

Development of a framework to assess the economic impact of coastal and marine tourism in South Africa: Survey findings and implications

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Abstract:

Coastal and Marine Tourism (CMT), as part of the oceans economy, offers significant development opportunities that can contribute to job creation and sustainability. However, a desktop study funded by the National Department of Tourism (NDT) revealed that there are limited national and international best practices to assess the economic impacts of CMT. To examine the economic impacts of CMT in South Africa, surveys were implemented with demand-side (tourists/ users/ customers) and supply-side (the accommodation sector, CMT business owners, retail outlets and tour operators) coastal and marine stakeholders. This presentation presents the descriptive analysis of survey results from key stakeholder groups. The results are used for the economic modelling as well which used the Input-Output (I-O) model and Tourism Satellite Account (TSA) approaches. A proportionate targeted sampling approach was used to survey 3 031 tourists/ users/ customers, 125 accommodation establishments, 125 restaurants and retail outlets, 94 CMT business owners and 66 tour operators. The surveys were undertaken in KwaZulu-Natal, Western Cape and Eastern Cape. CMT locations in these provinces were purposively chosen and persons systematically selected. The demographic profile of tourist/ user/ customer respondents indicate diversity in terms of gender and historical racial groups with most having post-matric qualifications and having higher than average incomes. The majority of these respondents were also overnight and day visitors. The majority of respondents participated in in multiple CMT activities. This shows high levels of interest in CMT products/activities. CMT locations also have repeat visitors and attract new visitors. There was also high levels of satisfaction among visitors with CMT activities and experiences. Most respondents spent on food and drinks and travel. The highest average spend by tourists was for travel and accommodation during visit to South Africa. Shopping as well as food and drinks also had relatively high average spend. In terms of the supply-side stakeholder key findings, most of these businesses were operational for more than 10 years. The months regarded as high and low season were similar for all stakeholders with occupancy rates/ number of clients and average spend per client rates being substantially higher during high compared to low seasons. Research challenges were noted, especially in relation to undertaking fieldwork in Northern Cape and interviewing supply-side stakeholders. These issues were also raised during the piloting phase of the research. Differences were noted in terms of expenditure patterns among the stakeholders. However, the highest average expenditure was generally for salaries/ wages followed by capital expenditure. In terms of use of service providers/ suppliers, the highest was for restaurants and retail establishments followed by tour operators and accommodation establishments. Among all the stakeholders who used service providers, most were locally-based which indicates support for local businesses which is a key component of the transformation agenda. However, few service providers were identified as being black or female-owned. In relation to employment trends, the results show that accommodation establishments employed the most staff and CMT businesses the least. Most staff were locally-based. No discernible gender differences emerged. Africans are employed the most in many businesses which is important given that this is the main equity target group. The importance of developing a standardised framework to measure, monitor and manage the economic impacts of CMT in South Africa remains. This research will inform the development of a framework for CMT.