tourism sector. In order to assess the progress that the sector has made in the area of transformation, it is recommended that there should be further research conducted to investigate the skill levels and positions of the different gender and race groups employed in the tourism sector.

Figure 10: Demographic characteristics of people directly employed in the tourism sector: 2018 (Preliminary)
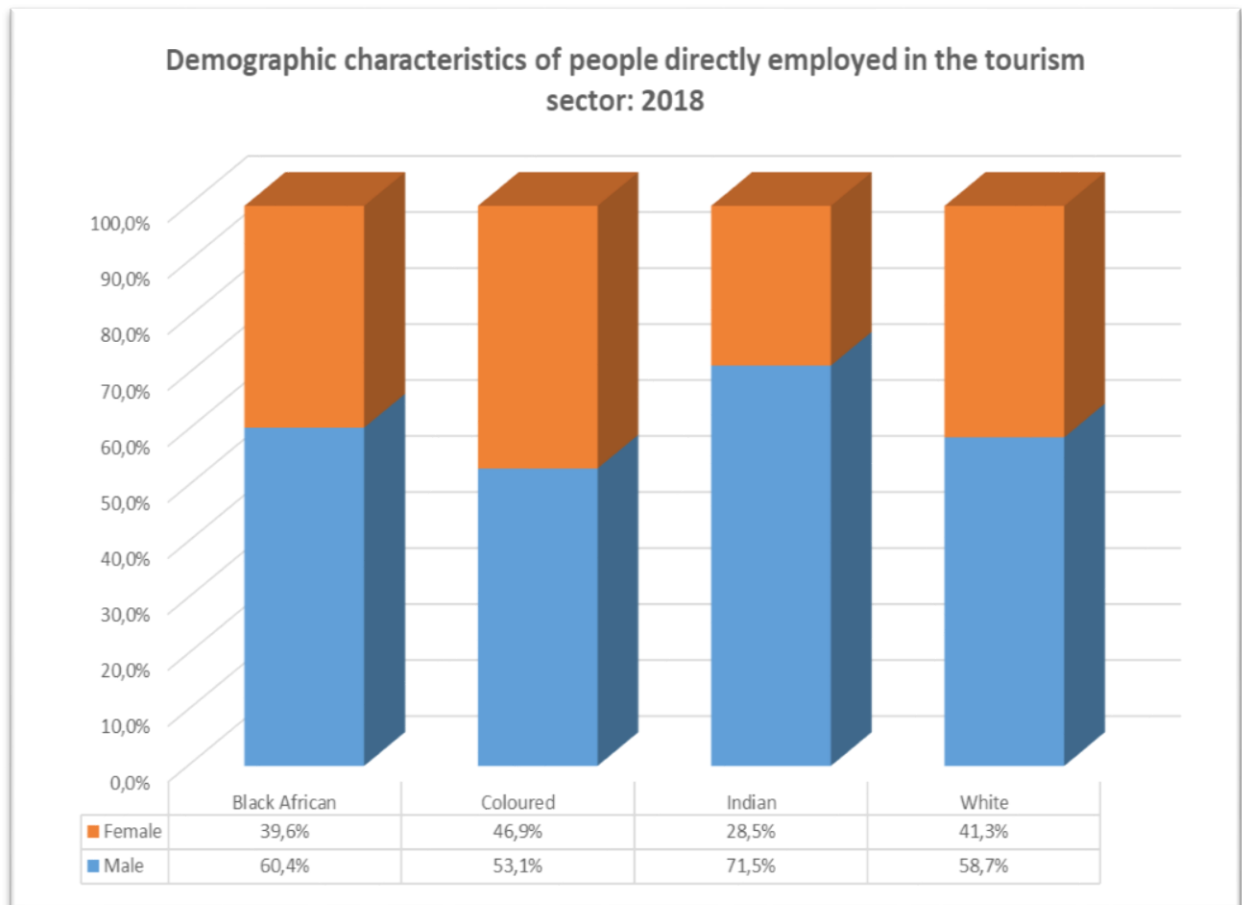
Demographic characteristics of people directly employed in the tourism sector: 2018

	Black African	Coloured	Indian	White
■ Female	39,6%	46,9%	28,5%	41,3%
■ Male	60,4%	53,1%	71,5%	58,7%

Source: Tourism Satellite Account for South Africa, final 2016 and provisional 2017 and 2018, 2019

1.3   Tourism Balance of Payments for South Africa: 2011-2018

The TSA measures the total spend of international visitors that includes same-day and overnight visitors. Total spend by international visitors contributes to South Africa's export earnings while the total spend of South Africans travelling overseas contributes towards total imports. Figure below shows that in 2018 the total international visitor spend was about R120 037 million, which was a decline of -0.8% compared to 2017 (R121 400 million). In 2018, the value of outbound tourism was R83 673 million, which was a 3.5% growth compared to 2017 (R80 838 million). Therefore, the value of exports (inbound tourism expenditure) was higher than the value of imports (outbound tourism expenditure) resulting in South Africa having a positive trade balance in 2018. The figure also indicates that the outbound tourism expenditure is growing at a faster rate than inbound tourism expenditure. These results show that there is a potential to grow

domestic tourism expenditure if the outbound expenditure could be diverted towards domestic tourism.

Figure 11: Tourism exports, imports and net trade: 2011 to 2018
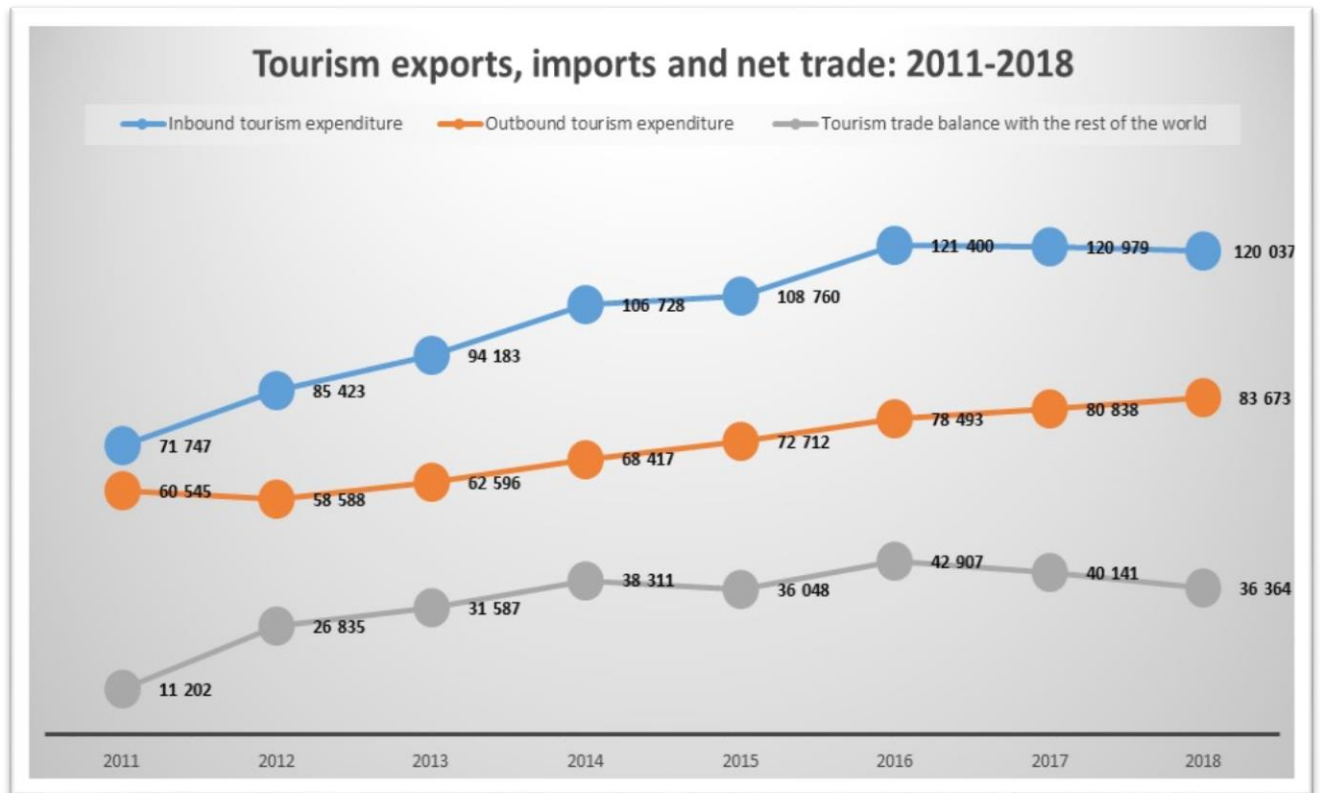
	2011	2012	2013	2014	2015	2016	2017	2018
Exports: Inbound expenditure	3,3%	19,1%	10,3%	13,3%	1,9%	11,6%	-0,3%	-0,8%
Imports: Outbound expenditure	1,8%	-3,2%	6,8%	9,3%	6,3%	8,0%	3,0%	3,5%

Source: Tourism Satellite Account for South Africa, final 2016 and provisional 2017 and 2018, 2019

CHAPTER TWO: PERFORMANCE OF TOURISM RELATED INDUSTRIES IN SOUTH AFRICA

This chapter of the report focuses on the performance of some of the key tourism related industries in South Africa. The performance of these industries is key for the tourism sector's contribution to the country's GDP and total employment. The data for this section is mainly sourced from Statistics South Africa (Stats SA) and Airports Company South Africa (ACSA). In addition, the 2019 travel and tourism competitiveness index for South Africa is also reported in this chapter and the information was sourced from World Economic Forum (WEF)

2.1 Tourism industries ratios: 2018

The TSA defines tourism industry ratios as the proportion of an industry's output that is consumed by visitors (Stats SA, TSA final 2016 and provisional 2017 and 2018, published in 2019). These ratios are used to calculate employment for the tourism sector. From the table below, it is seen that travel agencies and other reservations services industry have the highest industry ratio of 98% as visitors are often the biggest consumer of their services. The table also shows that 89% of expenditure from air passenger transport is from visitors unlike the rail passenger transport, which indicated that only 7% of the expenditure is from visitors. These ratios show the importance of the different industries that are related to tourism.

Table 1: Tourism ratios by industry: 2018 (Preliminary)

INDUSTRY	TOURISM INDUSTRY RATIO'S (%)
Accommodation	78
Food & beverage	37
Railway passenger transport	7
Road passenger transport	36
Water passenger transport	45
Air passenger transport	89
Transport equipment rental	65
Travel agencies and other reservations service industry	98
Cultural industry	37

Source: Tourism Satellite Account for South Africa, final 2016 and provisional 2018 and 2019, 2020

2.2 Accommodation industry performance: 2018-2019

The following sub-section of the report focuses on the performance of the accommodation industry by analysing key indicators such as number of available stay units, total income from accommodation and occupancy rate. The data was sourced from Stats SA's Accommodation Survey.

2.2.1 Average Stay units available: 2018-2019

Table below shows that there was an average of 127, 2 000 stay units available for the total industry in 2019, which was a slight decrease of -0.07% compared to 2018. Caravan parks had an average of 6, 67 000 of stay units available compared to an average of 6, 71 000 in 2018, which was a decrease of -0, 6%. Average stay units for guest houses and guest farms remained flat during the period under review. Other accommodation types had a -0, 03% in the average number of stay units available in 2019 compared to 2018.

Table 2: Average Number of stay units: 2018-2019

STAY UNITS (ACTUAL FIGURES)	2018	2019	% CHANGE
	'000		
Hotels	79,8	79,7	-0,04%
Caravan parks and camping sites	6,71	6,67	-0,6%
Guest houses and guest farms	8,9	8,9	0,0%
Other accommodation	31,9	31,9	-0,03%
Total industry	127,3	127,2	-0,07%

Source: Stats SA: Accommodation data cuts, February 2020

2.2.2 Income from accommodation: 2018-2019

The total income from accommodation in 2019 increased by 1,7% improving from R24 854,4 million in 2018 to R25 288,5 million in 2019. Caravan parks and camping sites had an increase of 12, 0% in income during 2019 compare to 2018. This could be an indication that this category in the accommodation sector had a good year in 2019 even though the average number of stay units for caravan parks and camping sites declined in the same year.

Table 3: Accommodation Industry Total Income (million): 2018-2019

INCOME (CURRENT PRICES)	2018	2019	% CHANGE
Hotels	R16 462,4	R16 572,40	0,7%
Caravan parks and camping sites	R246,9	R276,60	12,0%
Guest houses and guest farms	R1 096,6	R1 025,40	-6,5%
Other accommodation	R7 048,5	R7 414,10	5,2%
Total industry	R24 854,4	R25 288,5	1,7%

Source: Stats SA: Accommodation data cuts, February 2020

2.2.3 Average income per stay unit night sold

The figure below gives the average income per night for stay unit sold for 2019 compared to 2018. The total accommodation industry had a 2.2% increase in the average income per stay unit night sold, improving from R1 103,1 in 2018 to R1 127,7 in 2019. Caravan parks and camping sites had the highest increase of 8.8% in the average income per night for stay unit sold in 2019 compared to 2018. These results are similar to the total income received from accommodation establishments, which also indicated that caravan parks and camping sites had a 12.0% increase in income in 2019 compared to 2018. Guest houses and guest farms had a declining growth of -11.1%, dropping from R975, 5 in 2018 to R867, 1 in 2019.

Figure 7: Average income per stay unit night sold: 2018-2019
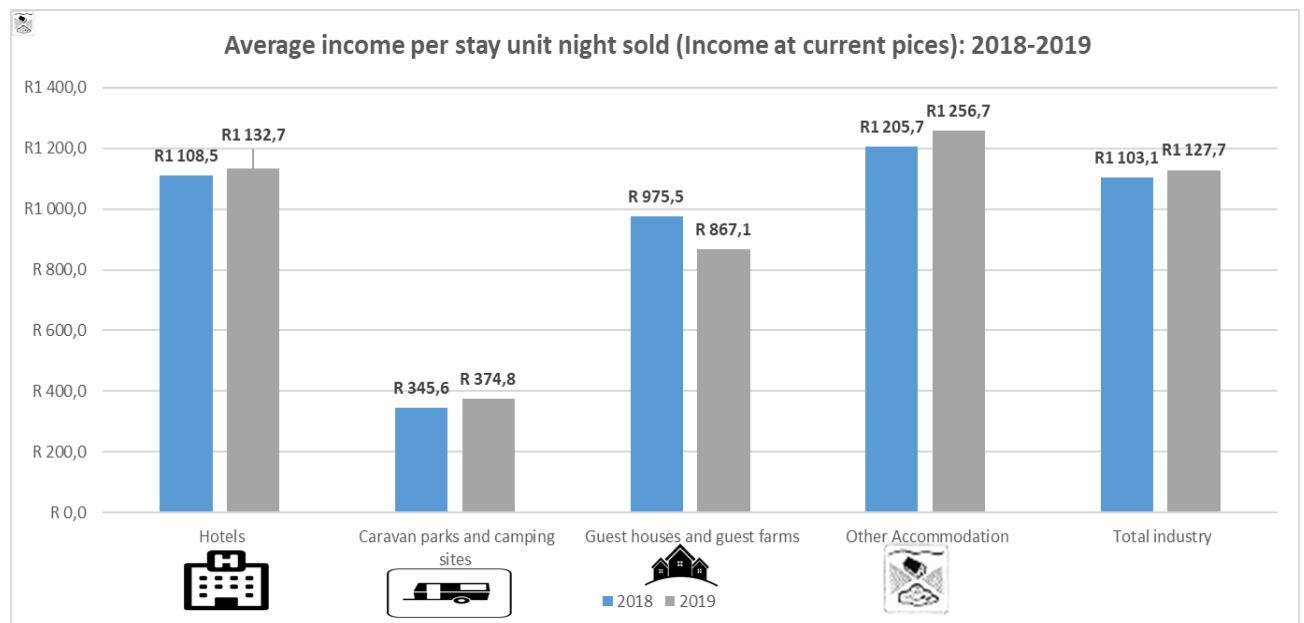
Accommodation Category	Hotels	Caravan parks and camping sites	Guest houses and guest farms	Other Accommodation	Total industry
% change 2019 compared to 2018	2.2%	8.5%	-11.1%	4.2%	2.2%

2.2.4 Industry occupancy rate: 2018-2019

The fluctuation in tourist numbers, seasonality, and economic impacts on tourists' travel and spending behaviour are some of the indicators that could influence the level of occupancy and revenue generated in the accommodation industry. The average seasonally adjusted occupancy rate for 2019 was 48,3%, which remained almost flat compared to 2018 rate.

Table 4: Occupancy rate: 2018-2019

OCCUPANCY RATE (SEASONALITY ADJUSTED)	2018	2019	% CHANGE
Occupancy rate – hotels	51,0	50,2	-1,5%
Occupancy rate - caravan parks and camping sites	29,1	30,0	3,0%
Occupancy rate - guest houses and guest farms	34,2	36,0	5,4%
Occupancy rate - other accommodation	50,1	50,5	0,8%
Occupancy rate - total industry	48,4	48,3	-0,3%

Top ten hotel chain development pipelines in Africa by number of rooms: 2019

The table below shows the number of hotels and rooms in the development pipeline in Africa for the period 2019. Egypt ranked as number one with a total of 15 158 rooms planned to be developed in 2019, which was almost double the number of rooms in the pipeline in Nigeria (7 940). Morocco was ranked in third position with a total of 6 395 rooms to be developed, while South Africa occupied the tenth position with a total of 2 574 rooms in the development pipeline during 2019.

Table 5 Top ten hotel chain development pipelines in Africa by number of rooms: 2019

Hotels	Country	Hotels	Rooms
1	Egypt	51	15 158
2	Nigeria	49	7 940
3	Morocco	36	6 395
4	Ethiopia	34	6 184

5	Kenya	27	4 232
6	Algeria	19	4 147
7	Cape Verde	11	3 479
8	Senegal	17	2 829
9	Tunisia	16	2 768
10	South Africa	18	2 574

Source: Bench Events, 2019

Airbnb Performance in South Africa: 2015-2019

Over the years, the tourism sector has seen a number of new accommodation platforms being used by tourists namely; coach surfing, rent a home and Airbnb. This section focuses on the performance of Airbnb in South Africa since the performance reports for the other platforms are not available. Airbnb is an online marketplace that connects people who want to rent out their homes or accommodation establishments with people who are looking for accommodation in a destination for different purposes of visit including tourism. It currently covers more than 81,000 cities and 191 countries worldwide (Investopedia, 2019). Airbnb was introduced in South Africa in 2015 (Businesstech, 2015). The figure below indicates the performance of Airbnb in South Africa.

Figure 13 below shows the retail value of Airbnb in South Africa for the period 2015-2019. In 2019, the retail value of Airbnb in South Africa was R1 274 billion, which was an increase of 10.9% compared to 2018 with a total of R1 149 billion.

Figure 8: Retail value of Airbnb in South Africa: 2015-2019

	2015	2016	2017	2018	2019
ZAR million	474,4	808	1 004	1 149	1 274
% Change		70,4%	24,2%	14,5%	10,9%
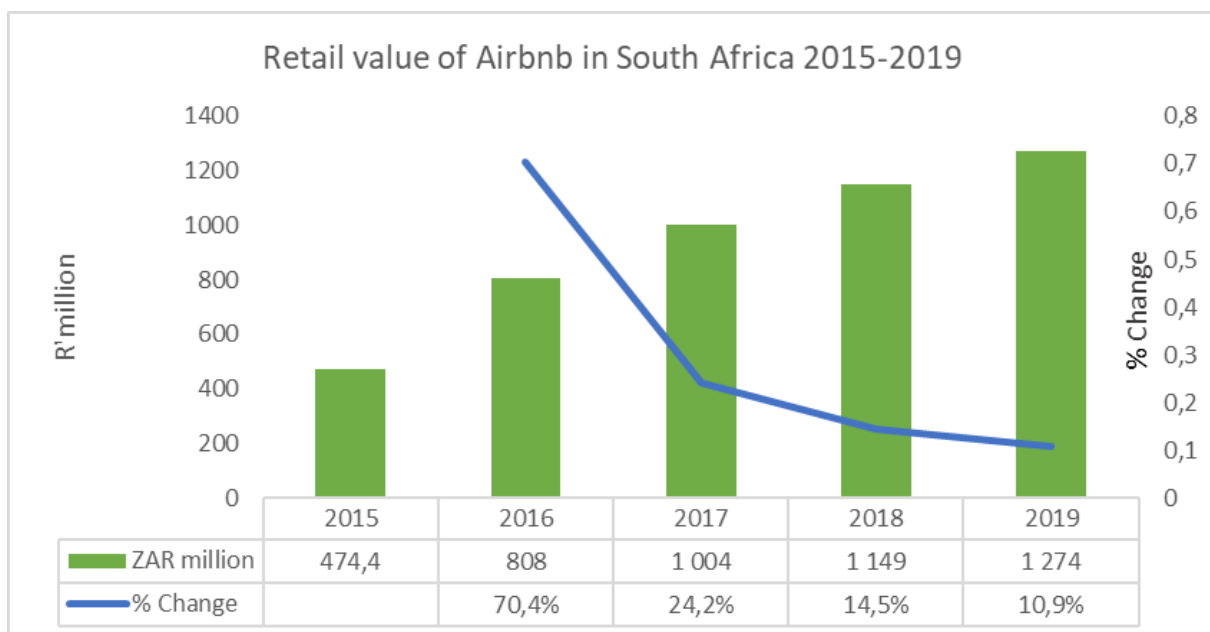
Source: Euromonitor, data downloaded on the 28th April 2020

2.4 Food and Beverages industry: 2018-2019

Food and beverage industry includes, amongst others, restaurants from fast food services to fine dining as well as pubs, bars, nightclubs and lounges. This sub-section provides a summary of the performance of the food and beverages industry focusing mainly on income generated as an indicator. This section also provides a summary of top five fast food franchises in South Africa based on their income.

2.4.1 Food and Beverages industry income: 2018-2019

Measured in constant prices, the average monthly income of the food and beverages industry was about R 4 720 million in 2019 which led to a total annual income of about R 56 640 million for the whole year. This was an increase from an average monthly income of R4 608 million in 2018 and an increase of 2.4% of annual income from R55 302 in 2018. Figure 14 below provides total annual income generated by the food and beverages industry by category.

Figure 9: Total income generated by categories of the food and beverages industry: 2018-2019

Total income generated by categories of the food and beverage industry: 2018-2019

	Catering services	Take away and fast food outlets	Restaurants and coffe shops	Total Industry
■ 2018	R8 456,7	R17 779,5	R29 263,5	R55 301,8
■ 2019	R8 498,5	R18 435,1	R29 995,9	R56 640,1
% Change	0,5%	3,7%	2,5%	2,4%
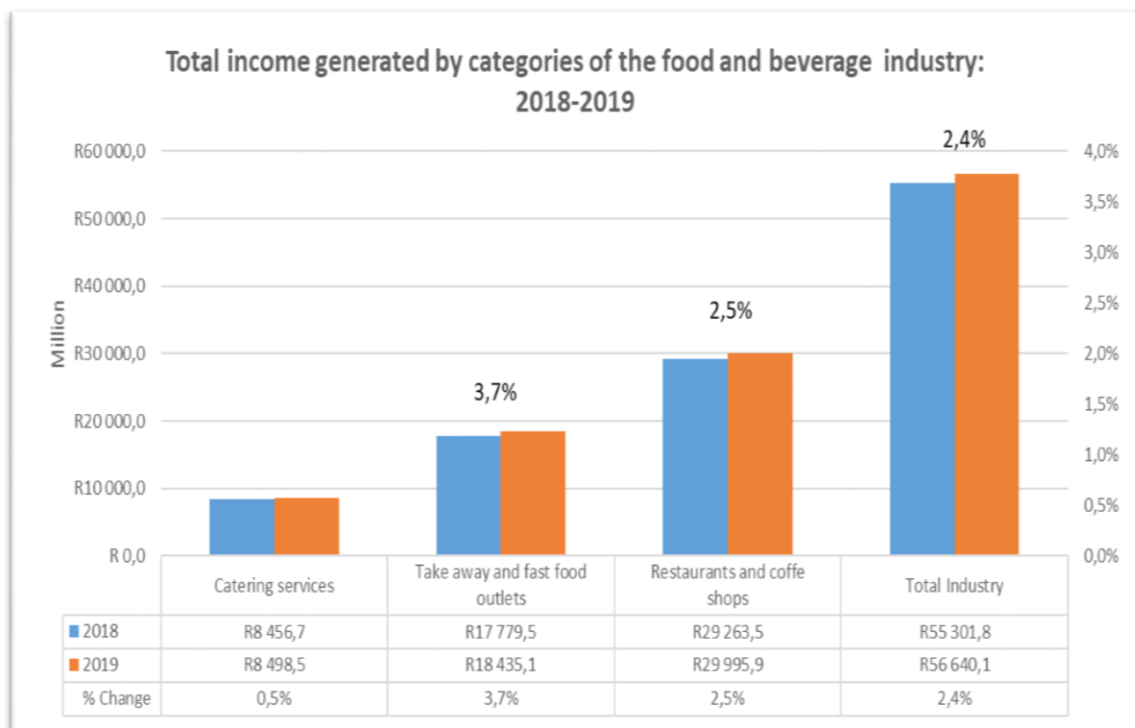
As indicated in the table below, the contribution of income for food and beverages industry is mainly from the restaurants and coffee shops which contributed more than 50% during 2018 and 2019. Take-away and fast food outlets contribution was 32.1% in 2018 which remained almost flat in 2018 (32.5%).

Table 6: Share of income by food and beverage industry: 2018-2019

TYPE OF FOOD AND BEVERAGE INDUSTRY	2018	2019
CATERING SERVICES	15,3%	15,0%
TAKE AWAY AND FAST FOOD OUTLETS	32,1%	32,5%
RESTAURANTS AND COFFEE SHOPS	52,9%	53,0%

Source: Stats SA: Food & Beverage data cuts, February 2020

Top Ten Fast Food Brands in South Africa by total number of franchises: 2019

As already indicated take-away and fast food outlets contributed more than 32.1% to income generated by food and beverages industry during in 2019. This can be an indication of the importance of this sub-industry which is dominated by businesses that are fast food franchises. The figure below ranks the top ten fast food outlets in South Africa by total franchises in the country. According to Business Tech, Kentucky Fried Chicken (KFC) was ranked as the number one fast food take away in South Africa leading with a total number of franchises of 900, followed by Steers (600) and Debonairs Pizza (569).

Figure 10: Top ten take-away outlets in South Africa by total franchises: 2019

Rank	Name	Number of Franchises
1	KFC	900
2	Steers	600
3	Debonairs Pizza	569
4	Wimpy	467
5	Nando's	340
6	McDonalds	264
7	Fishaways	254
8	King Pie	248
9	Romans Pizza	220
10	Chicken Licken	200

Source: BusinessTech. July 2019

2.5 Airline Industry Performance: 2018-2019

South Africa has three main international airports namely; O.R. Tambo International, Cape Town International and King Shaka International Airports. There are also regional airports, which are either privately owned or owned by government. Information relating to the performance of privately owned airports in South Africa could not be sourced therefore the performance of ACSA airports will be reported in this section of the report. ACSA is responsible for managing nine of the state-owned airports which are:

- ❖ O.R. Tambo International Airport
- ❖ Cape Town International Airport
- ❖ King Shaka International Airport
- ❖ Bram Fischer International Airport
- ❖ Upington Airport
- ❖ Port Elizabeth Airport
- ❖ East London Airport
- ❖ George Airport, and
- ❖ Kimberley Airport

The next section of the report provides the performance of aircraft and passenger movements in ACSA airports within South Africa during 2018 and 2019.

2.5.1 Aircrafts arriving to South Africa: 2018-2019

The table below indicates the total number aircrafts arriving in ACSA airports for 2018 and 2019. There has been a decline of -1.6% in the total number of aircraft arriving in 2019 (256 280) compared to 2018 (260 321). The decline was mainly due to the number of unscheduled and domestic aircraft arriving, which declined by -3.6% and -1.4% respectively.

Table 7: Arriving Aircraft to South Africa: 2018-2019

ARRIVING AIRCRAFTS	2018	2019	DIFFERENCE	% CHANGE
INTERNATIONAL	38 887	39 431	544	1,4%
REGIONAL	12 348	12 300	-48	-0,4%
DOMESTIC	136505	134 607	-1 898	-1,4%
UNSCHEDULED	72 581	69 942	-2 639	-3,6%
TOTAL	260 321	256 280	-4 041	-1,6%

Source: ACSA data, 2020

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2.5.2 Passenger arrivals movements: 2018-2019

Table below shows the total passengers arriving in 2019 compared to 2018. Total international passenger arrivals increased by 2, 9% in 2019 to 21 429 817 passengers, compared to 20 818 200 in 2018. Unscheduled arrivals decreased by -7.0% in 2019 compared to 2018. Domestic passenger arrivals experienced an increase of 4.3% in 2019 compared to 2018.

Table 8: Arriving passengers to South Africa by region: 2018-2019

ARRIVING PASSENGERS	2018	2019	DIFFERENCE	% CHANGE
INTERNATIONAL	5 921 172	5 925 407	4 235	0,1%
REGIONAL	552 373	551 093	-1 280	-0,2%
DOMESTIC	14 283 966	14 896 859	612 893	4,3%
UNSCHEDULED	60 689	56 458	-4 231	-7,0%
TOTAL	20 818 200	21 429 817	611 617	2,9%

Source: ACSA data, 2020

2.5.3 Passenger departure movements: 2018-2019

Table below shows the total passengers departing in 2019 compared to 2018. Total passengers departing increased by 2.8% in 2019 which was a total of 21 567 439 passengers in 2019 compared to 20 972 235 in 2018.

An increase of 0.2% in total international passengers departing was seen in 2019, with growing numbers from 20 972 235 in 2018 to 21 567 439 in 2019. Regional arrivals also increased by 1.0% in 2019 compared to 2018, while unscheduled passengers had a decrease of -6.8%.

Table 9: Departing passengers from South Africa by region: 2018-2019

DEPARTING PASSENGERS	2018	2019	DIFFERENCE	% CHANGE
INTERNATIONAL	6 024 950	6 039 107	14 157	0,2%
REGIONAL	545 891	551 244	5 353	1,0%
DOMESTIC	14 339 173	14 919 116	579 943	4,0%
UNSCHEDULED	62 221	57 972	-4 249	-6,8%
TOTAL	20 972 235	21 567 439	595 204	2,8%

Source: ACSA data, 2020

2.6   Car Rental Performance in South Africa: 2018-2019

Figure 11: Car rental performance: 2018-2019

Car rental sales in South Africa

	Business Car rental	Leisure Car rental	Insurance replacement	Total Car rental value sales
2018 R million	R2 761	R2 009	R 969	R11 477
2019 R million	R2 822	R2 228	R1 015	R12 128
% Change	2,2%	10,9%	4,7%	5,7%
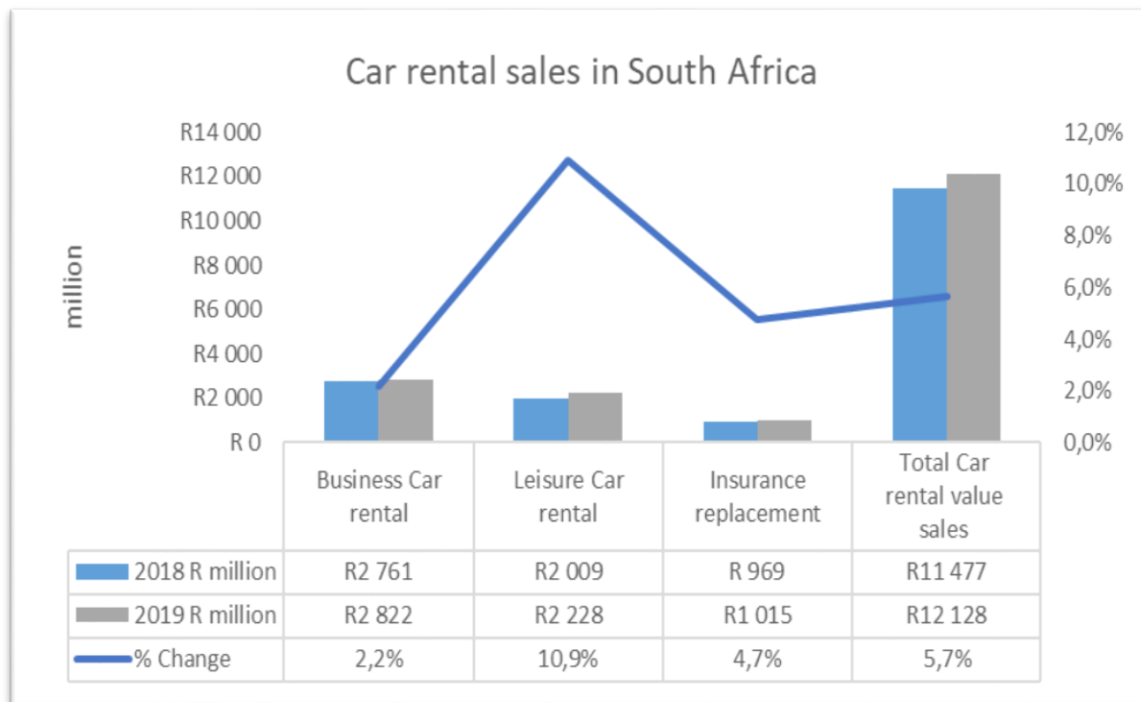
Source: Euromonitor, 2020

Car rental is an important industry for the tourism sector since tourists often use car rentals to travel within the country. Recent data from Euromonitor indicates that the rental value sales in South Africa for 2018 was R11.5 billion, which grew by 5.7% to reach R12.1 billion in 2019. The figures below indicate that bookings from business tourism continue to drive the growth of car rental in 2018 and 2019. The Travel & Tourism Competitiveness Index (TTCI) ranked South Africa 43rd out of 140 countries in 2019 for the presence of major car rental companies in the country (WEF, 2019).

2.7   The Travel & Tourism Competitiveness Index (TTCI) for South Africa: 2019

The World Economic Forum (WEF) is responsible for developing the Travel and Tourism Competitiveness Index (TTCI). The main aim of the TTCI 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 TTCI results for South Africa for 2019 compared to 2017 since the report is published biennially (every two years).

Out of 140 countries, South Africa was ranked 61st position in 2019 compared to 53rd position out of 136 countries in 2017. The Sub-Saharan region had an average score of 3.1. Within the sub-Saharan region, South Africa was the top scorer for cultural resources and business travel pillars, which was due to the country's stadiums and total number of international association meetings hosted in 2019. South Africa also ranked high in natural (15th) and cultural resources (23rd).

Figure 12: Tourism Competitiveness Index for South Africa: 2019
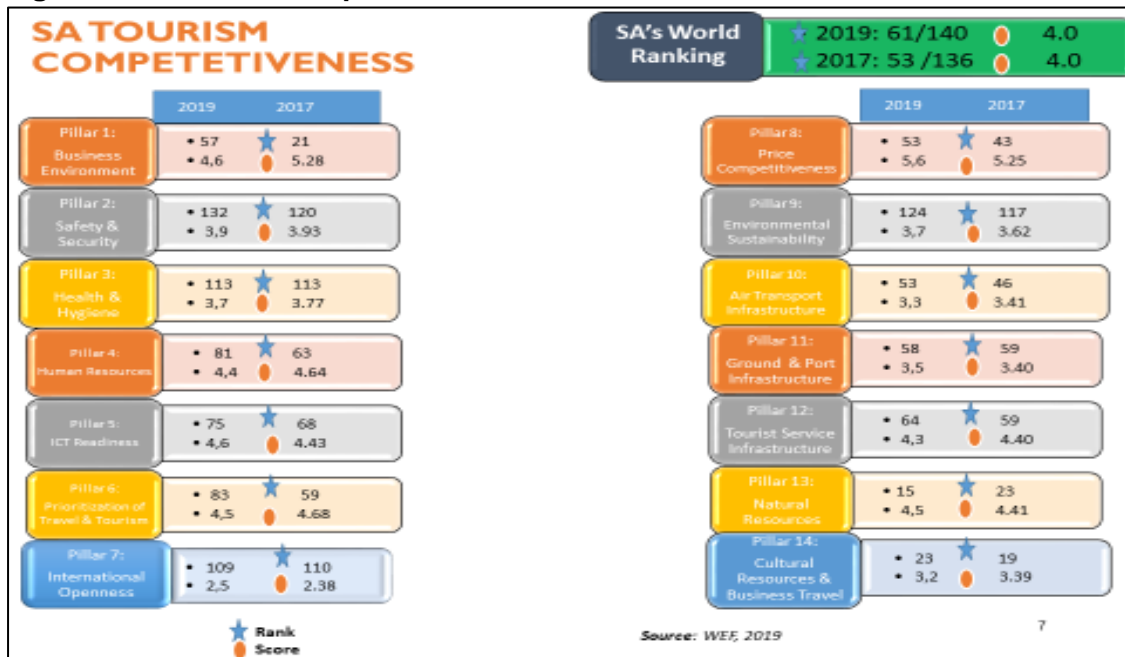
Source: WEF, 2019

🌞 🎟️ 🌧️ 🌳 🗺️ 🚕 👕 🗽 🚂 CHAPTER THREE: SOUTH AFRICAN INBOUND TOURISM PERFORMANCE

Tourism is regarded as an export industry since 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 and processing of tourist arrivals in South Africa

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

Figure 13: Data collection and processing of foreign arrivals (including tourists)
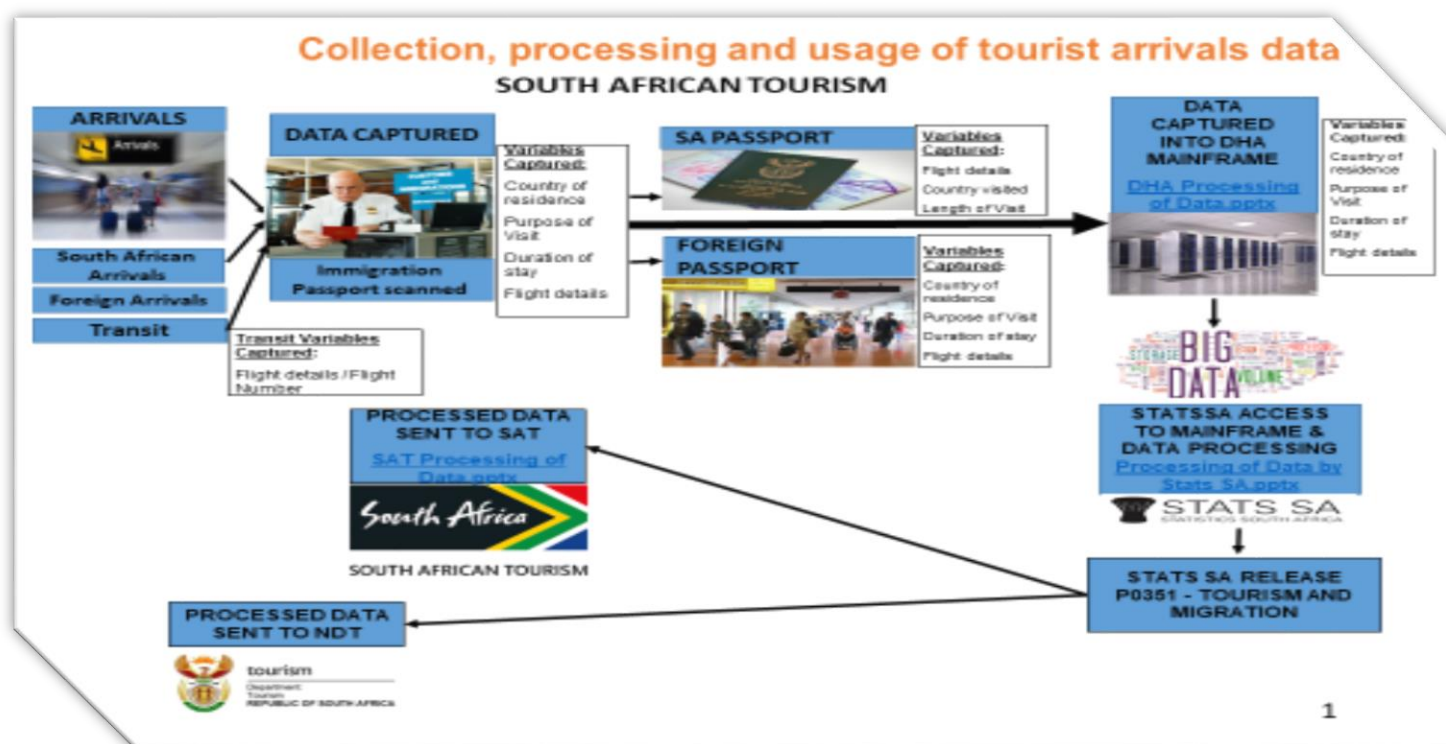
As seen in figure 18 above, travel information is firstly collected by immigration officers at all land, air and sea ports of entry on all travellers arriving into or departing from South Africa. The information is sourced directly from travel documents either by scanning them or by capturing information 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. Each port of entry regularly transmits the data to the national database i.e. DHA's 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 period 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 is able to 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 on a monthly basis 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's Annual Tourism Performance Reports.

3.2   Tourists Arrivals to South Africa: 2014-2019

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. In 2019, a total of 10 228 593 tourist arrivals was recorded which was a decline of -2.2% (-243 512) compared to 2018. Figure below indicates tourist arrivals for the period 2014 to 2019. Tourist arrivals to the country recorded a decline of -6, 8% in 2015 compared to 2014. The performance recovered in 2016 with a double digit growth of 12, 8% compared to 2015. Tourist arrivals continued to grow in 2017 and 2018, however the growth was slower during these two years.

Figure 14: Number of International tourist arrivals: 2014-2019

Annual Tourist Arrivals: (2014-2019)

	2 014	2 015	2 016	2 017	2 018	2 019
Total Tourist arrivals	9 549 236	8 903 773	10 044 163	10 285 197	10 472 105	10 228 593
Difference	587 671	-645 463	1 140 390	241 034	186 908	-243 512
% Growth	6,6%	-6,8%	12,8%	2,4%	1,8%	-2,3%
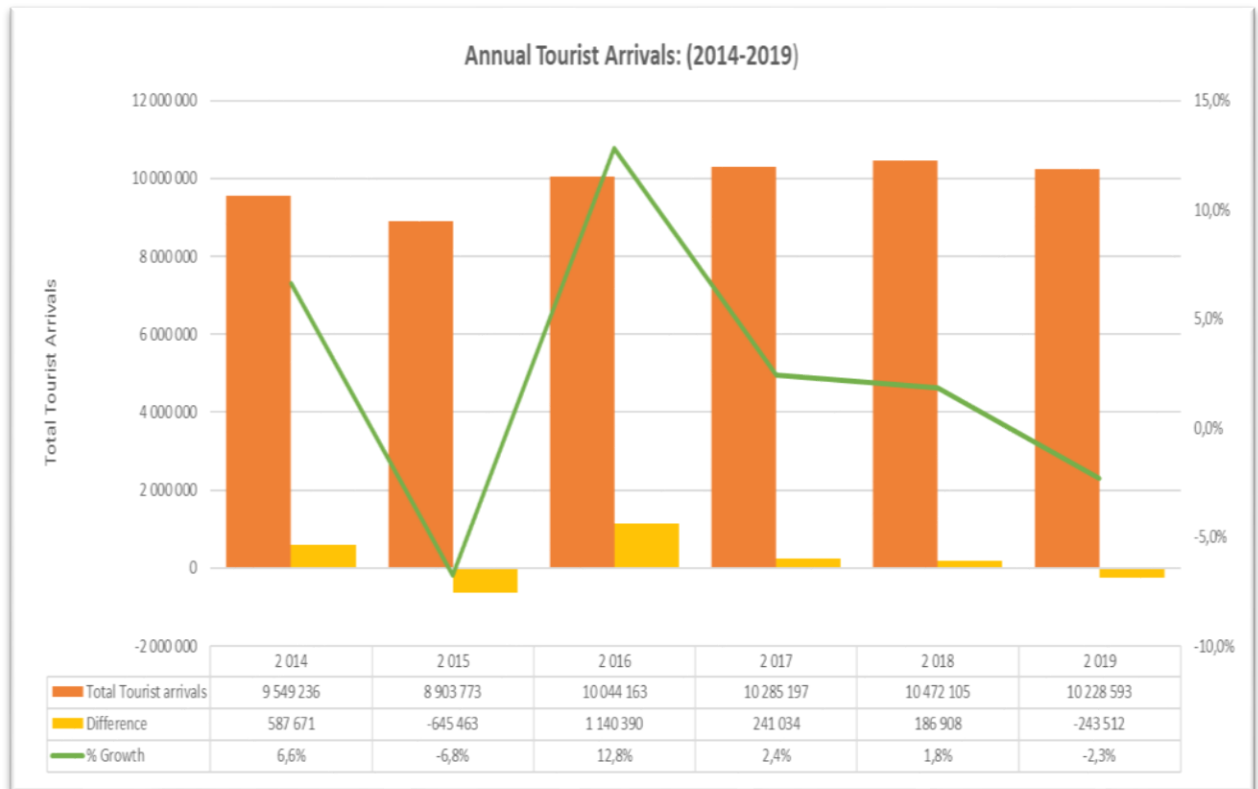
Source: Stats SA Tourism & Migration data, February 2020

Table below gives the total tourist arrivals to South Africa by region for the period 2019 compared to 2018. Total tourist arrivals (10 228 593) went down by -2.3% (-243 512) for the January to December 2019 period compared to the same period in 2018 (10 472 105). Total tourist arrivals from the overseas market declined by -2.2% (-59 987), which was influenced by declines recorded in Europe (-3.8%), Australasia (-2.4%) and North America (-1.0%). Tourist arrivals from Middle East went up by 11.4% followed by Central and South America (3.3%). The highest declining growth recorded in Europe was from Sweden, with a decline of -14.3% (-6 953). With regards to volume, France showed the highest decline of -11.4% (-21 213). The decrease from Australasia was driven by a decline of -3.8% (-4 407) in tourist arrivals from Australia. As already indicated, Middle East showed the highest growth in tourist arrivals, and with regards to volume, the growth from Middle East was driven by an increase of 2 880 and 2 782 in tourist arrivals from Israel and Saudi Arabia respectively. Tourist arrivals from Africa declined by -2.4% (-185 514) and in terms of volume, the decrease was driven by negative growth in tourist arrivals of -10.1% (-175 740) from Lesotho, followed by Mozambique (-27 701) and Botswana (-20 251).

Table 10: International tourist arrivals by region: 2018-2019

REGION	2018	2019	DIFFERENCE	% CHANGE
EUROPE	1 618 762	1 556 452	-62 310	-3,8%
NORTH AMERICA	444 671	440 271	-4 400	-1,0%
CENTRAL & SOUTH AMERICA	116 516	120 380	3 864	3,3%
AUSTRALASIA	131 348	128 153	-3 195	-2,4%
MIDDLE EAST	49 867	55 532	5 665	11,4%
ASIA	310 982	311 371	389	0,1%
TOTAL OVERSEAS	2 672 146	2 612 159	-59 987	-2,2%
TOTAL AFRICA	7 786 357	7 600 843	-185 514	-2,4%
UNSPECIFIED	13 602	15 591	1 989	14,6%
GRAND TOTAL	10 472 105	10 228 593	-243 512	-2,3%

Source: Stats SA Tourism & Migration report December 2018

3.3 Top international overseas and African tourist source markets: 2019 compared to 2018

Table below shows rankings of top ten overseas source markets comparing 2019 with 2018. Four of the top 10 overseas markets recorded an increase in tourist arrivals except for France (-11.4%), Germany (-6.0%), China (-3.9%), Australia (-3.8%), Netherlands (-1.9%) and USA with -0.8%. Despite this decline, most of the top ten overseas markets remained in the same position for the period under review except India moving up from 8th position in 2018 to 7th position in 2019 and China moving down from 7th position in 2018 to 8th position in 2019. UK remains the main source market from overseas recording a growth of 1.4%.

Table 11: Top ten overseas international tourist markets: 2019 compared to 2018

COUNTRY	RANK-2019	TOURIST ARRIVALS 2019	RANK-2018	TOURIST ARRIVALS 2018	% CHANGE FROM 2018 TO 2019
UK	1	436 559	1	430 708	1,40%
USA	2	373 694	2	376 892	-0,80%
GERMANY	3	322 720	3	343 229	-6,00%
FRANCE	4	165 038	4	186 251	-11,40%
THE NETHERLANDS	5	144 071	5	146 925	-1,90%
AUSTRALIA	6	111 439	6	115 846	-3,80%
INDIA	7	95 621	8	93 428	2,30%
CHINA	8	93 171	7	96 915	-3,90%
BRAZIL	9	77 261	9	70 539	9,50%
ITALY	10	64 764	11	63870	1,40%

Source: Stats SA Tourism & Migration report, February 2020

Table below ranks the top ten African source markets for the period 2019 and 2018. Majority of the top ten African source markets remained at the same position for the period under review except Malawi, moving up from 7th position in 2018 to 6th position in 2019 and Namibia losing its 6th position in 2018 by dropping to 7th position in 2019. Most of the top ten countries recorded a decline growth in tourist arrivals except for Swaziland (3.8%), Zimbabwe (2.3%) and Malawi (0.9%). Zimbabwe's growth translated to an additional 49 864 tourist arrivals from this country, while Nigeria recorded the highest decline (-27.4%) followed by Lesotho (-10.1%) and Zambia (-8.4%).

Table 12: Top ten African tourist source markets: 2019 compared to 2018

COUNTRY	RANK-2019	TOURIST ARRIVALS 2019	RANK-2018	TOURIST ARRIVALS 2018	% CHANGE FROM 2018 TO 2019
ZIMBABWE	1	2 258 794	1	2 208 930	2,30%
LESOTHO	2	1 563 448	2	1 739 188	-10,10%
MOZAMBIQUE	3	1 333 195	3	1 360 896	-2,00%
SWAZILAND	4	917 631	4	883 735	3,80%
BOTSWANA	5	668 315	5	688 566	-2,90%
MALAWI	6	199 079	7	197 317	0,90%
NAMIBIA	7	184 431	6	200 367	-8,00%
ZAMBIA	8	152 064	8	165 968	-8,40%
ANGOLA	9	61 995	9	64 859	-4,40%
NIGERIA	10	39 041	10	53 769	-27,40%

Source: Stats SA Tourism & Migration report, February 2020

As already indicated, data for indicators such as purpose of visit, spend and provincial share of tourist arrivals is collected by SA Tourism through the monthly Tourism Departure Survey conducted at main land and air ports of entry to the country. The data is collected from tourists when leaving the country to get more understanding of their experience while travelling within South Africa. The sections below provide an analysis of purpose of visit, geographic spread and total spend by international tourists for the period 2018 compared to 2017 as reported by SA Tourism.

3.4 Main purpose of visit for International tourist arrivals: 2019

Tourists often travel to different destinations for different purposes. Understanding the different purpose 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 business category includes tourists travelling for business; and Meetings, Incentives, Conferences and Exhibitions (MICE) purposes; and the shopping category includes tourists who are shopping for personal and business reasons. The main reasons for international tourists to visit South Africa in 2019 were mainly for visiting friends and relatives (VFR) (41.4%); holiday (20.9%); and shopping (22.9%), as indicated in the figure below. The share of tourists travelling for VFR went up from 38,8% in 2018 to 41,4% in 2019.

Figure 20: Main purpose of visit for international tourist arrivals: 2019
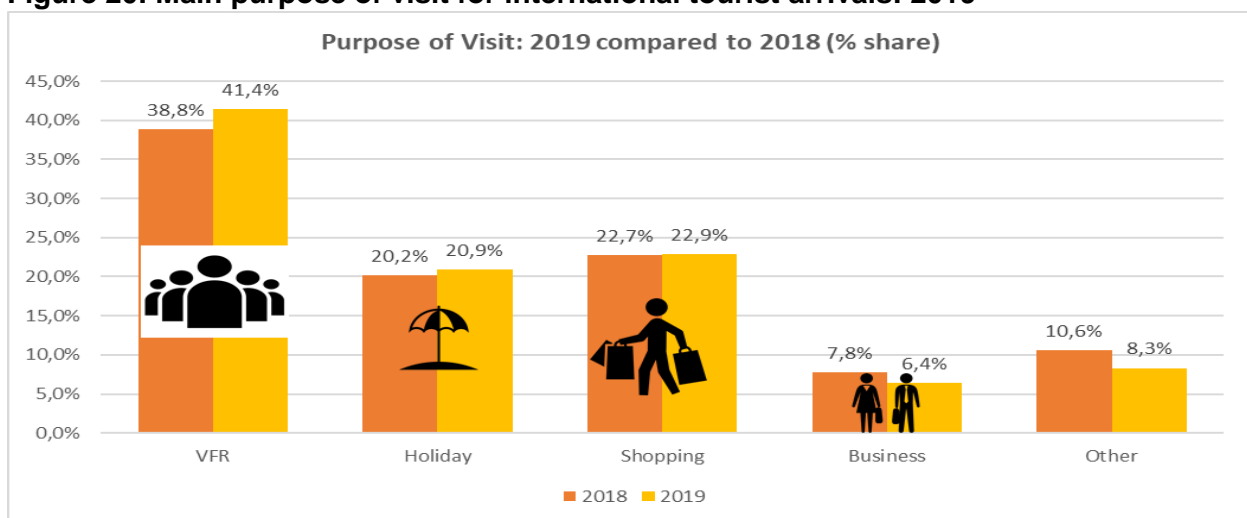
Source: SA Tourism Performance Report: January-December, 2019

The results in the figure below give the main purpose of visit for tourists travelling from Africa to the country in 2019 compared to 2018.

Figure 21: Purpose of Visit for tourist arrivals from Africa: 2019
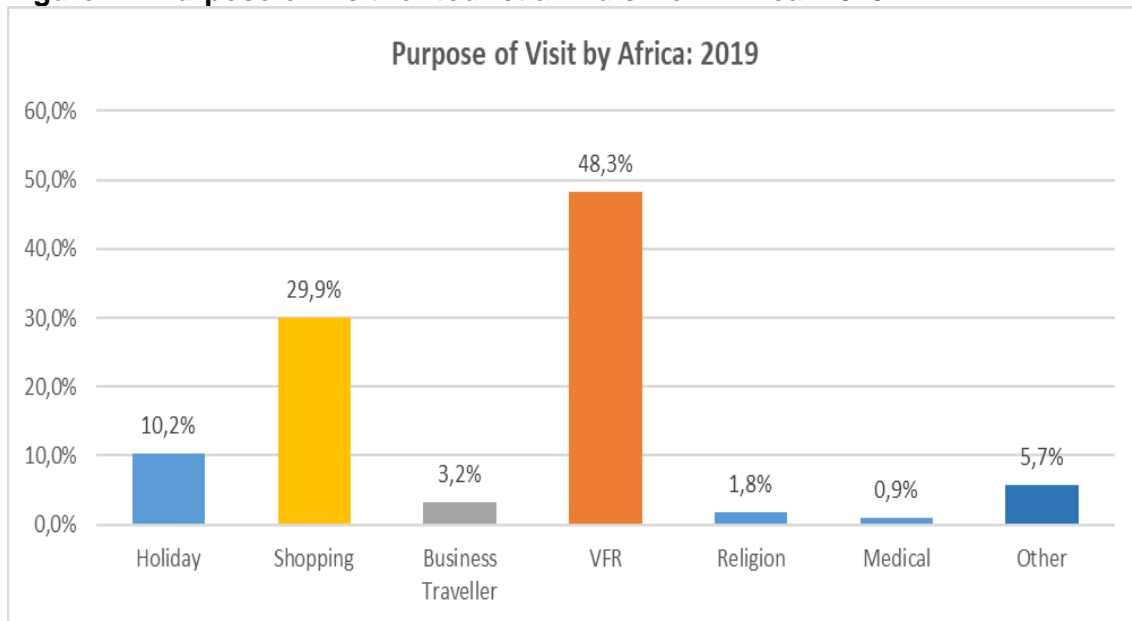
Source: SA Tourism Performance Report: January-December, 2019

Tourists from the African region predominantly visited South Africa for VFR purposes (48.3%), followed by shopping (29.9%) and holiday (10.2%) purposes in 2019. Less than 5% of tourists from the Africa region visited South Africa for business (3.2%), religion (1.8 %) and medical (0.9%) purposes.

The figure below shows the main purpose of svisit for tourist from overseas regions namely; Asia, Australasia, Central and South America, Europe, Middle East and North America.

Figure 22: Main Purpose of Visit for Overseas Markets: 2019

Purpose of Visit by Overseas: 2019

	Holiday	Shopping	Business Traveller	VFR	Religion	Medical	Other
Asia	33,4%	0,1%	34,5%	21,9%	0,3%	0,3%	9,5%
Australasia	47,5%	0,2%	10,0%	37,0%	0,6%	0,1%	4,6%
Central and South America	56,4%	0,0%	16,7%	9,1%	0,0%	0,0%	17,7%
Europe	60,2%	0,1%	14,8%	18,3%	0,2%	0,2%	6,1%
Middle East	55,1%	0,5%	12,4%	26,6%	0,6%	0,1%	4,8%
North America	58,2%	0,0%	15,0%	16,0%	1,4%	0,2%	9,2%
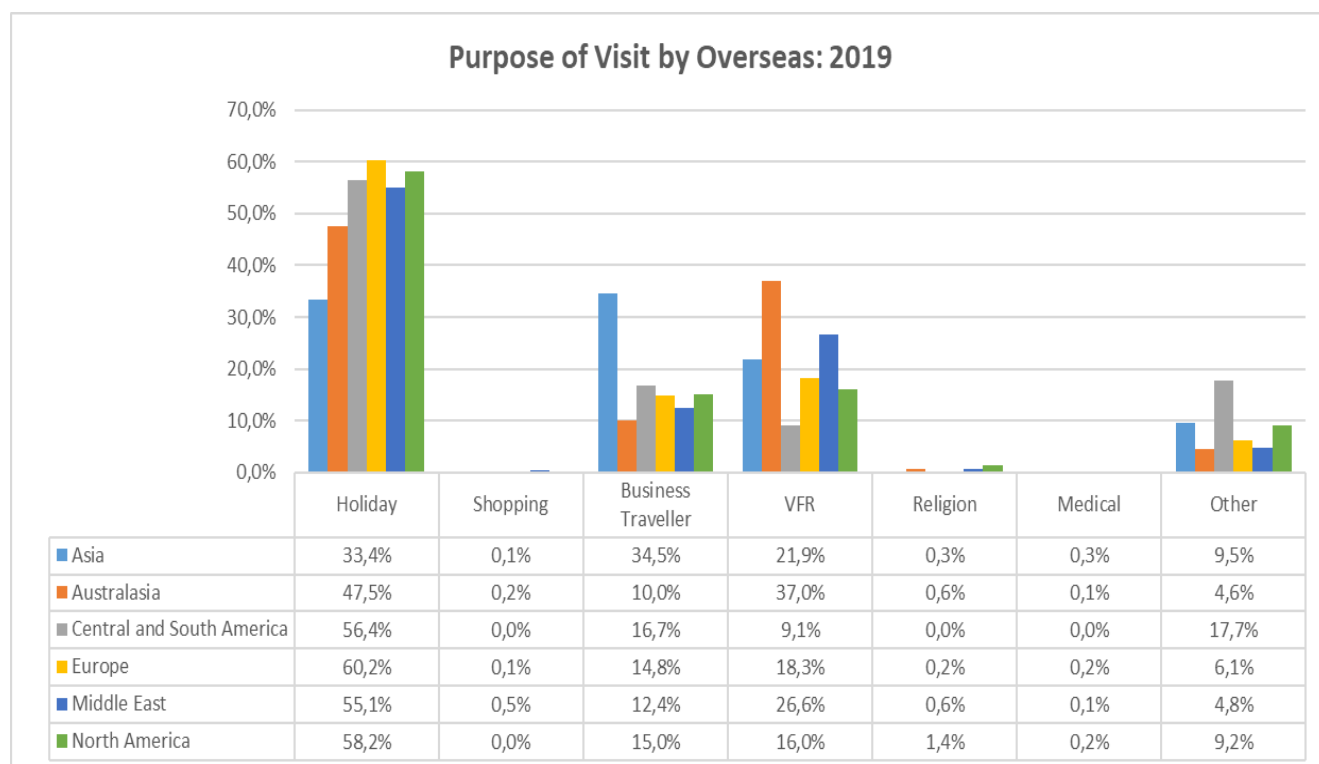
Source: SA Tourism Performance Report: January-December, 2019

According to figure 22, more than half of tourists from Europe (60.2%), North America (58.2%), Central and South America (56.4%) and Middle East (55.1%) main purpose for visiting South Africa was holiday purposes. Compared to other regions, most tourists from Asia, about 34.5%, travelled for business purposes to South Africa. Australasia was leading with tourists (37.0%) visiting South Africa for VFR purposes. This analysis highlights the importance of marketing agencies that should be diverse and comprehensive in their marketing interventions, by considering different purposes of travel for international markets.

3.5 Length of stay for international tourist arrivals 2019 compared to 2018

On average, the length of stay for international tourists was shorter in 2019 compared to 2018. The number of nights spent by international tourists went down slightly from 11.7 nights in 2018 to 11.4 nights in 2019. Increasing the length of stay of tourist arrivals could

be one of the key targets to increase the contribution of tourism to the economy of any country as the longer the tourists stay in a country, the more likely they will spend more.

3.6 Total Foreign Direct Spend (excluding capital expenditure): 2019 compared to 2018

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 13 below shows that the total foreign direct spend for international tourists was R81.2 billion in 2019, which was a decrease of -1.6% from R82.5 billion in 2018.

Table 13: Spend by region: 2019 compared to 2018

Region	2018	2019	%Change	% share 2019
Africa	R35 424 473 536	R30 725 408 594,00	-13,3%	37,8%
Asia	R5 338 586 804,00	R4 739 510 598,00	-11,2%	5,8%
Australisia	R2 307 862 394,00	R2 430 780 180,00	5,3%	3,0%
Central and South America	R1 870 865 799,00	R1 453 584 118,00	-22,3%	1,8%
Europe	R27 445 854 945,00	R31 405 697 854,00	14,4%	38,7%
Middle East	R1 032 393 717,00	R1 290 219 864,00	25,0%	1,6%
North America	R9 108 591 068,00	R9 141 305 111,00	0,4%	11,3%
Total Foreign Direct Spend	R82 528 628 263,00	R81 186 506 319,00	-1,6%	100,0%

Source: SA Tourism 2019 data cuts

The importance of arrivals from Africa could be seen by their contribution to total foreign direct spend, which was about 37,8% and the rest of the contribution was from overseas markets. The contribution from Africa is driven by volume of tourist arrivals. On average, tourists from the Africa continent spend less than tourists from overseas markets per trip. Air-bound markets showed a much higher average spend per trip, with the Middle East spending on average R27 000, Europe R22 900, North America R22 600, Australasia R20 300, Asia R17 500, South America R17 200 and Africa R4 100. The average expenditure for international tourist arrivals in South Africa remained flat at R8 300 per trip during 2019 and 2018.

3.6.1 Total Foreign Direct Spend by top five African Source Markets

The top five African markets by total foreign direct spend are provided in table 14 below. In 2019, most of the total spend from African markets was from Zimbabwe, which was R11.6 billion, followed by Mozambique (R3.1 billion) and Lesotho (R2.7 billion).

However, it should be noted that the total spend from Zimbabwe was driven by volume. According to SA Tourism data, top spenders from the African market were from the Democratic Republic of Congo with an average spend of R29 400 per trip in 2019, which was up from an average spend of R25 700 per trip in 2018.

Table 14: Total Foreign Direct Spend by top five African Markets: 2019

Rank	Country	Total Foreign Direct Spend 2018	Total Foreign Direct Spend 2019
1	Zimbabwe	R12 295 567 710	R11 620 335 773
2	Mozambique	R3 618 520 675	R3 081 877 238
3	Lesotho	R2 923 226 893	R2 661 393 409
4	Malawi	R 2 887 019 478	R2 245 501 962
5	Zambia	R 2 666 235 802	R2 047 820 855

Source: SA Tourism Performance Report: January-December 2019

3.6.2 Total Foreign Direct Spend by top five overseas Markets: 2019

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 UK, with a total spend of R6.2 billion, followed by the USA (R5.6 billion) and Germany (R5.5 billion). On average tourists from the UK spent about R24 200 per trip during 2019, which was an increase from an average spend of R19 700 per trip in 2018.

Table 15: Total Foreign Direct Spend by top five overseas Markets: 2019

Rank	Country	Total foreign Direct Spend - 2018	Total Foreign Direct Spend 2019
1	UK	R6 346 022	R6 201 509
2	USA	R5 425 705	R5 571 817
3	Germany	R5 726 850	R5 485 719
4	France	R2 767 299	R2 403 382
5	Netherlands	R2 352 175	R2 171 930

Source: SA Tourism Performance Report: January-December 2019

3.7   Provincial share of tourist arrivals: 2019

The table 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 are higher than those reflected in the total tourist

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arrivals from Stats SA, which their report captures the actual number of foreign tourists into the country by considering one trip when tourists enter and leave South Africa.

Figure 23 below indicates that, in 2019, most international tourists visited Gauteng (32.1%), followed by Limpopo (21.9%) and the Western Cape (19.6%). The three least visited provinces were North West (6.0%), the Eastern Cape (4.1%) and Northern Cape (1.2%). To increase the impact and benefit of international tourism, provincial marketing agencies should continue to promote their respective provinces as destinations that offer unique and diverse tourism experiences. Tourism planners should also consider developing tourism products that would attract international tourists to the less visited provinces or destinations.

Figure 23: Provincial share of tourist arrivals: 2019
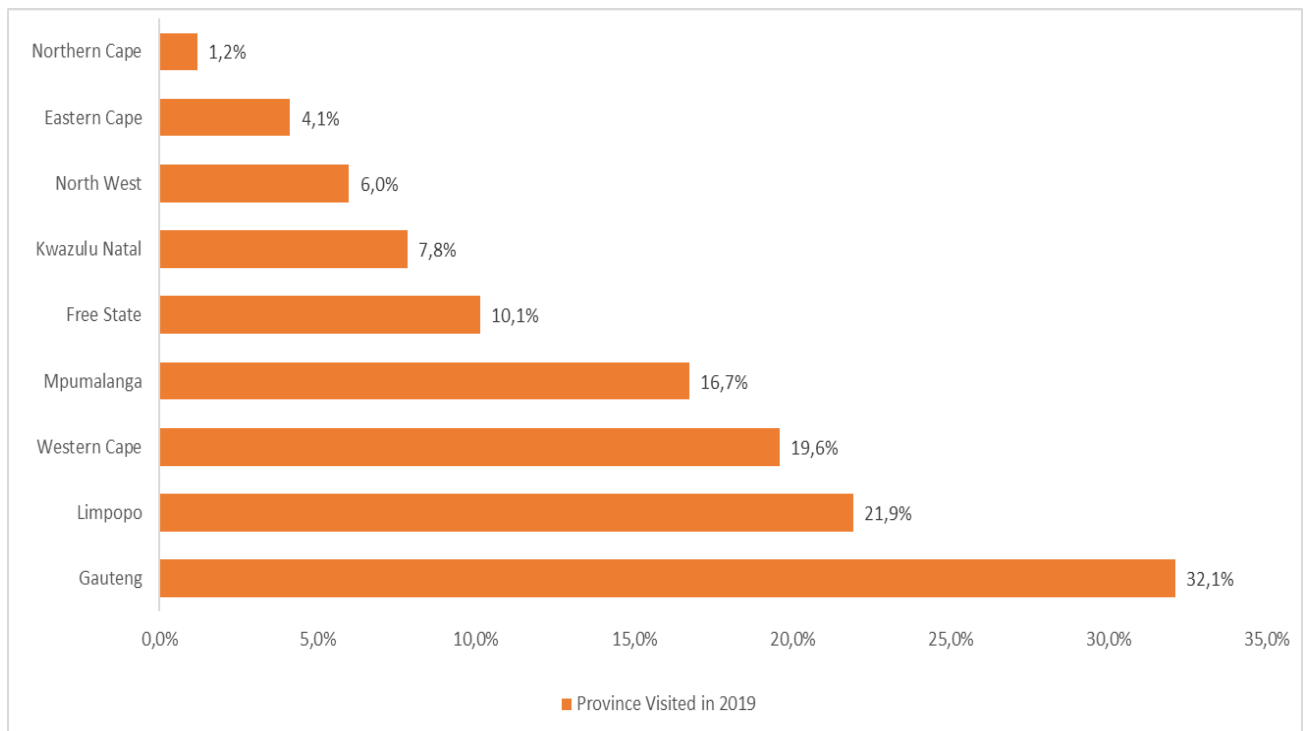
Source: SA Tourism Performance Report: January-December 2019

CHAPTER FOUR: SOUTH AFRICA'S DOMESTIC TOURISM PERFORMANCE

Domestic tourism plays a critical role in the success of any tourism destination and it also forms the backbone of the sector. According to the Tourism Satellite Account (TSA) released by Statistics South Africa (Stats SA), domestic tourism plays a critical role in the tourism sector as it generates more than half the internal tourism revenue. South Africa aims to increase the impact and spread of domestic tourism through multiple marketing strategies, product development and packaging, and niche market creation. The National Tourism Sector Strategy key pillars include the key elements that will drive the development and growth of the domestic market.

The Department of Tourism developed a Domestic Tourism Strategy in 2012, to increase domestic tourism expenditure (revenue), 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. The next section of the report analyses the performance of South Africa's domestic tourism.

4.1 Domestic Day and Overnight Trips: 2015-2019

Figure 24 below shows the number of domestic day and overnight trips taken during the period 2015-2019. In 2016, overnight trips were 24.3 million, which was a decline of -0.4% compared to 2015. In 2017, the total overnight domestic trips recorded was 17.2 million, which was a decrease of -29.2% compared to 2016. Comparing 2018 with 2017, total overnight domestic trips increased by 2.8% resulting in a total of 17.6 million overnight domestic trips in 2018. In 2019, overnight domestic trips increased by 61.3% compared to 2018. Domestic day trips also follow the same trend with an increase from a total of 116, 0 million trips in 2018 to 236,5 million trips in 2019, which was a positive growth of 103,9% as reported by SA Tourism.

Figure 24: Number of Domestic Trips (millions): 2015-2019

Domestic Day and Overnight Trips: 2015-2019

Year	Day trips (Destination Province)	Overnight Trips (Source Province)
2015	224,5	24,4
2016	125,2	24,3
2017	135,0	17,2
2018	115,9	17,6
2019	236,5	28,5
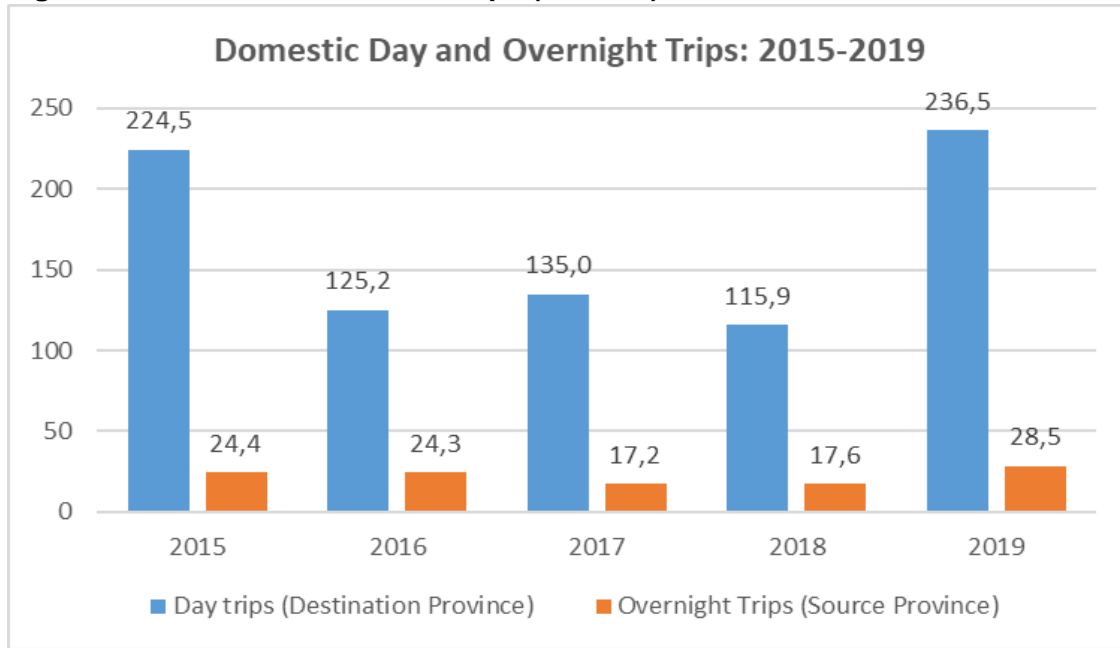
4.2   Domestic Tourism Purpose of Visit and length of Stay

In 2019, the majority (60,3%) of domestic tourists travelled for the main purpose of visiting friends and relatives (VFR) followed by holiday (28,4%), religion (6,0%), business (3,0%) and medical (1,7%).

Figure 25: Purpose of Visit Share: 2019 compared to 2018

Purpose of Visit Share (%): 2019 compared to 2018

	Holiday	VFR	Business	Medical	Religious	Education/training
2018	15,1%	66,6%	9,6%	0,6%	7,4%	0,7%
2019	28,4%	60,3%	3,0%	1,7%	6,0%	0,60%

40
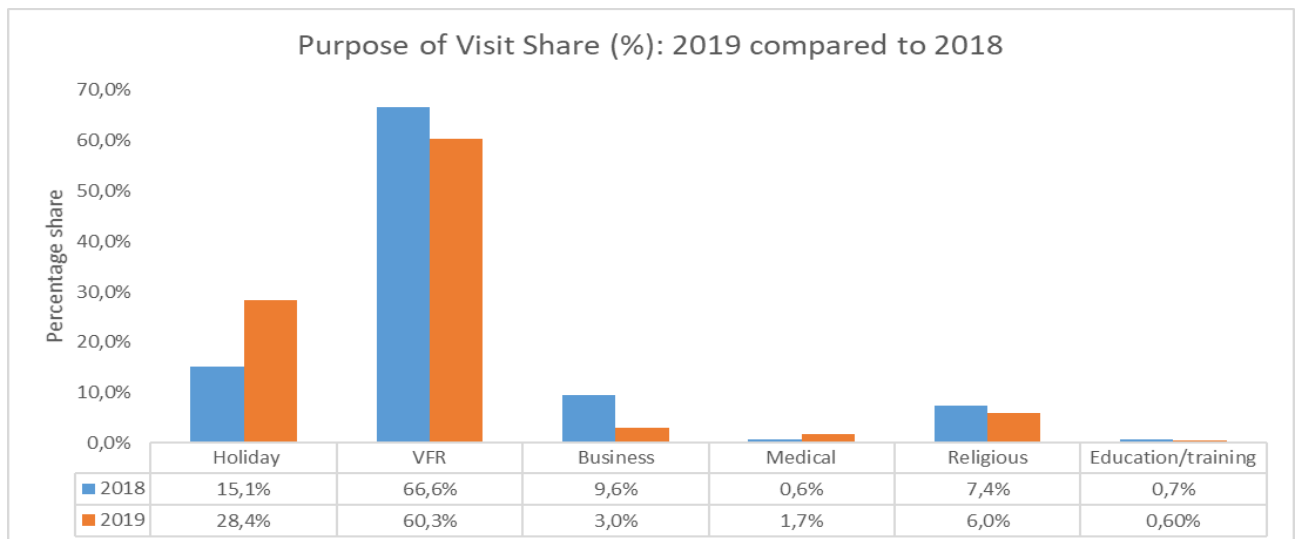
4.3 Domestic Spend: 2019

The figure below gives the domestic tourism spend for the period 2015 to 2019. Domestic tourism spend increased from about R23.6 billion in 2015 to R26.5 billion in 2016, that was an increase of about 12.3%. Domestic tourism spend decreased in 2017 by -16.6% (R4.4 billion) compared to 2016. Comparing 2018 with 2017, total domestic spend was R26.4 billion, which was an increase of 19.5% (R4.3 billion). In 2019, domestic tourism spend increased by 66.3%, from R26.4 billion in 2018 to R43.9 billion in 2019.

Figure 26: Total Domestic Spend: 2015-2019

	2015	2016	2017	2018	2019
Total Domestic Spend	23,6	26,5	22,1	26,4	43,9
Difference	-3,2	2,9	-4,4	4,3	17,5
% Growth	-11,9%	12,3%	-16,6%	19,5%	66,3%
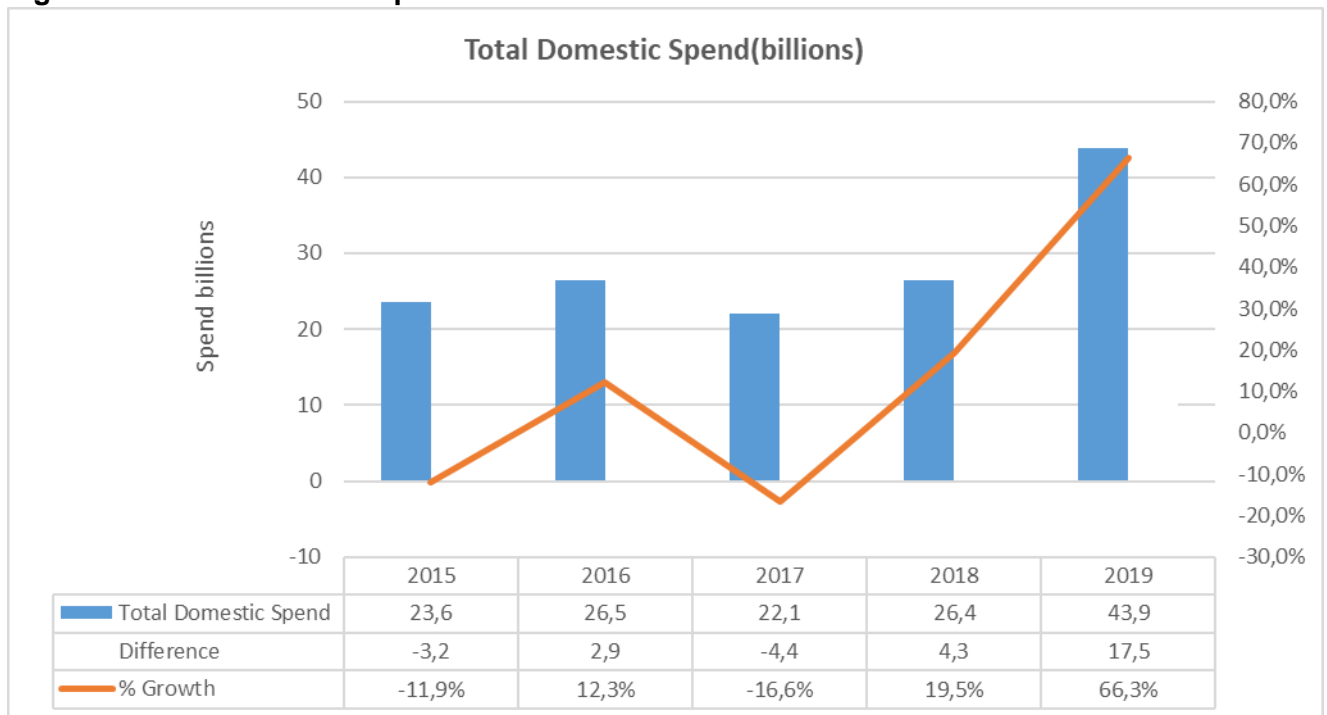
Source: SAT Tourism Provincial data cuts 2019

Figure 27 below shows the share of domestic spend and average spend by domestic tourists' purpose of visit for the period 2019. The results indicate that domestic tourists who travel for holiday purposes contributed 39% to the total domestic spend, followed by VFR (38%), business (13%), religion (3%) and medical (1%). The average spend by purpose of visit shows that domestic tourists travelling for business spend on average more (R3 541), followed by holiday (R2 447) and VFR (R1 102). Travelling for medical and religious purposes tend to generate the least average spend per trip of R814 and R746 respectively.

These figures indicate the potential of generating greater revenue through holiday and business travel as domestic tourists traveling for these purposes tend to spend more. Furthermore, there is a huge potential that lies within the VFR market as this category contributes more to the volume of domestic trips. Travellers could be encouraged to take holiday trips and introduced to more tourist activities, thereby generating more spending during their visitation period.

Figure 27: Share of domestic spend by purpose of visit and average spend by purpose: 2019
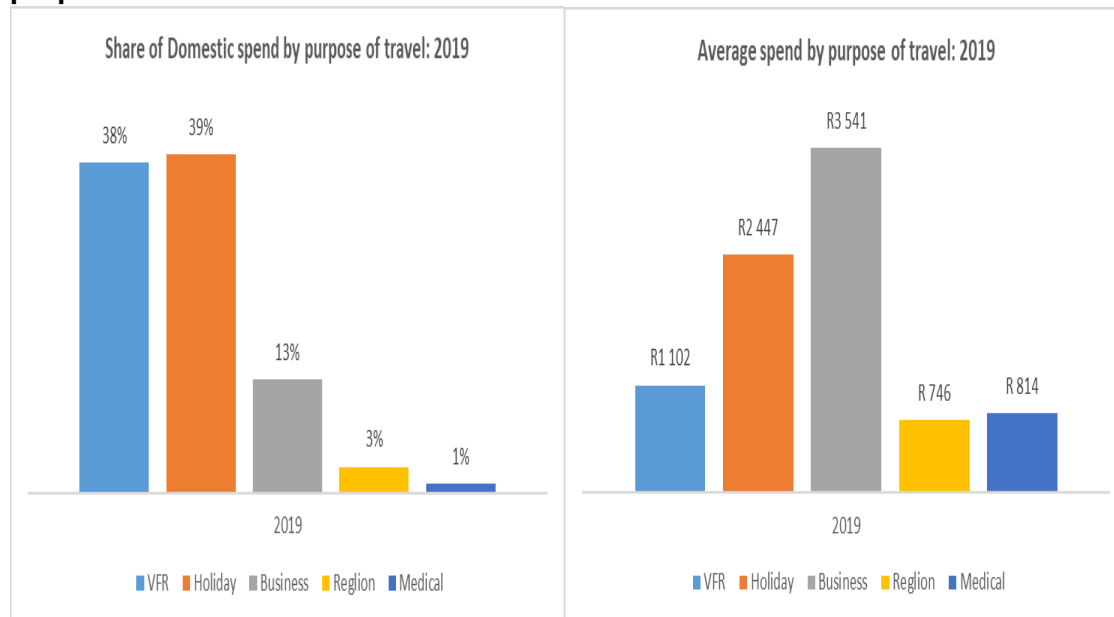
Source: SA Tourism Performance Report: January-December 2019

4.4   Provincial share of domestic trips: 2019

The provincial distribution of domestic tourism trips for 2019 is indicated in table 17 below. Domestic tourists travelled more to Gauteng (20.3%), KwaZulu-Natal (18.8%), Western Cape (13.5%) and Limpopo (12.7%) in 2019. Provinces that received less than 10% of domestic trips were Mpumalanga (7.7%), North West (7.3%), Eastern Cape (6.4%) and Northern Cape (2.6%). These results indicate that domestic tourism campaigns should focus largely on marketing the less visited provinces in order to achieve a fair geographical spread of tourists across provinces.

Table 16: Provincial distribution of domestic trips: 2019

Province	% Share
Gauteng	20,3%
KwaZulu-Natal	18,8%
Western Cape	13,5%
Limpopo	12,7%
Free State	10,7%
Mpumalanga	7,7%
North West	7,3%
Eastern Cape	6,4%
Northern Cape	2,6%

Source: SAT Tourism Provincial data cuts 2019

4.5   Top three (3) spenders by destination province: 2019

The table below shows the top three provincial spenders in the nine provinces. Gauteng was the top spender in most provinces except in Northern Cape and Eastern Cape. The data also show that the province of destination is also one of the top three spenders.

Table 17: Top spenders by destination province: 2019

Destination	Top Spender
Eastern Cape	Eastern Cape
	Free State
	Kwazulu-Natal
Free State	Free State
	Gauteng
	North west
Gauteng	Gauteng
	Limpopo
	Kwazulu-Natal
Kwazulu-Natal	Kwazulu-Natal
	Gauteng
	Mpumalanga
Limpopo	Limpopo
	Gauteng
	North West
Mpumalanga	Mpumalanga
	Gauteng
	Limpopo
Northern Cape	Northern Cape
	Free State
	North west
North west	Gauteng
	North west
	Mpumalanga
Western Cape	Western Cape

	Gauteng
	Eastern Cape

4.6   Reasons for not traveling: 2019

The figure below provides reasons as to why fewer domestic trips were taken in 2019. As observed, 30.6% could not afford to travel, 20.9% had no reason to travel, 19.6% indicated that they were unemployed or had no income, 13.7% indicated time constraints and about 9.9% disliked traveling. According to the latest TSA results released by Stats SA (2019), preliminary figures for 2018 show that domestic tourism (R 153 196 million) contributed 56% to total tourism expenditure (R273 233 million), which was more than inbound tourism (R121 400 million). An improvement in the performance of domestic tourism in South Africa could therefore lead to a possible increase in the contribution of tourism to the country's GDP and an increase in the number of jobs created by the sector. Locally based service providers could therefore encourage cost-effective travelling packages for those who cannot afford to travel based on the prices of current packages.

Figure 28: Percentage share of reasons for not taking a domestic trip: 2018

Reason for not taking a domestic Trip: 2019

Reason	Percentage
Other	3,6%
Not safe to tarvel	2,4%
Business-orientated reasons	2,9%
Too old to travel	4,7%
Health Reasons	4,7%
Dislike traveling	9,9%
Time constraints	13,6%
No reason to take a trip	19,6%
Unemployed/no income	20,9%
Cannot Afford it	30,6%
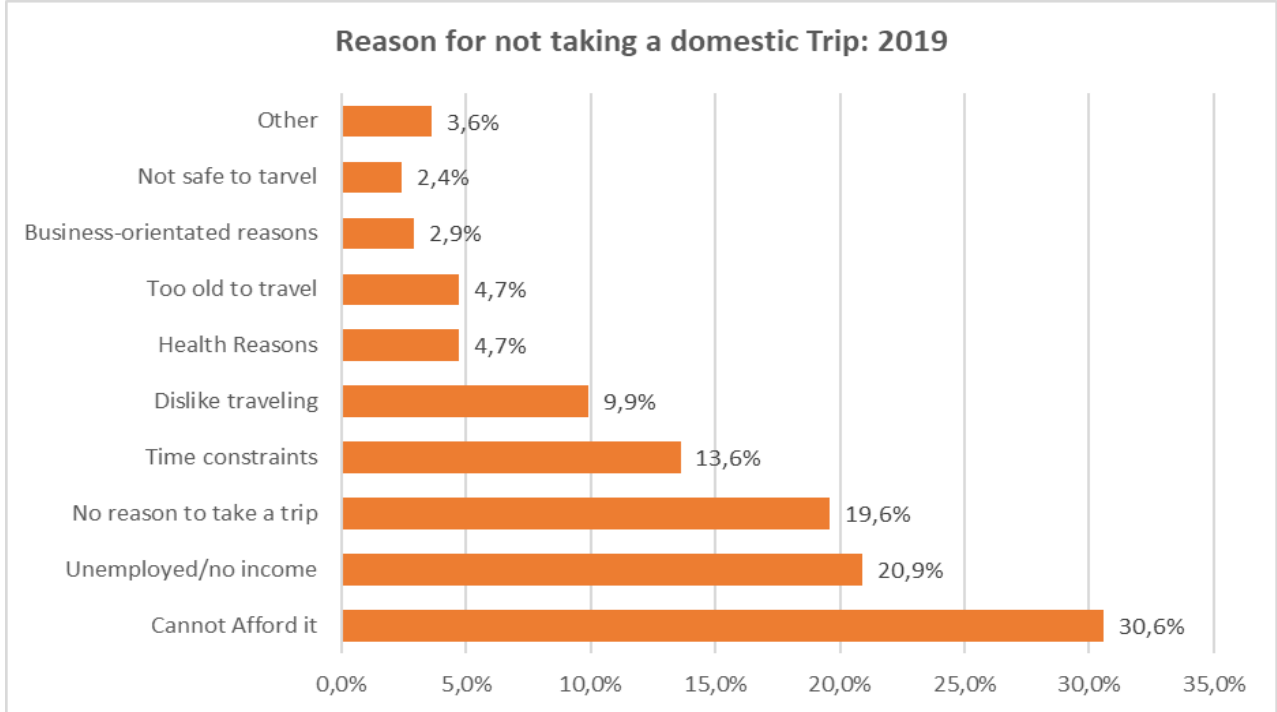
4.7   Integration of Domestic Tourism Surveys in South Africa

There are two main sources for domestic tourism performance statistics in the country, namely; the SA Tourism Domestic Tourism Survey and the Stats SA Domestic Tourism Survey. The two separate surveys are conducted for different purposes and use different methodologies, which are highlighted in table 19 below, thereby causing considerable confusion amongst users of domestic tourism statistics. To remedy this situation, it was agreed that the two surveys would be aligned and integrated into a single Domestic Tourism Survey (DTS) that would serve both Stats SA, SA Tourism and other key stakeholders within the tourism sector. The integration of the two surveys is still underway and is envisaged that SA Tourism will then discontinue their DTS going forward once the harmonisation process is completed. The table below indicates the difference between these two surveys. Most of the work done by the Department with regards to domestic tourism uses results from SA Tourism hence the analysis in chapter four above is based on SA Tourism DTS data.

Table 18: Summary of primary differences between Stats SA and SA Tourism Domestic Tourism Surveys

Characteristic	SA Tourism	Stats SA
Type of Survey	Household	Household
Sample	15 594 persons/Adults (about 1300 per month)	28 000 households (continuous data collection and the 28 000 is divided into four quarters)
Respondents	Adults: 18 years and above, respond to individual trips only	All ages and respondents can respond for other household members of all the age groups if they are not available during the interview.
Recall Period	One-month recall period. (Respondent is asked about the trips taken in the previous month)	Up to three-month recall period but data collected monthly.
Characteristics of trips	SA Tourism collect detailed information for each trip undertaken (day/night)	Stats SA only collect detailed information for the most recent trip taken in three months under review when data is collected.
Reporting	Annual Report Quarterly reports	Annual report Bi-annual report

CHAPTER FIVE: GLOBAL TOURISM ECONOMIC IMPACT

The tourism sector has made a significant contribution to the world economy over the years by contributing towards economic development and job creation. Countries across the world have become dependent on the tourism sector for improving their economies including South Africa. This section of the report details the value of the 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 2013-2019. The figures reported in this section are primarily sourced from the World Travel and Tourism Council (WTTC). Forecasted data from the WTTC for 2030 has also been included in the analysis.

5.1 Travel and Tourism's Total Contribution to Gross Domestic Product: 2013- 2019

According to the World Travel and Tourism Council (WTTC, 2020), the total contribution of the travel and tourism sector to the global economy was about US$8 572,4 billion in 2018 (10.2% of global GDP) and it went up to US$8 875,5 billion in 2019 as indicated in figure one below. Forecasted data for 2030 from WTTC indicates that travel and tourism's total contribution to GDP will be US$13 043,3 billion (11.3% of global GDP), which will increase by 3.7%.

Figure 29: Travel and Tourism sector total contribution to GDP 2013-2019 and forecast for 2030

Travel and Tourism sector total contribution to GDP 2013-2019 and forecast for 2030
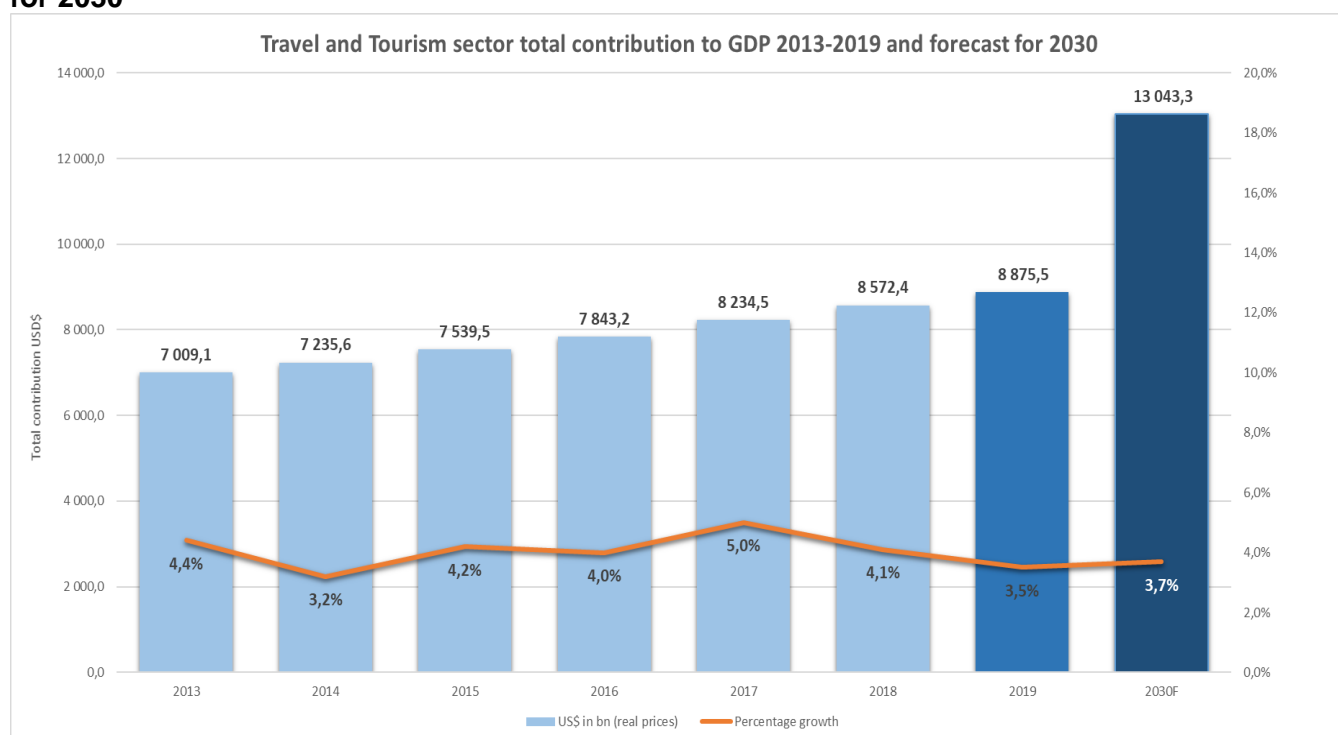
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2030F**
Share of GDP	9,5%	9,6%	9,8%	9,9%	10,0%	10,2%	10,3%	11,3%

Note: Real prices Source: WTTC World Report 2020 and excel data sheet, downloaded May2020

5.2 Travel and Tourism's Direct Contribution to Gross Domestic Product: 2013-2019 and forecasted data for 2030

Figure 30 below shows that the travel and tourism sector's direct contribution to GDP was about US$2 674,1billion (3.2% of global GDP) in 2018 and increased to US$2 766,7billion (3.2% of GDP) in 2019. The direct contribution of the Travel and Tourism sector is estimated to have grown by 3.5% from 2018 to 2019 globally. In 2030, WTTC forecasts that the travel and tourism sector's direct contribution to GDP will be US$4 012,7billion (3,5% of GDP). The travel and tourism sector will continue to play a significant role in the global economy. According to WTTC, "the travel and tourism sector has become a critical engine of economic development for many countries and can also be used as a vehicle for sharing cultures and building mutual understandings" (WTTC, 2020).

Figure 30: Travel and Tourism Sector's Direct Contribution to GDP 2013-2019 and forecasts for 2030

	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2030F**
Share of GDP	2,9%	3,0%	3,1%	3,1%	3,1%	3,2%	3,2%	3,5%
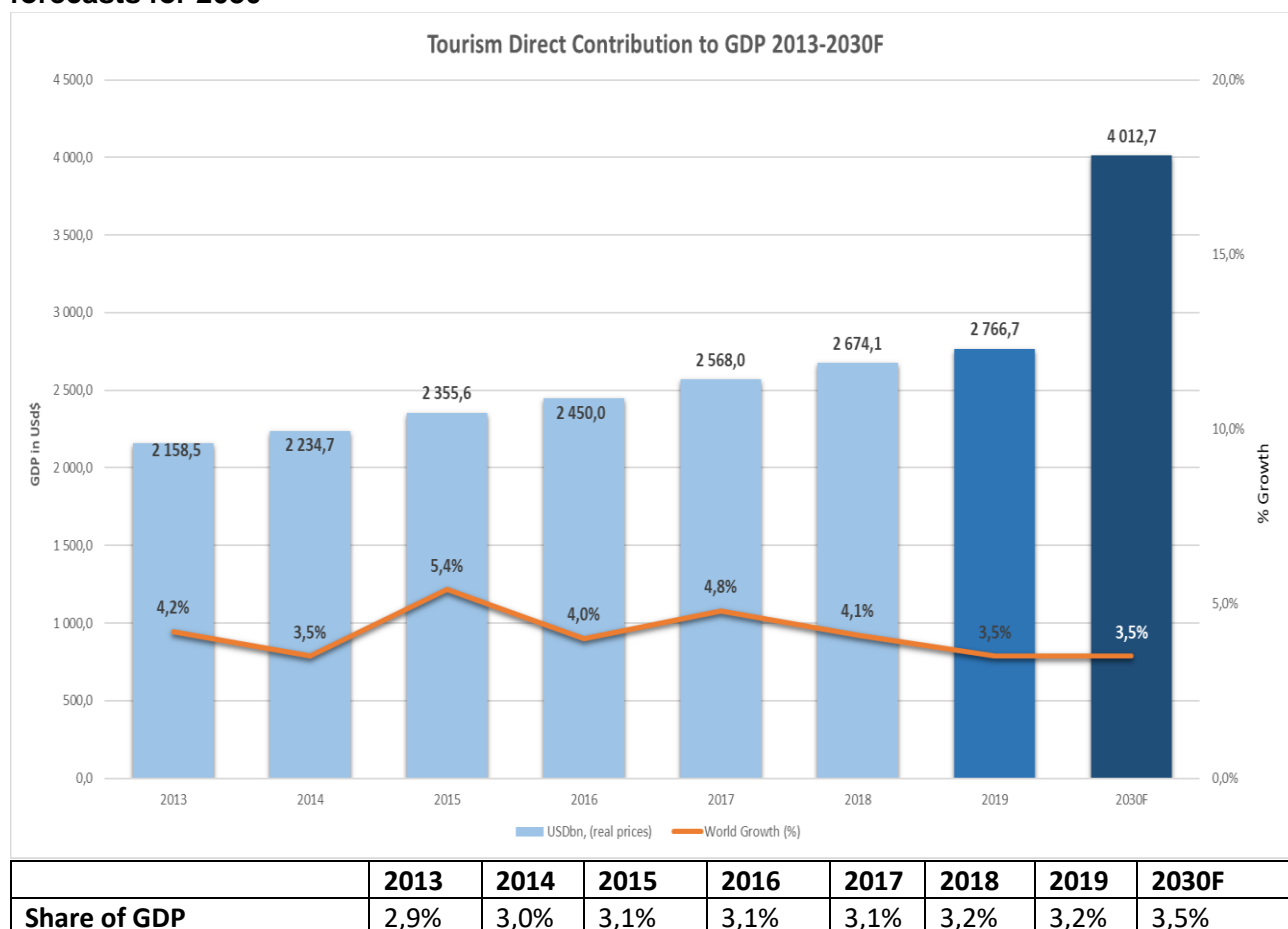
Note: Real prices

Source: WTTC World Report 2020 and excel data sheet, downloaded May. 2020

5.3 Total Contribution of Travel & Tourism to employment: 2013-2019 and forecasts for 2030

According to the WTTC, the travel and tourism sector's growth in GDP has enabled job creation (WTTC, 2020). Figure 31 below indicates that globally, the total contribution of the travel and tourism sector to employment was about 324,208,000 jobs (10.3% of total employment) in 2018 and went up to 329,578,000 jobs in 2019 (10.4% of total employment). The travel and tourism sector's total contribution to employment increased by 1.7% during this period. By 2030, the travel and tourism sector's total contribution to employment is expected to generate a total of 424,542,000 jobs, which will contribute about 11.8% towards total employment.

Figure 31: Travel and Tourism Sector total contribution to employment 2013-2019 and forecasts for 2030

	2013	2014	2015	2016	2017	2018	2019	2030F
Percentage Share of Employment	9,4%	9,6%	9,8%	10,0%	10,1%	10,3%	10,4%	11,8%

Source: WTTC World Report 2020 and excel data sheet, downloaded May 2020

5.4 Travel and Tourism Direct Employment Contribution: 2013-2019 and forecasted data for 2030

The figure below shows that the travel and tourism sector directly generated about 116,849, 000 jobs in 2018, contributing about 3.7% of total employment globally, and these jobs increased to 119,223,000 (3.8% of total employment) in 2019. According to WTTC forecasts, the travel and tourism sector will directly contribute 161,754, 000 jobs which will result in a 4.5% share of total employment by 2030. The WTTC has also reported that the travel and tourism sector often provide jobs to women, youth and other marginalised communities (WTTC, 2020).

Figure 32: Travel and Tourism Sector's Direct Contribution to Employment 2013-2019 and forecasts for 2030

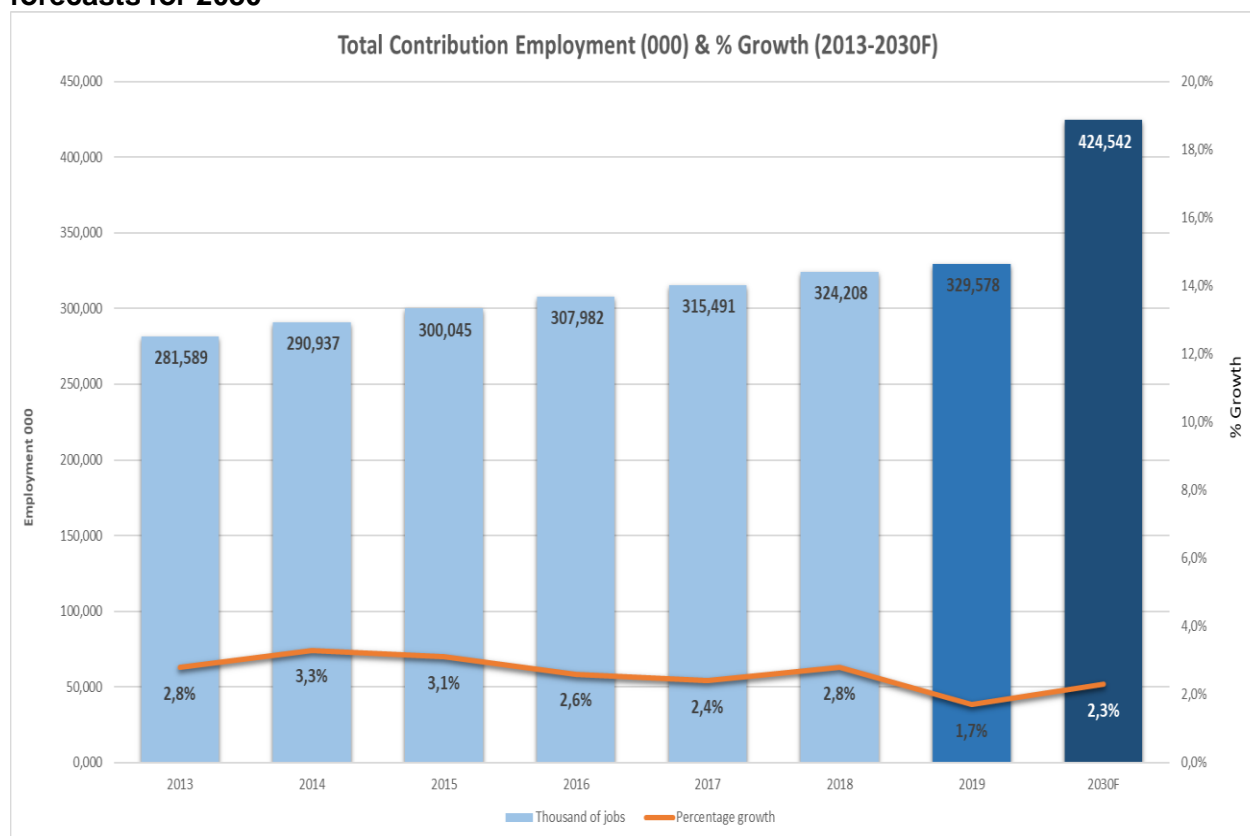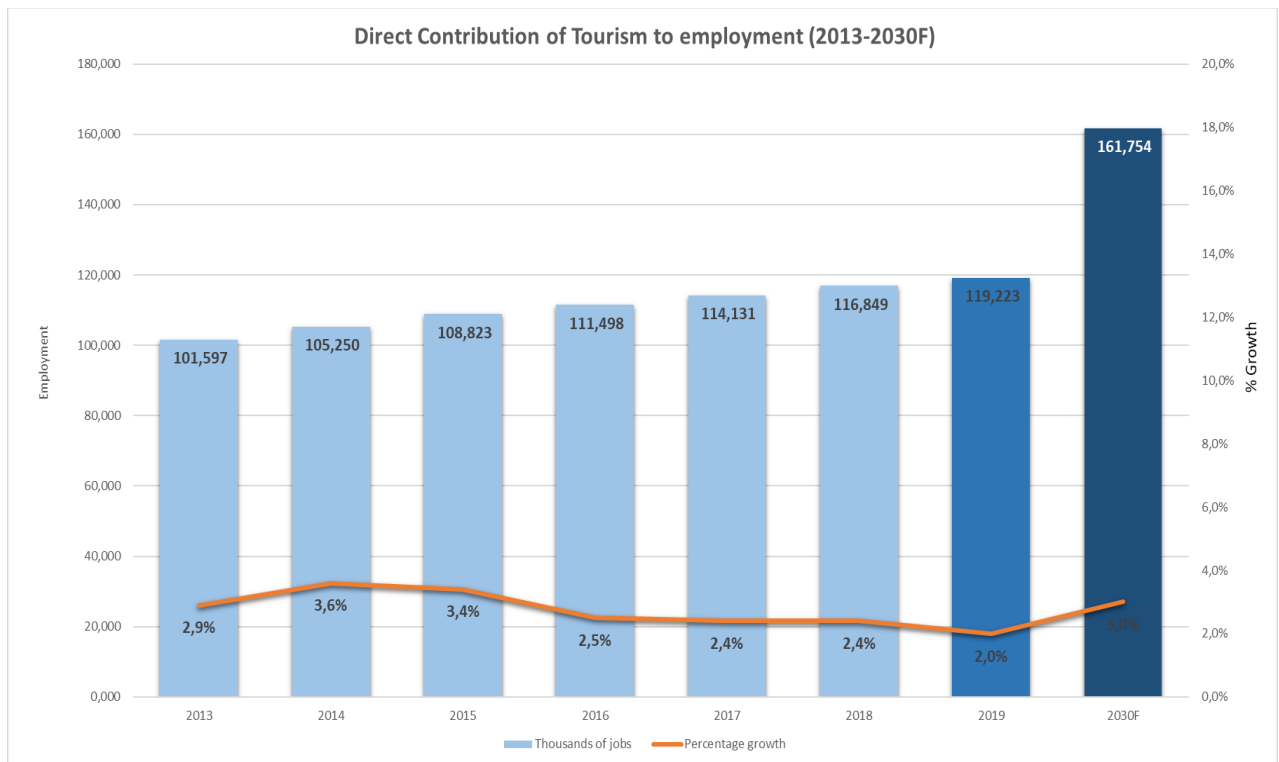|	2013	2014	2015	2016	2017	2018	2019	2030F
Percentage Share of Employment	3,4%	3,5%	3,6%	3,6%	3,7%	3,7%	3,8%	4,5%

Note: Real prices

Source: WTTC World Report 2020 and excel data sheet, downloaded May, 2020

5.5 Travel and Tourism performance compared to other sectors: GDP growth

Figure 33 below gives the global GDP growth of the different sectors for the period 2019. Data from WTTC indicates that the Information and communication sector led GDP growth with an increase of 4.8%. The travel and tourism sector's growth was 3.5%, which was higher than the construction sector (2.1%) and the retail and wholesale sector (2.4%).

Figure 33: Global Gross Domestic Product growth by Sector: 2019

GDP Growth by Sector 2019

- Manufacturing; 1,7%
- Construction; 2,1%
- Agriculture; 2,3%
- Retail & Wholesale; 2,4%
- Information and Communication; 4,8%
- Financial Services; 3,7%
- Healthcare; 3,0%
- Travel & Tourism; 3,5%
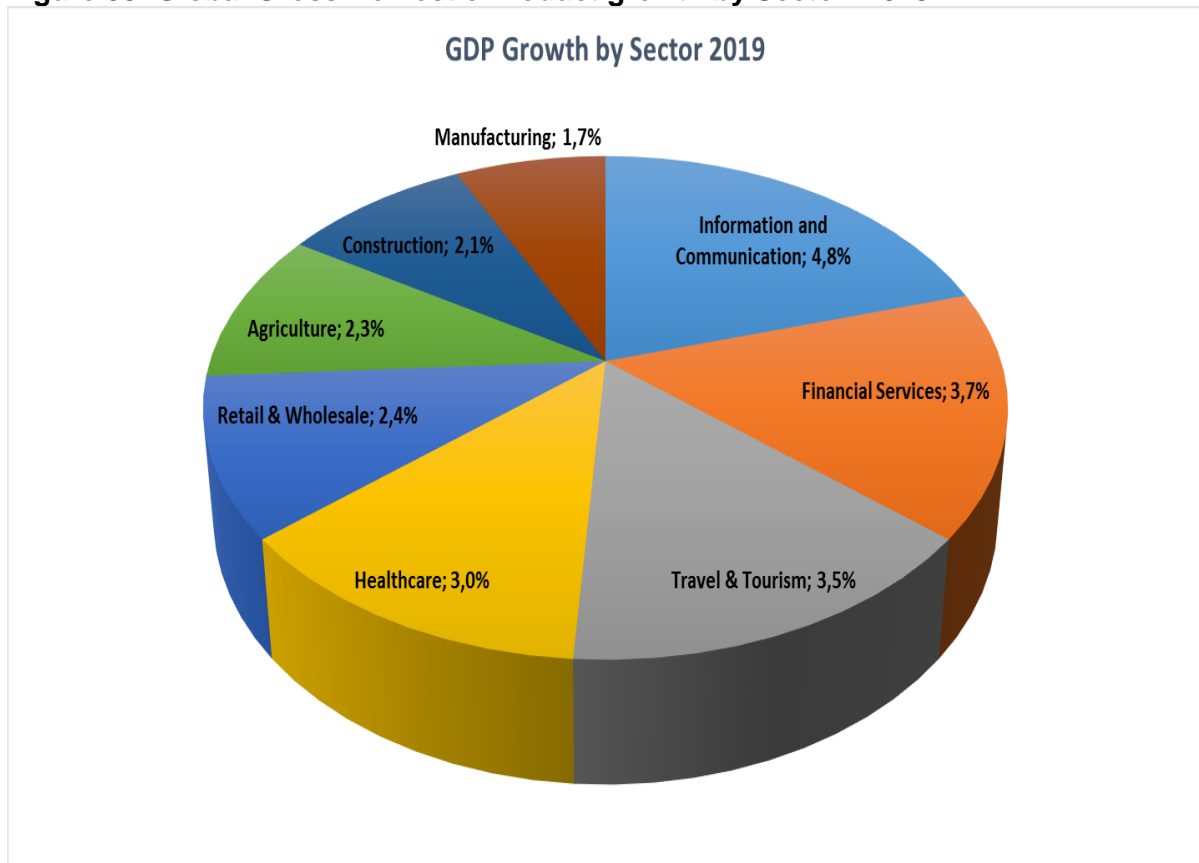
Source: WTTC World Report 2020

CHAPTER SIX: GLOBAL TOURISM PERFORMANCE

This section covers 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 Tourism Barometer: Volume 18, Issue 2 of May 2020.

6.1 GLOBAL TOURIST'S ARRIVALS: 2017 TO 2019

The following section compares the trends of global tourist arrivals for the period 2015 to 2019, as reported by the UNWTO. Figure 34 below indicates that there was a total of 1.5 billion global tourist arrivals recorded in 2019, which was an increase of 3.8% (54 million) compared to 2018 (1.4 billion). The highest growth of 7.5% was in 2017, where tourist arrivals increased from 1.2 billion in 2016 to 1.3 billion in 2017.

Figure 34: Global Tourist Arrivals: 2017-2019

Global Tourist Arrivals: 2017-2019

	2017	2018	2019
Global Arrivals (million)	1 333	1 408	1 462
% Growth	7,5%	5,6%	3,8%
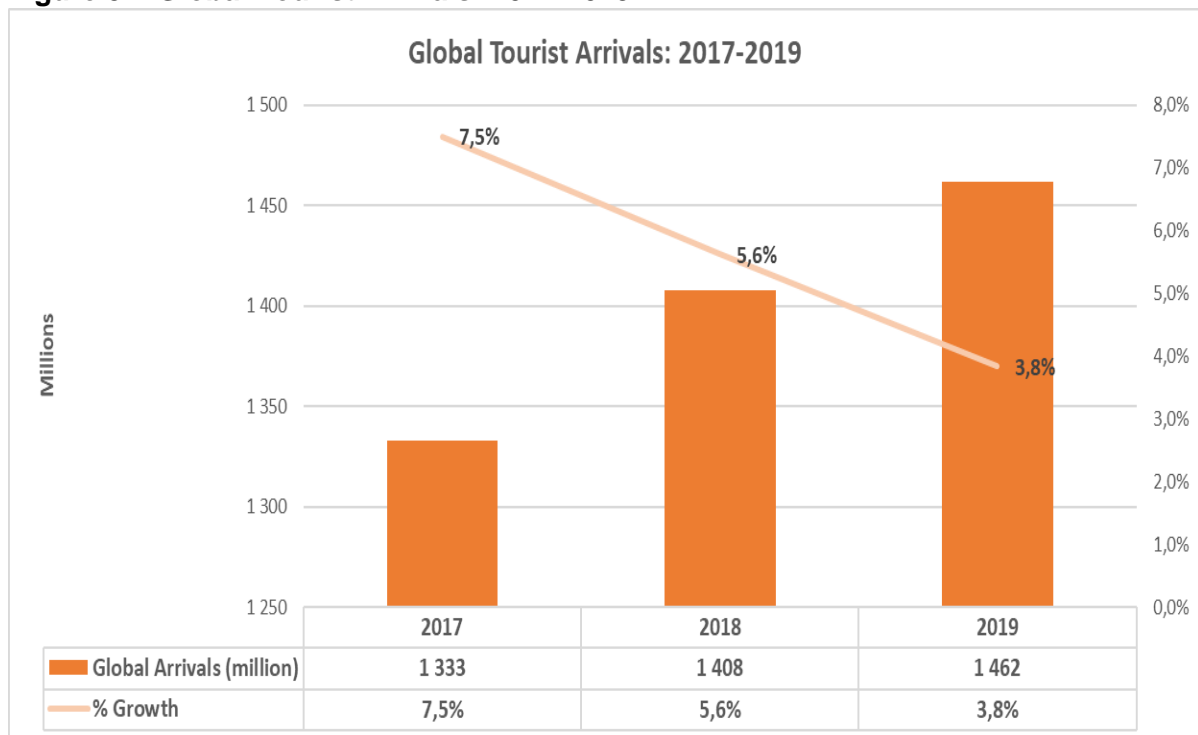
Source: UNWTO World Tourism Barometer, May 2020

6.2   Global Tourist Arrivals by Region: 2018-2019

The table below shows tourist arrivals by region for the period 2018-2019. All regions had an increase in international tourist arrivals. Middle East had the highest growth (6.8%), followed by Africa (6.4%), Europe (4,0%), Asia and the Pacific (3,7%) and Americas (2.0%). The statistics indicate that in 2019, tourist arrivals in Europe exceeded the 700 million mark, with a share of 50.9% of the total global tourist arrivals (UNWTO, May 2019). Preliminary data from UNWTO indicates that Africa's growth was mainly driven by countries in North African region such as Tunisia, with a double digit growth (13,6%) in tourist arrivals in 2019.

Table 19: Global arrivals by region 2019 compared to 2018

Region	2019	2018	% Change	Share of Total (%)
	Million			
World	1 462	1 408	3,8%	100%
Europe	744,3	715,9	4,0%	50,9%
Asia and the Pacific	360,6	347,7	3,7%	24,7%
Americas	220,2	215,9	2,0%	15,1%
Africa	73,2	68,8	6,4%	5,0%
Middle East	64,2	60,1	6,8%	4,4%

Source: World Tourism Barometer, May 2020

6.3   Top Global destinations by region: 2018

The figure below shows the top five destinations for international tourists by region for the period 2018. Data sourced from UNWTO for 2019 is incomplete.

Table 20: Global Tourist Arrivals by Region: 2018

World	Country	Arrivals
1	France	89 400
2	Spain	82 808
3	USA	79 746
4	China	62 900
5	Italy	61 567

Americas	Country	Arrivals
1	USA	79 746
2	Mexico	41 313
3	Canada	21 134
4	Argentina	6 942
5	Brazil	6 621

Europe	Country	Arrivals
1	France	89 400
2	Spain	82 808
3	Italy	61 567
4	Turkey	45 768
5	UK	36 316

Africa	Country	Arrivals
1	Morocco	12 289
2	South Africa	10 472
3	Tunisia	8 299
4	Mozambique	2 743
5	Zimbabwe	2 567

Asia and the Pacific	Country	Arrivals
1	China	62 900
2	Thailand	38 178
3	Japan	31 192
4	Hong Kong	29 263
5	Malaysia	25 832

Middle East	Country	Arrivals
1	UAE	15 920
2	Saudi Arabia	15 352
3	Egypt	11 346
4	Bahrain	4 367
5	Jordan	4 150

Source: World Tourism Barometer, May 2020

According to UNWTO 2020, the top destinations in the world for 2018 was France, followed by Spain and the USA. France was also the top destination to travel to in the Europe region in 2018. In Asia and Pacific region, China was the top destination, followed by Thailand and Japan. In Africa, the top destination for global tourists was Morocco followed by South Africa. The top destination in the Middle East region was UAE (United Arab Emirates), followed by Saudi Arabia. Destinations need to remain competitive but at the same time be able to meet the Sustainable Development Goals (SDGs) that aim for a better future for all (UNWTO, 2020).

6.4 International tourism expenditure by top ten countries for the period 2019 compared to 2018

Table below indicates the top ten (10) source markets by expenditure for the period 2018-2019.

Table 21: Top ten (10) source markets by expenditure for the period 2018-2019

		Countries	USD$ billion		Percent Change	
2019	2018		2018	2019	Real terns	Actual
Position						
1	1	China	277,3	245,6	-4,2%	-11,4%
2	2	United States	144,5	152,3	5,4%	5,4%
3	3	Germany	95,6	91,9	1,4%	-3,9%
4	4	United Kingdom	69,0	71,1	7,7%	3,0%
5	5	France	47,9	50,2	10,6%	4,8%
6	6	Australia	37,0	36,2	5,3%	-2,2%
7	9	Russian Federation	34,3	36,2	5,5%	5,5%
8	8	Canada	34,4	34,8	3,5%	1,2%
9	7	Korea	35,1	32,3	-8,1%	-8,0%
10	10	Italy	30,1	30,5	6,7%	1,3%

Source: World Tourism Barometer, May 2020

According to UNWTO, China was the top spender globally in 2019 and 2018, with a total spend of US$245.6 billion in 2019, which was almost one fifth of the total tourism spending. In real terms, France had the highest expenditure growth of 10.6%. The Russian Federation moved from 9th position in 2018 to the 7th position in 2019 with a total spend of US$36.2, while Korea dropped from 7th position in 2018 to 9th position in 2019. The growth in international tourism expenditure reported by countries for the period 2019 reflected an increasing demand from major source markets, which is consistent with the 3.8% growth in international arrivals recorded for the same period under review (UNWTO, 2020).

6.5. International tourism receipts: 2018 to 2019

International tourism receipts are defined as the amount that a country earns from tourists visiting a region (UNWTO, 2018). Total international tourist receipts by region for 2018 compared to 2017 are indicated in the figure below.

Figure 35: International Tourism receipts
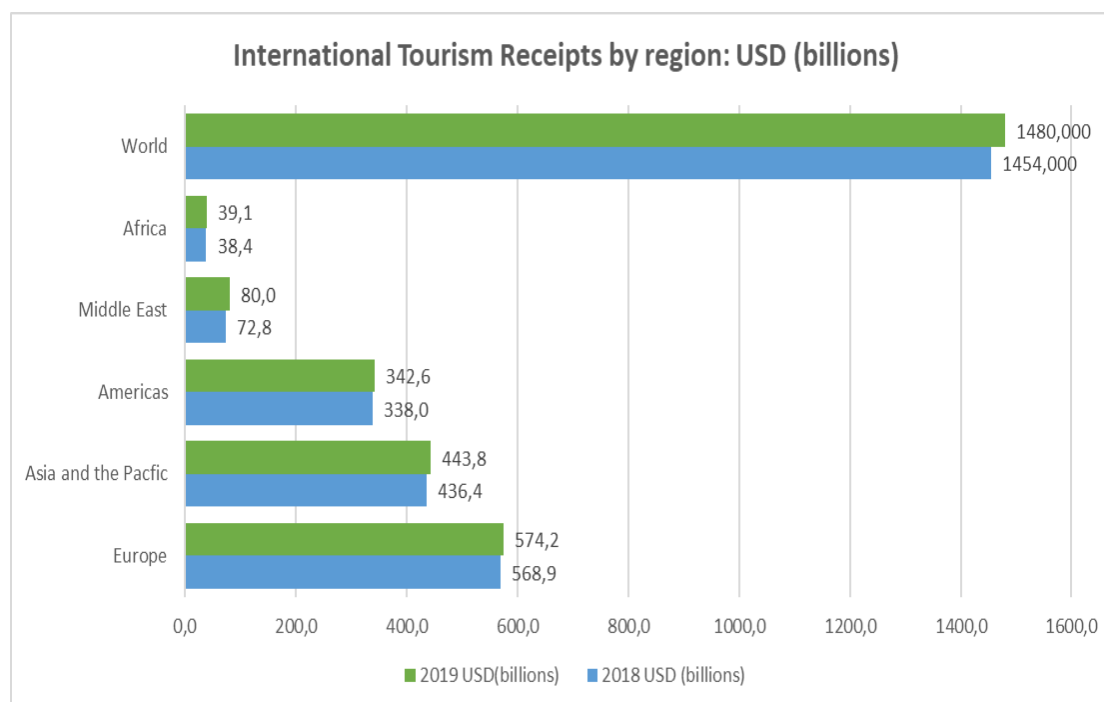
Regions	Percent Change		
	Real terms	Actual numbers	2019 % Share
Europe	4,0%	0,9%	50,9%
Asia and the Pacific	3,7%	1,7%	24,7%
Americas	2,0%	1,4%	15,1%
Middle East	6,8%	9,9%	4,4%
Africa	6,4%	1,8%	5,0%
World	3,8%	1,8%	100%

Source: World Tourism Barometer, May 2020

The total international tourism receipts generated in 2019 went up by 3.8% in real terms, which was an amount of about US$ 1 480 billion in 2019 compared to US$ 1 454 billion in 2018. Europe received US$574.2 billion receipts with an increase of 4.0% (in real terms), followed by Asia and the Pacific with US$443.8 billion, that was an increase of 3.7% (in real terms). The Americas had an increase of 2.0% (in real terms), which amounts to US$342.6 billion in 2019 compared to 2018. The Middle East received US$80.0 billion, having the highest increase of about 6.8% (in real terms), Africa received US$31.9 billion with an increase of 4.6% (in real terms).

6.6 Top 10 countries by international tourist receipts and international tourist arrivals: 2018-2019

Table 22: Top Ten countries

2019	2018	Countries	USD$ billion		2019 Inbound Arrivals (millions)
Position			2018	2019	
1	1	United States	214,7	214,1	79,3
2	2	Spain	81,5	79,7	83,7
3	3	France	65,5	65,4	
4	4	Thailand	56,4	60,5	39,8
5	6	United Kingdom	48,6	49,9	
6	5	Italy	49,3	49,8	64,5
7	9	Japan	42,1	46,1	32,2
8	7	Australia	45,0	46,0	9,5
9	8	Germany	43,0	41,6	39,6
10	10	Macao (China)	40,7	39,5	65,7

Source: World Tourism Barometer, May 2020

Table 22 above indicates the top 10 earners for 2018 and 2019. In 2019, the four (4) best performing countries in relation to tourism receipts were the USA (US$214.1 billion), Spain (US$79.7 billion), France (US$65.4 billion) and Thailand (US$60.5 billion). The United Kingdom moved from the 6th position in 2018 to the 5th position in 2019 and Japan moved from 9th position in 2018 to 7th position in 2019. Italy dropped one position from 5th position in 2018 to 6th position in 2019, including Germany from 8th position in 2018 to 9th position in 2019. The UNWTO also reported that the top ten tourism earners for 2018 accounted for almost 50% of total tourism receipts (UNWTO, 2020). The table also aims to indicate whether there is a relationship between tourist arrivals and tourism receipts. When comparing countries that were the highest earners for international tourism receipts to the top 10 inbound destinations,

the results indicate that there may be no relationship between international receipts earned and inbound arrivals to a destination, however, this needs more statistical testing to be concluded. In 2019, Thailand was ranked 4th and Italy 6th for total international tourists' receipts earned. However, Italy received more tourist arrivals than Thailand for the period. Similarly, China received more tourist arrivals in comparison to Thailand, Italy, Germany and Japan but is ranked lower than these countries in terms of the total international tourism receipts earned in 2019.

CHAPTER SEVEN: GLOBAL TOURISM RELATED INDUSTRIES' PERFORMANCE

This section provides an overview of the global tourism-related industries' performance, focusing mainly on the global hotels, passengers and aircrafts movements and the meetings industry. Data for this section was sourced from the UNWTO Barometer March/April 2018, the International Airports Transport Association (IATA), the International Congress and Convention Association (ICCA) and the Hotel News.

7.1 Global hotel industry performance: 2018-2019

The data for the performance of the hotel industry was sourced from Hotel News. The global performance of the hotel industry by region for 2019 and 2018 is indicated in the table below.

Table: 23 Hotel performance indicators, 2019 compared to 2018

Region	Occupancy rate (%)			Average Daily Rate (ADR)			Revenue per available room (RevPAR) US$		
	2018	2019	% Change	US$ 2018	US$ 2019	% change	US$ 2018	US$ 2019	% Change
Asia and the Pacific	70,2%	68,7%	-2,1%	100,7	98,7	-2,0%	70,7	68,4	-3,2%
Americas	65,7%	65,6%	-0,2%	130,4	130,5	0,1%	85,7	85,7	-0,05%
Europe	72,0%	72,2%	0,3%	127,4	129,7	1,8%	91,7	93,7	2,2%
Africa & Middle East	63,0%	64,3%	2,1%	136,1	130,8	-3,9%	85,8	84,1	-2,0%

Source: Hotel News, 2020

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 of time. Most regions recorded a decrease in occupancy rate except for Africa and the Middle East having an increase of 2.1% during this period. 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. Europe recorded the highest increase (1.8%) followed by Americas with a slight increase of 0.1% in 2019 compared to 2018.

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, 2019). Most regions recorded a decline in RevPar, with Asia and the Pacific having the highest decline of -3.2% followed by Africa and Middle East (-2.0%) and Americas (-0.05%). Europe was the only region to record an increase of 2.2% in RevPar for the period under review.

Leading Hotel Companies as of June 2019

The table below shows the top ten global hotel companies according to number of properties as of June 2019. The global hotel chain, Wyndham Hotel Group, leads the ranking of the top hotel companies by a total of 9 157 properties. Choice Hotels International and Marriot International recorded 7,045 and 7,003 properties respectively.

Table 24: Leading hotel companies worldwide as of June 2019

Rank	Name	Number of properties
1	Wyndham Hotel Group	9 157
2	Choice Hotels International	7 045
3	Marriot International	7 003
4	Hilton Worldwide	5 872
5	Intercontinental Hotels Group (IHG)	5 656
6	Best Western Hotels and Resorts	4 008
7	G6 Hospitality	1 391
8	Radisson Hotel Group	1 179
9	RLH Hotel Group	1 179
10	Hyatt Hotels Corp	865

Source: Statista, 2019

AirBnB Performance

The Figure below indicates the global performance of Airbnb. In 2018, AirBnB reported that a total revenue of US$3.6 billion was generated which was an increase of 38% compared to 2017.There was a total of 14 384 Airbnb employees in 2018 (Stratos, 2020). There were more than 100 000 cities with Airbnb listing as of January 2020. Globally, Airbnb had also recorded a total of 10.4 million guests that stayed in Airbnb during December 2019.

Figure 36: Airbnb Performance

AirBnB Performance

Yearly revenue in 2018 was $3.6 billion, increase of 38% compared to 2017

As of 2020, Airbnb has over 400 agreements with local and national governments to automate the collection of tourism taxes, collecting over $2 billion in tourism-related taxes through these agreements

14,384 employees in 2018

As of January 2020, there are over 100,000 cities with Airbnb listings

In December 2019, 10.4 million guests stayed in an Airbnb for the holidays:

Source: Property Management, 2019

The figure below indicates the global performance of Airbnb by retail value for the period 2014-2019. In 2019, the retail value of the Airbnb industry was a total of USD38 billion, which was a growth of 60% compared to USD24 billion in 2018.

Figure 37: Retail value of Airbnb: 2015-2019

Retail value of Airbnb: 2014-2019

	2014	2015	2016	2017	2018	2019
USD million	4 767	8 143	12 635	18 275	24 069	38 500
% Change		70,8%	55,2%	44,6%	31,7%	60,0%
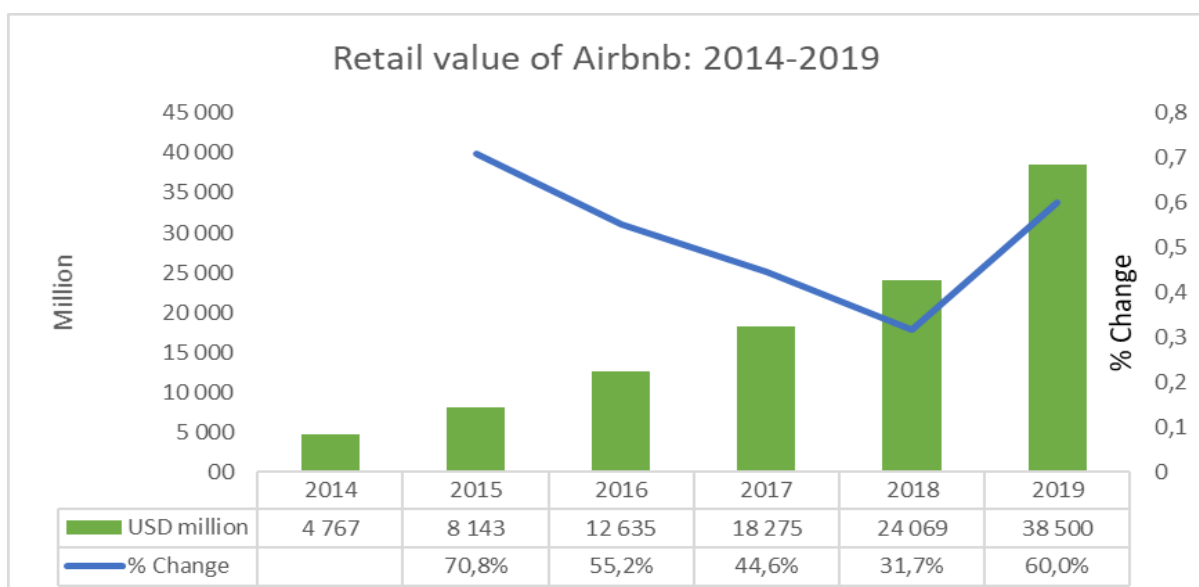
Source: Euromonitor, 2020

7.2 Air Transport: 2018-2019

Transportation has been identified as one of the key industries related to tourism since tourists require transportation to travel to many destinations across the world.

7.3 Top 20 international megahubs: 2019

OAG, of whom is a provider of digital flight information, intelligence and analytics for airports, and airlines has developed a connectivity index, which measures the ratio of scheduled seat capacity to the number of destinations served (OAG, 2012). Table 25 below indicates the top 20 international megahub airports in 2019 with the highest connectivity index. The most internationally connected airport in the world, in 2019, was London Heathrow (LHR) with a connectivity index of 317 followed by Germany Frankfurt (FRA) that was ranked in 2nd place, USA O'Hare (ORD) and Amsterdam Airport (AMS) were ranked as the 3rd and 4th most connected airports respectively.

Table 25 Top 20 International Megahubs: 2019

RANK	AIRPORT	COUNTRY	CONNECTIVITY INDEX	DOMINANT CARRIER	SHARE OF FLIGHT AT HUB
1	LHR	United Kingdom	317	British Airways	51%
2	FRA	Germany	309	Lufthansa	63%
3	ORD	USA	290	United Airlines	46%
4	AMS	Netherlands	279	KLM-Royal dutch Airlines	52%
5	MUC	Germany	259	Lufthansa-German Airlines	59%
6	YYZ	Canada	251	Air Canada	59%
7	CDG	France	250	Air France	50%
8	ATL	USA	247	Delta Air Lines	79%
9	SIN	Singapore	240	Singapore Airlines	24%
10	HKG	Hong Kong (SAR) China	234	Cathay Pacific Airways	26%
11	ICN	Korea republic of	233	Korean Air	23%
12	KUL	Malaysia	229	Air Asia	41%
13	LAX	USA	219	American Airlines	22%
14	BKK	Thailand	214	Thai Airways International	20%
15	MEX	Mexico	191	Aeromexico	43%
16	CGK	Indonesia	191	Garuda Indonesia	26%

RANK	AIRPORT	COUNTRY	CONNECTIVITY INDEX	DOMINANT CARRIER	SHARE OF FLIGHT AT HUB
17	IST	Turkey	187	Turkish Airlines	79%
18	JFK	USA	186	Delta Air Lines	34%
19	DWF	USA	185	American airlines	85%
20	MIA	USA	184	American Airlines	75%

Source: OAG Mega Hub International Index 2018

Top 20 Airline Performance by One Time Performance (OTP): 2019

The table below gives the global top twenty airlines by On Time Performance (OTP). The report is developed by OAG and is based on 57.7 million flight records using full-year data from 2019 to create a ranking of the best on-time performance (OTP) for the world's largest airlines and airports. OAG's definition of on-time performance (OTP) is flights that arrive or depart within 15 minutes of their scheduled arrival/departure times.

In 2019, the best airline in the world for on-time performance was Garuda Indonesia, with an average OTP for the year of over 95%; meaning 19 of every 20 flights operated were within 15 minutes of their schedule. Copa Airlines ranked second despite having succeeded in improving OTP to 92%, an indication of how strong the airlines were in terms of punctuality. Nine Asia Pacific airlines appear in the Top 20 airlines, while only two North American airlines made it into the list. Etihad replaces Qatar airways as the only Middle East airline among the Top 20 carriers. Among European airlines, only five made it into the Top 20 punctuality league in 2019 of which Aeroflot, a new entrant this year, is ranked highest in sixth position.

Table 26: Top 20 Airlines by OTP

Rank	Airline name	Code	Average OTP 2019
1	Garuda	GA	95.01%
2	Copa	CM	92.01%
3	Skymark	BC	90.12%
4	Hawaiian	HA	87.40%
5	LATAM	LA	86.41%
6	Aeroflot	SU	86.30%
7	All	NH	85.92%
8	Jetstar	3K	85.48%
9	Singapore	SQ	85.32%
10	Thai	FD	84.49%
11	Iberia	IB	84.06%
12	Siberia	S7	83.88%

Rank	Airline name	Code	Average OTP 2019
13	Air	BT	83.63%
14	Delta	DL	83.56%
15	Japan	JL	83.44%
16	Sky	H2	83.42%
17	Etihad	EY	83.40%
18	Qantas	QF	82.96%
19	Jet2.com	LS	82.69%
20	Indonesia	QZ	82.41%

Source: OAG, 2020

7.4   Air transport performance: 2019 compared to 2018

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 4.2% increase in 2019 compared to 2018.

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 3.4% growth in 2019 compared to 2018. An increased 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, 2019). The PLF for the total market increased slightly from 81.9% in 2018 to 82.6% in 2019. In 2019, the international and domestic markets had a PLF of 82.6% and 83.7% respectively, which means that there were slightly more seats filled with paying passengers on domestic flights compared to international flights.

Table 27: Air transport performance indicators 2019 compared to 2018

TOTAL MARKET	RPK		ASK		PLF	
	Year on year % Change		Year on year % Change		Year on year% Change	
	2019	2018	2019	2018	2019	2018
INTERNATIONAL	4,1%	6.3%	3,0%	5.7%	82,6%	81.2%
DOMESTIC	4,5%	7.0%	4,1%	6.8%	83,7%	83.0%
TOTAL MARKET	4,2%	6.5%	3,4%	6.1%	82,6%	81.9%

Source: IATA, Air Passenger Market Analysis, 2018.RPK – Revenue Passenger Kilometres, ASK – Available Seats Kilometres, PLF – Passenger Load Factor

Global Top Ten Fast Food Brands: 2019

The figure below ranks the top ten fast food outlets worldwide in 2019 by brand value. Brand value is based on the financial amount the brand is worth as stated on a balance sheet. In 2019, McDonald's was the most valuable fast food brand in the world with an estimated brand value of about USD 30.4 billion followed by Starbucks (USD 45.9 billion) and KFC (USD17.2billion).

Figure 38: Brand value of the 10 most valuable fast food brands worldwide in 2019 (in billion U.S. dollars)

Rank		Name	Brand Value
1		McDonalds	$130.4 billion
2		Starbucks	$45.9 billion
3		KFC	$17.2 billion
4		Subways	$17.1 billion
5		Dominos	$9.6 billion
6		Pizza Hut	$7.9 billion
7		Burger King	$7.1 billion
8		Tim Hortons	$6.6 billion
9		Chipotle	$6.2 billion
10		Taco Bell	$6.1 billion

Source: Statista, 2019

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