University of Pretoria

THE IMPACT OF COVID-19 ON THE TOURISM-TRANSPORT INTERFACE IN SOUTH AFRICA

17 March 2021

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Presentation Outline

- Aim and objectives of the study
- Methodology
- Symbiotic relationship between transport and tourism
- The tourism-transport interface
- Brief overview of domestic and inbound transport trends (road and air)
- Modes (Pre-Covid, Current, Post-Covid)
  - Air
  - Road
    - Car rental
    - Bus/Coach
- Overall conclusions

Overall aim of the study

The study aims to explore the impact of COVID-19 on the Tourism-Transport Interface with a view to proposing a scenario where this relationship might create opportunities for tourism to prosper post COVID-19.

Objectives

- To describe the Tourism-Transport Interface in South Africa
- To identify trends and factors in the tourism-transport relationship that have an impact on the growth of tourism
- To assess the impact of COVID-19 on the tourism-transport relationship.
- To develop a future scenario where the tourism-transport relationship might create opportunities for tourism to prosper post COVID-19.

Research Methodology

1. Literature and secondary data analysis on
   - Overall tourism/transport interface
   - Modes of transport, with particular reference to air and road transport.

2. Interviews with senior stakeholders in the aviation, bus/coach and car rental industries, supplemented by available statistics, to provide insight into the impact of COVID-19 on the relevant sectors.

3. Scenario planning workshops with leaders in the aviation (completed), car rental (completed) and coach/bus travel (pending) sectors.

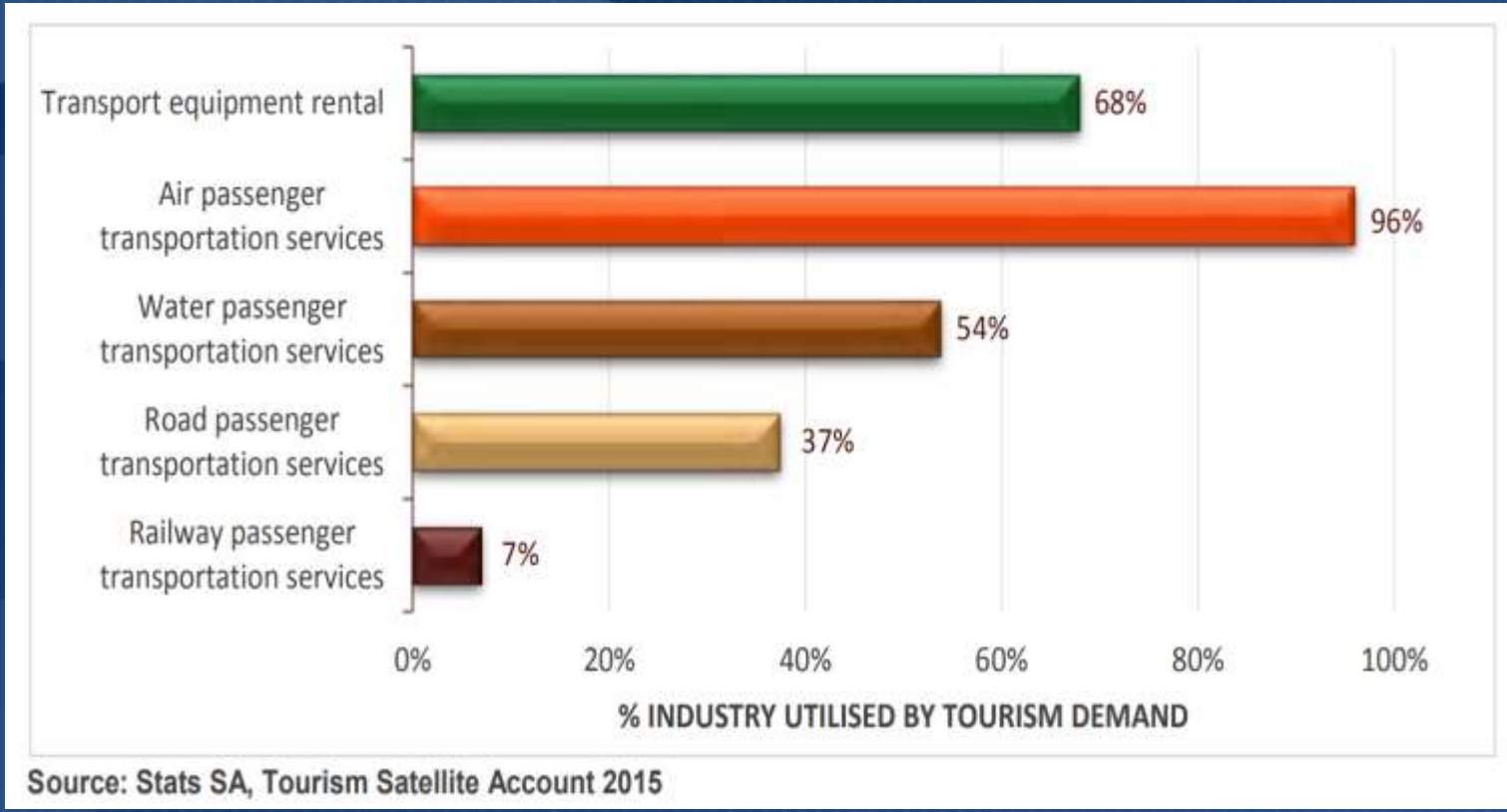
The symbiotic relationship between transport and tourism

Transport supports tourism growth

- Between 2014 and 2018
  - Domestic tourists spent approximately 47% on transport
  - Inbound tourists spent approximately 27% on transport

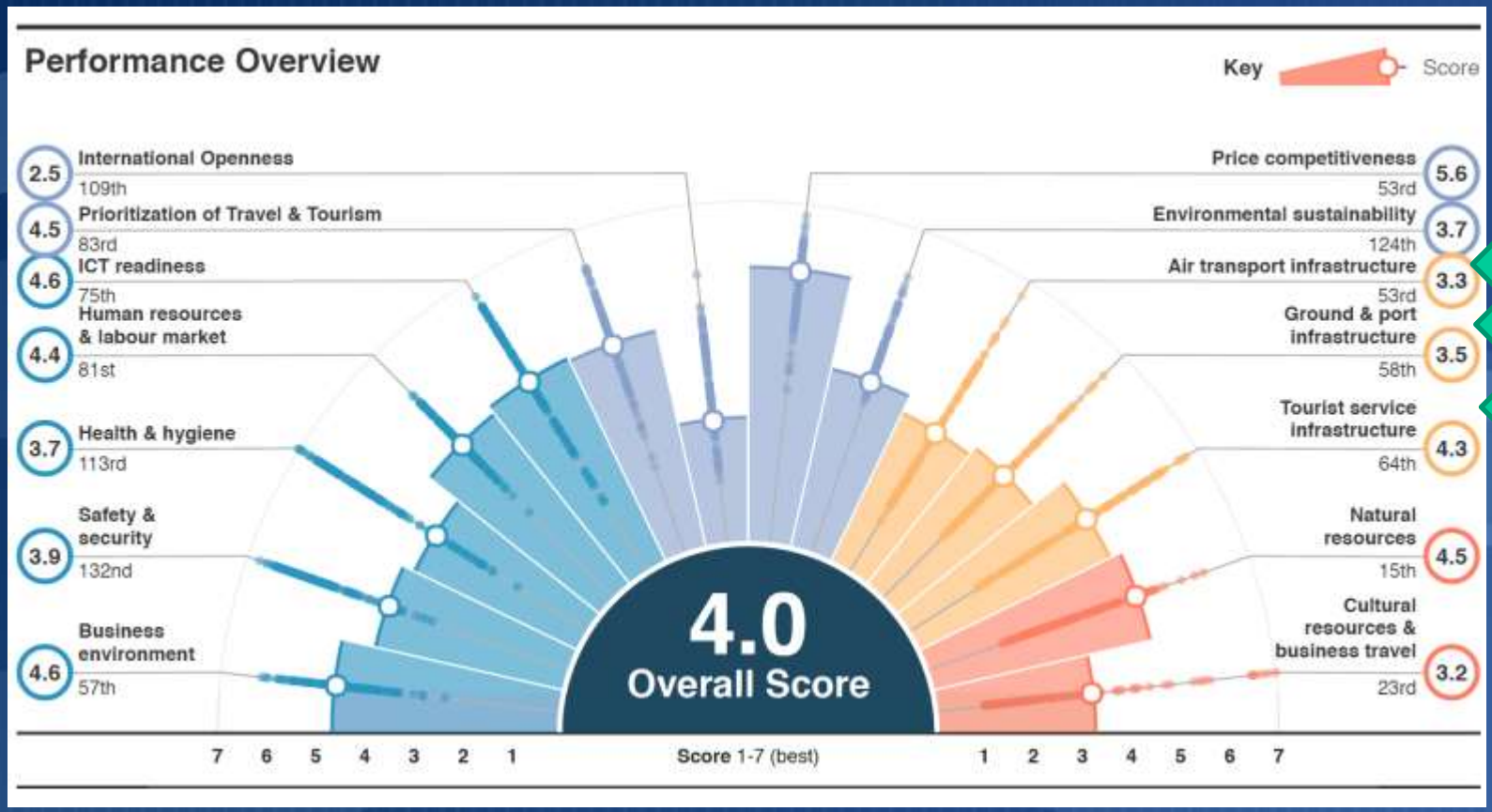
- Two-thirds of new jobs created by tourism in 2017 were in the transport sector

Tourism demand contributes substantially to the transport industry (2015)



Source: Stats SA, Tourism Satellite Account 2015

Transport is a determinant of tourist destination competitiveness



Source: Travel & Tourism Competitiveness Index 2019 edition

Transport is a driver of tourism demand and supply

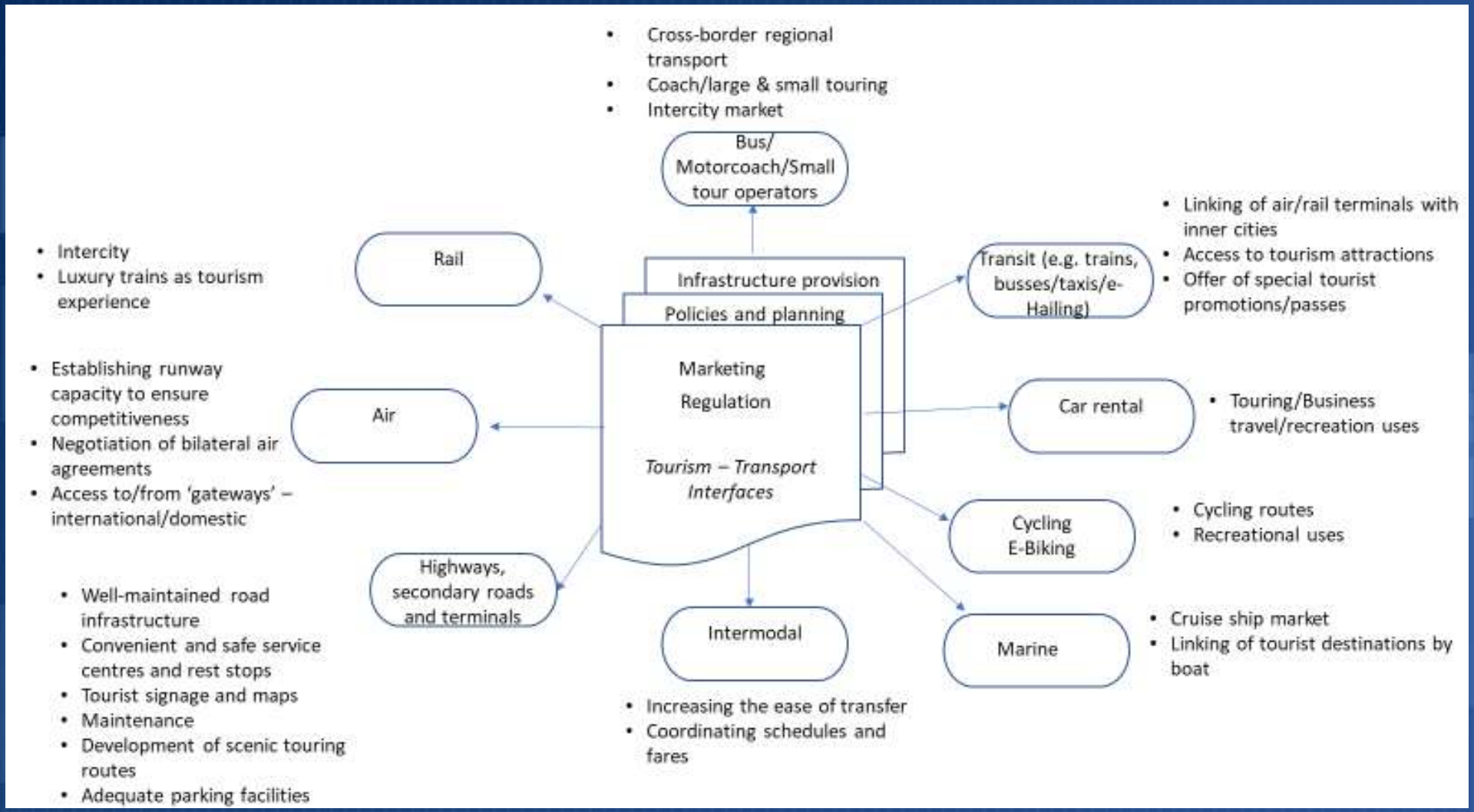
Successful transport-tourism relationships depends on **accessibility** and **connectivity** to meet tourism demand by:

- Linking the source markets with the host destination
- Providing mobility and access within a destination area
- Facilitating travel along a recreational route which is itself a tourism attraction
- Providing mobility within an actual tourism attraction

Necessitates a framework which provides a means of understanding:

- how tourists interact with transport, from the pre-travel booking stage through to the completion of the journey
- the different modes of transport used by tourists
- the organisations, processes and factors involved and their effect on the overall tourist experience (government and private sector).
- The organisations that influence and regulate tourism transport

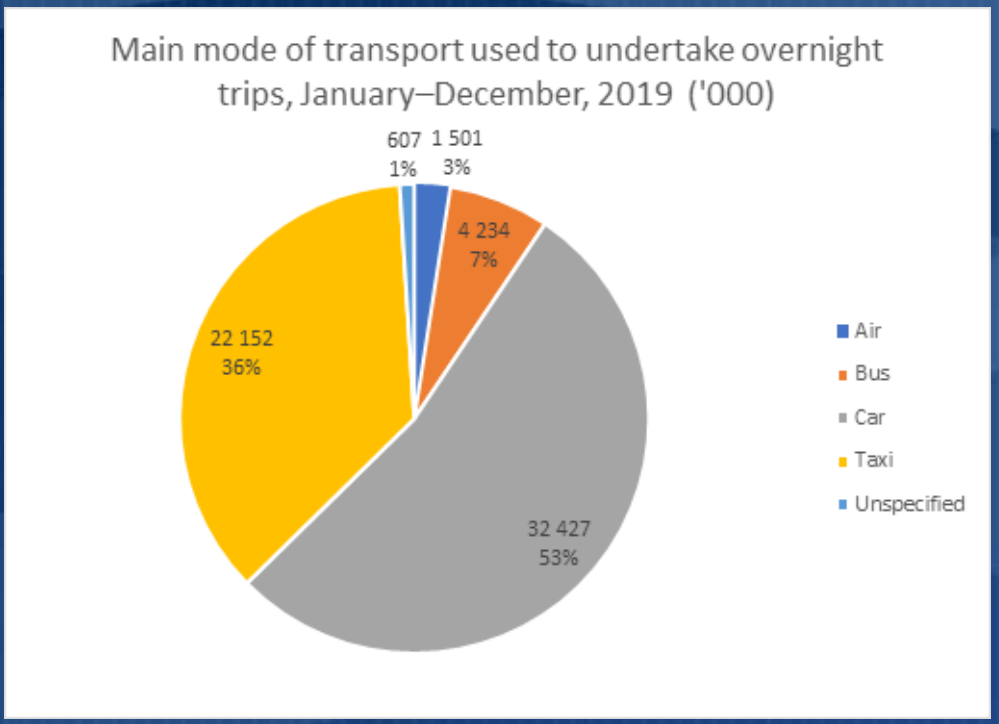
Tourism/Transport Interface Model



Source: Adapted from Page (2004:11) and Lamb and Davidson (1996)

Brief overview of domestic and inbound transport trends

Domestic Travel 2019

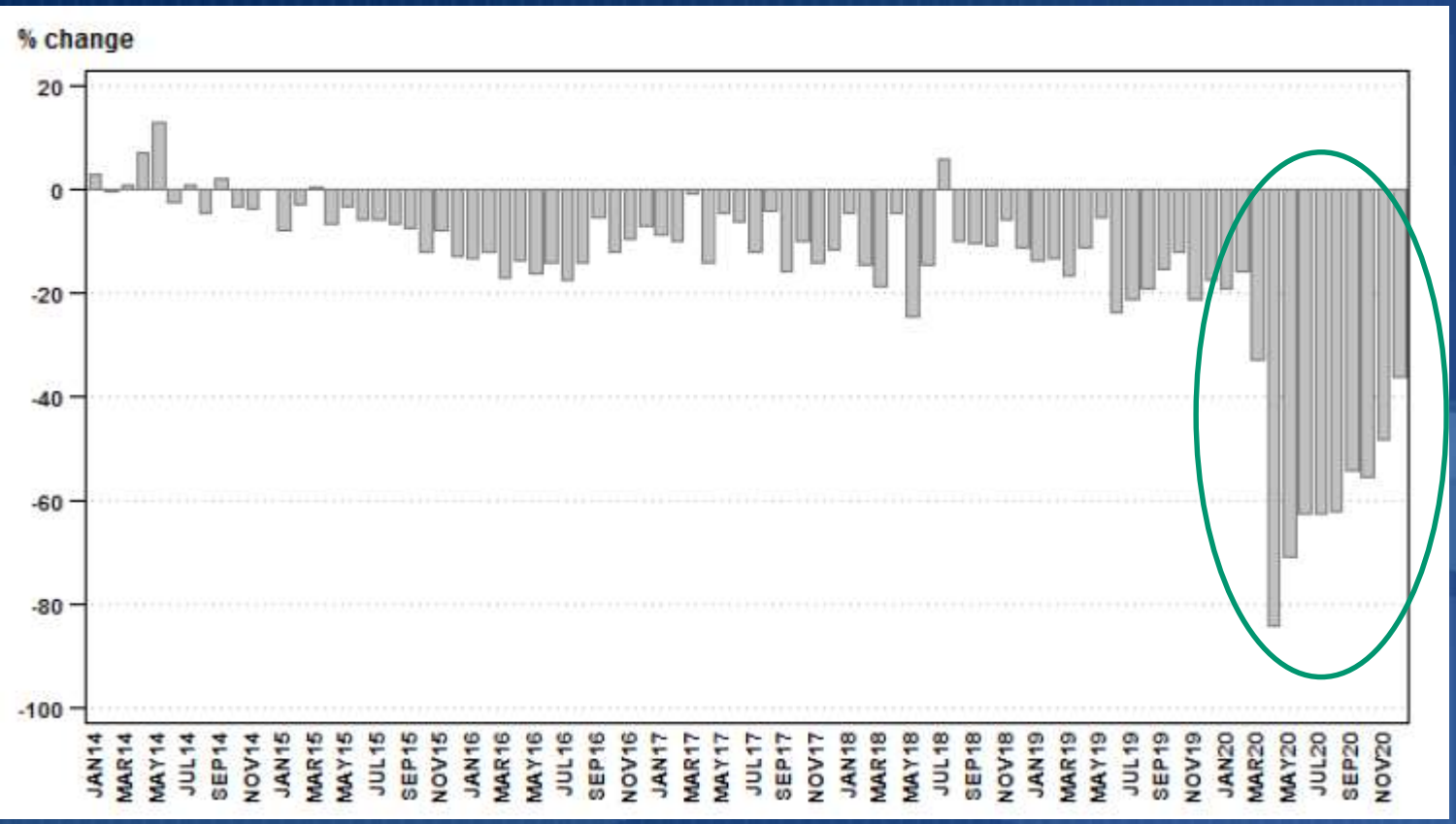


Main purpose of most recent day trips by main mode of transport used, Jan–Dec, 2019

	Day trips (per cent)			
Main purpose	Air	Bus	Car	Taxi
Leisure	12,4	6,9	21,8	*
Shopping	-	45,2	25,3	55,9
Sporting	-	4,7	*	*
VFR	-	10,0	27,6	15,6
Business and professional	55,9	5,5	5,6	4,2
Education and training	-	7,1	*	*
Medical	31,6	0,5	5,3	4,1
Religious	-	3,7	3,0	3,4
Funeral	-	8,1	1,1	1,9
Other[1]	-	8,4	6,4	6,3
Total	**100,0**	**100,0**	**100,0**	**100,0**

StatsSA Domestic Tourism Survey, 2019

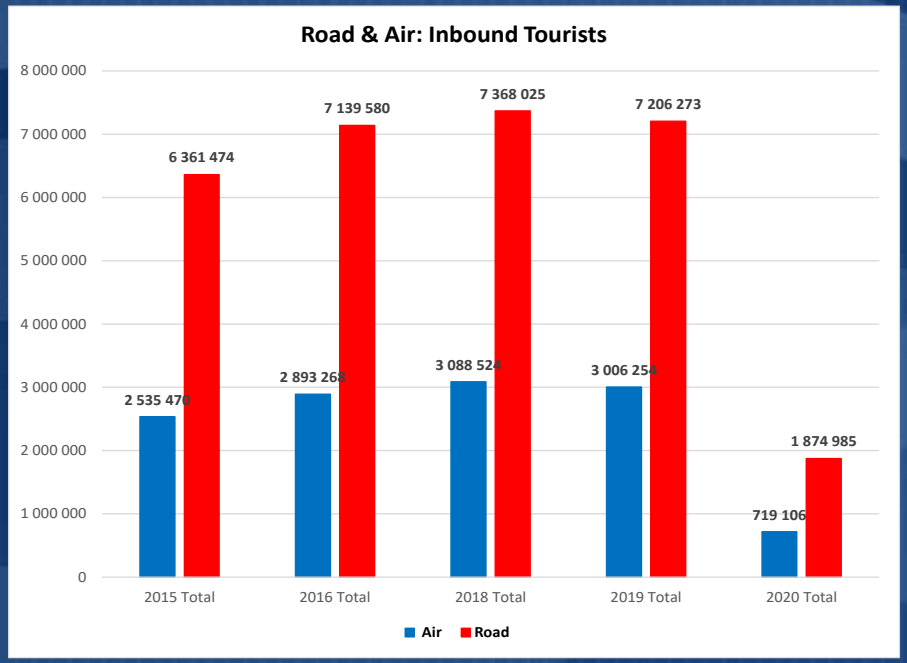
Overall passenger transportation: year-on-year percentage change in passenger journeys (road and rail) 2014 -**2020**

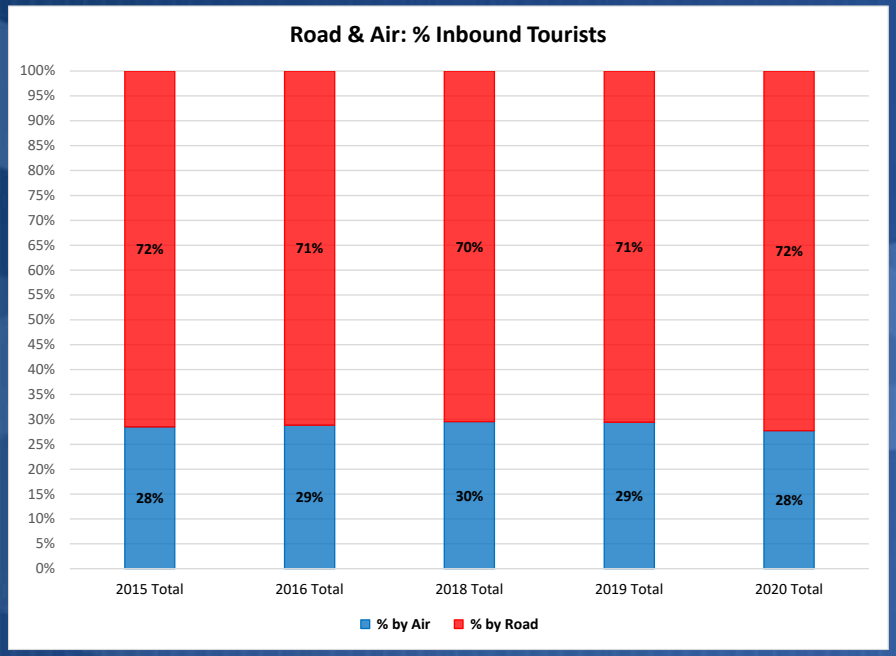


Includes:
Railway transport; inter-urban bus;
coach passenger lines; safaris and sightseeing bus tours, metered taxis and 'other' passenger transport including renting of motor cars with drivers;

The number of passenger journeys decreased by 50,3% in 2020 compared with 2019. The corresponding income decreased by 40,8% over the same period.

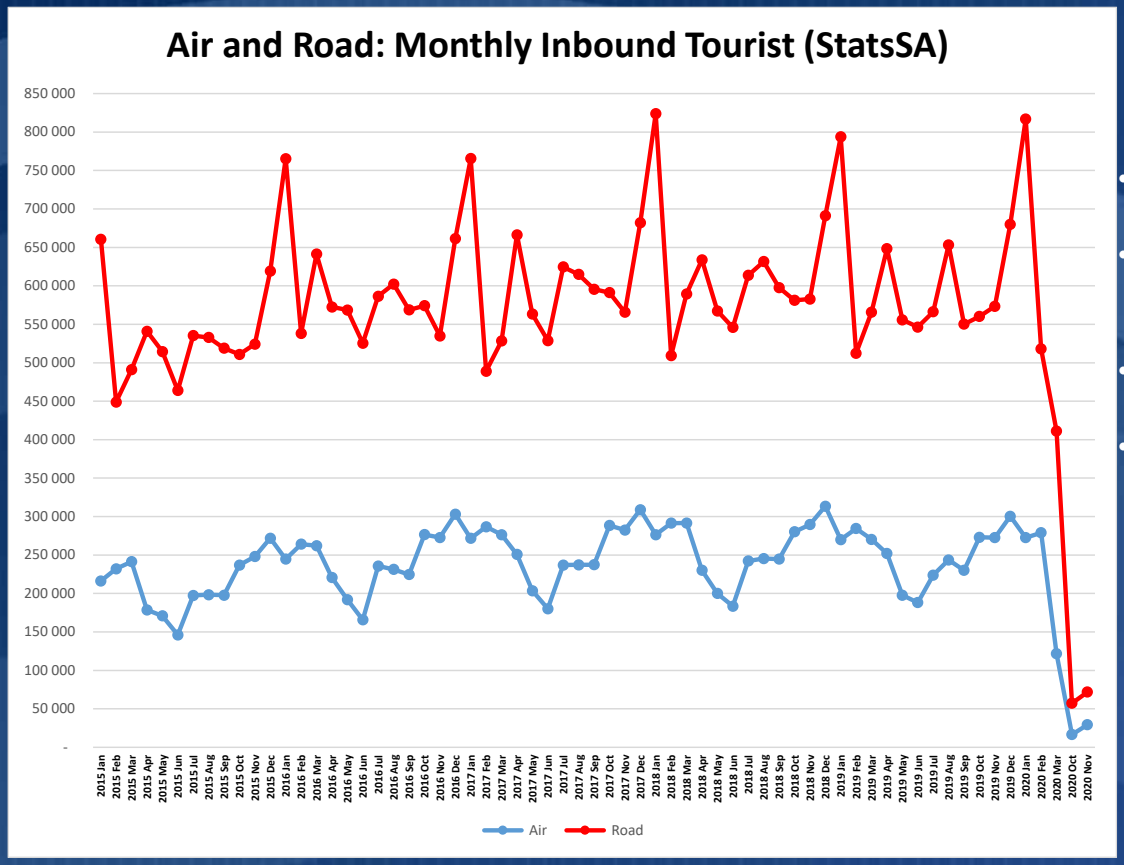
Road and Air: Annual Inbound Tourists





Source: Data StatsSA

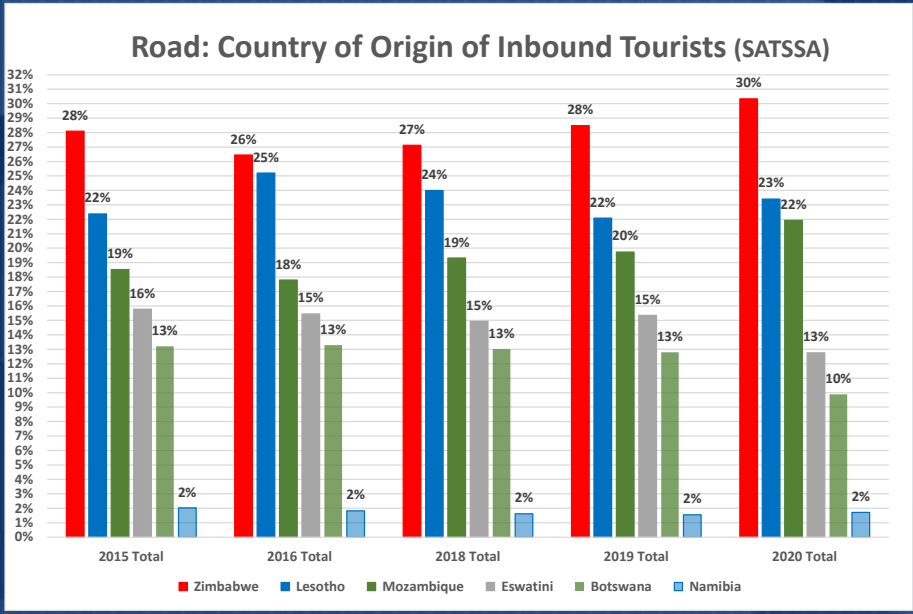
Road and Air: Monthly Inbound Tourists

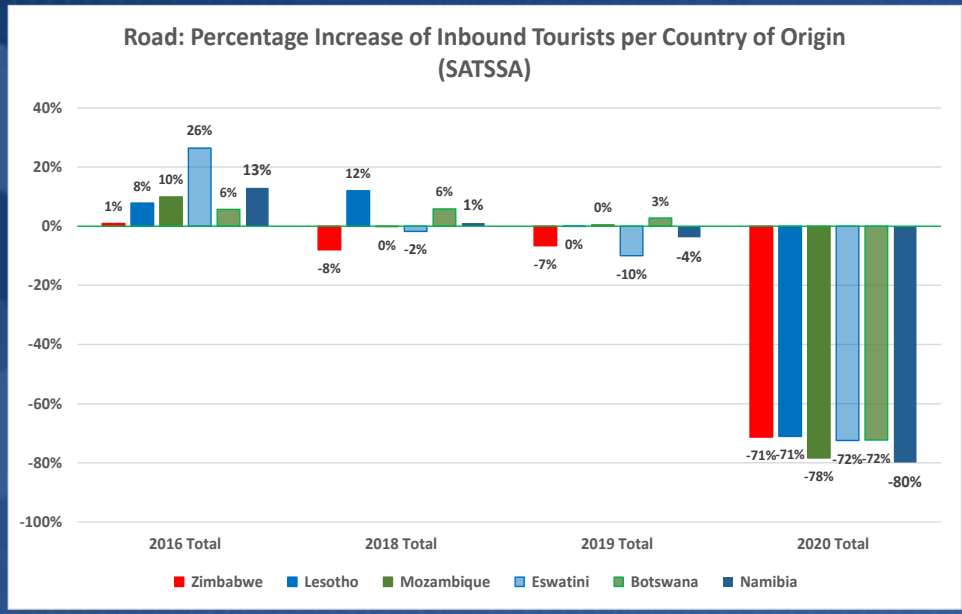


- Inbound road tourists are substantially more than air inbound tourists.
- Both Road and Air Inbound Tourists Arrivals demonstrate substantial variation in monthly seasonal trends.
- However the monthly trends differ between modes of transport.
- Both experienced a substantial decline as a result of COVID19 travel restrictions.

Source: Data StatsSA

Road: Country of Origin of Inbound Tourists and Annual Increases





Source: Data StatsSA

Against this background we asked three questions pertaining to different modes (aviation, car rental, bus/coach industry):

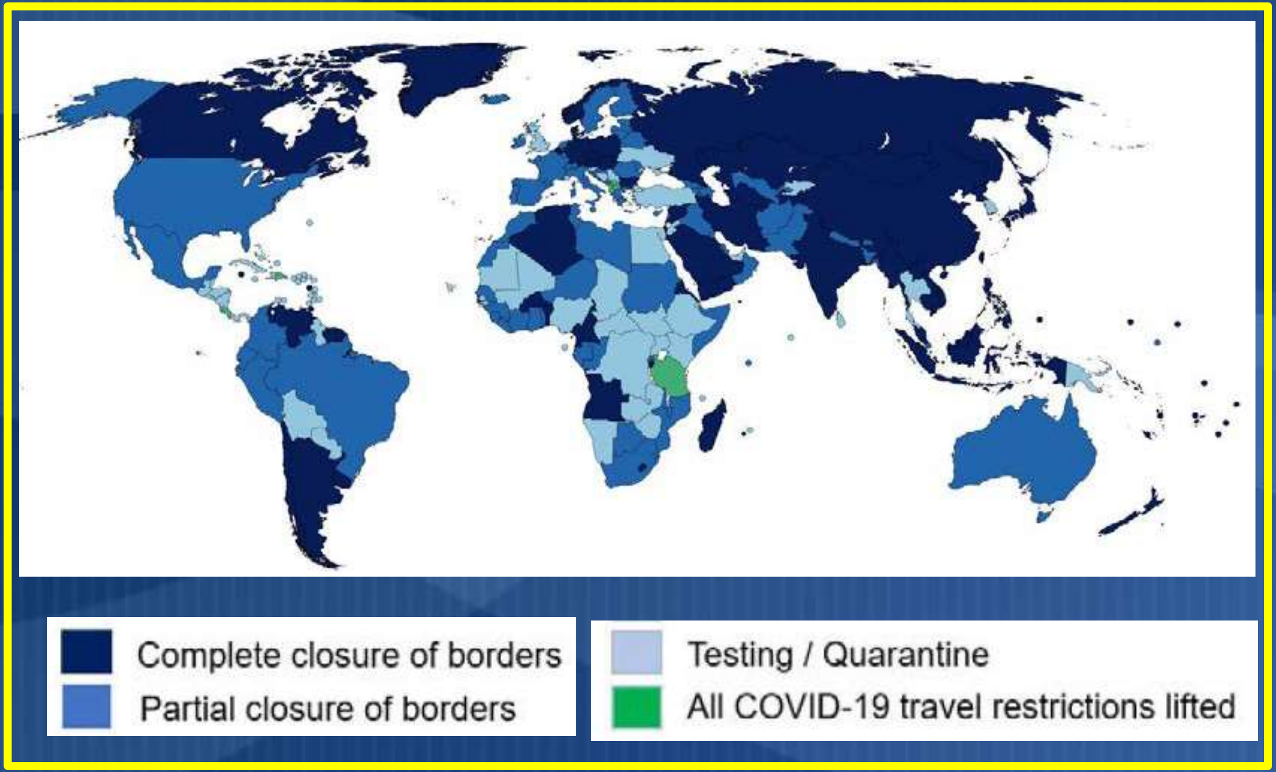
1. How did each do pre-Covid?

2. How are they doing currently?

3. What to expect post-Covid?

Aviation Sector

Destinations with travel restrictions for international tourism on 1 February 2021



Source: World Tourism Organization's (UNWTO) - Sustainable Development of Tourism Department. COVID – 19 related travel restrictions. A global review for tourism. Ninth report. 8 March 2021

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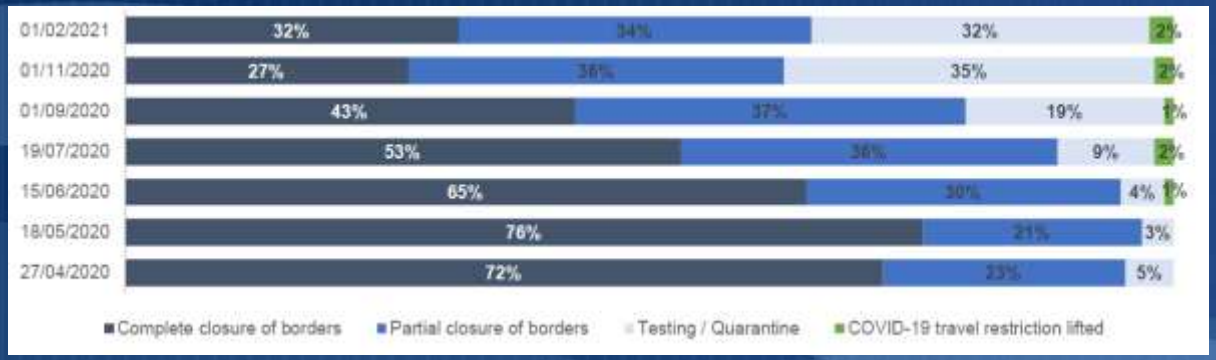
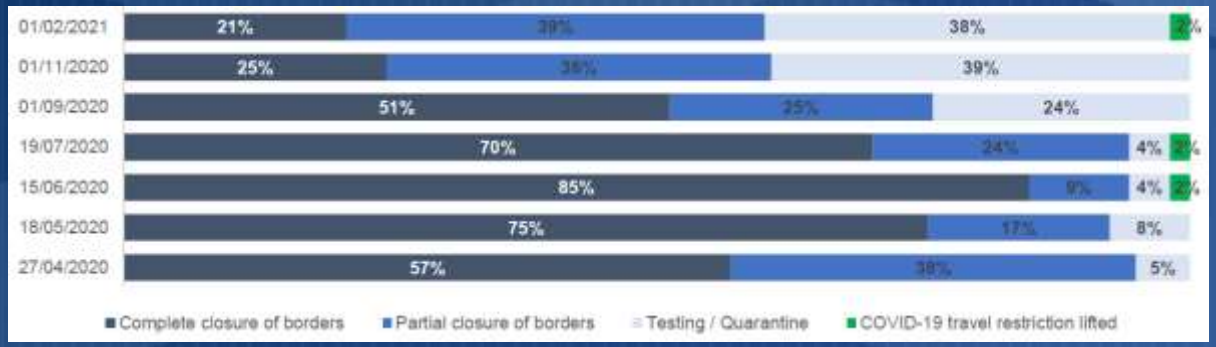
Evolution of Global Travel Restrictions April 2020 to February 2021



Evolution of African Travel Restrictions April 2020 to 1 February 2021



Source: World Tourism Organization's (UNWTO) - Sustainable Development of Tourism Department. COVID – 19 related travel restrictions. A global review for tourism. Ninth report. 8 March 2021

Relative Size of South Africa's Air Transport Activities

Seats Produced (Domestic & International)						
Region of Origin	**2019**	**2020**	**Difference**	**% Difference**	**2019 % of Total**	**2020 % of Total**
ASIA/PACIFIC	2 113 685 198	1 211 785 747	- 901 899 451	-43%	35,7%	37,5%
EUROPE	1 455 040 163	643 309 920	- 811 730 243	-56%	24,6%	19,9%
NORTH AMERICA	1 534 841 294	994 476 152	- 540 365 142	-35%	25,9%	30,8%
LATIN AMERICA/CARIBBEAN	420 990 220	209 015 389	- 211 974 831	-50%	7,1%	6,5%
MIDDLE EAST	245 788 307	103 888 889	- 141 899 418	-58%	4,1%	3,2%
AFRICA	**156 090 173**	**68 478 761**	**- 87 611 412**	**-56%**	**2,6%**	**2,1%**
Grand Total	**5 926 435 355**	**3 230 954 858**	**- 2 695 480 497**	**-45%**	**100,0%**	**100,0%**
South Africa	**28 556 123**	**11 492 562**	**- 17 063 561**	**-60%**	**0,5%**	**0,4%**
% South Africa to Africa	18%	17%				

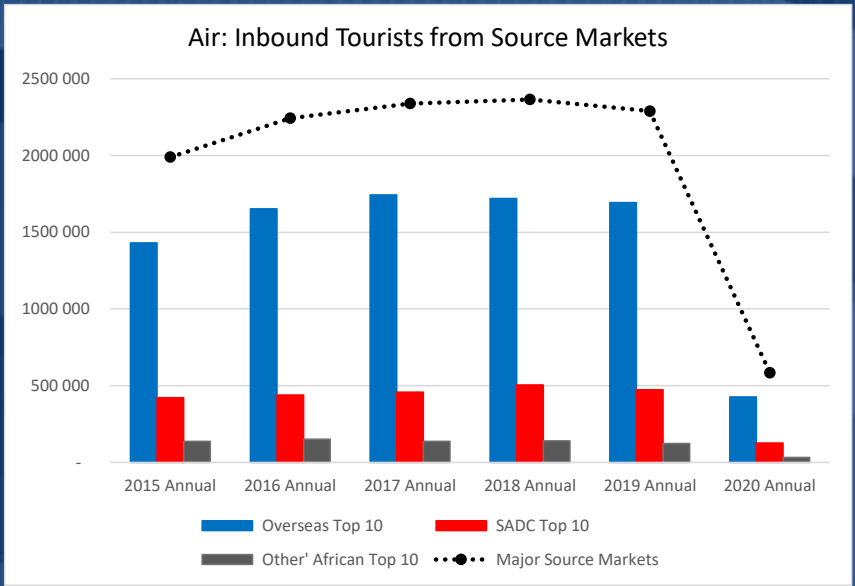
Flights Undertaken (Domestic & International)						
Region of Origin	**2019**	**2020**	**Difference**	**% Difference**	**2019 % of Total**	**2020 % of Total**
ASIA/PACIFIC	12 871 466	7 958 163	- 4 913 303	-38%	28,0%	26,2%
EUROPE	9 059 307	4 293 028	- 4 766 279	-53%	0,2%	0,1%
NORTH AMERICA	18 879 052	15 667 774	- 3 211 278	-17%	41,1%	51,5%
LATIN AMERICA/CARIBBEAN	3 035 749	1 566 460	- 1 469 289	-48%	6,6%	5,1%
MIDDLE EAST	1 172 253	499 955	- 672 298	-57%	2,6%	1,6%
AFRICA	**952 740**	**442 475**	**- 510 265**	**-54%**	**2,1%**	**1,5%**
Grand Total	**45 970 567**	**30 427 855**	**- 15 542 712**	**-34%**	**100,0%**	**100,0%**
South Africa	**176 904**	**71 308**	**- 105 596**	**-60%**	**0,4%**	**0,2%**
% South Africa to Africa	19%	16%				

- African airlines produced 2.6% (2019) and 2.1% (2020) of seats produced in the world
- South African airlines produced 0.5% (2019) and 0.4% (2020) of seats produced in Africa
- South African airlines produced 18% (2019) and 17% (2020) of seats produced in Africa
- The % decline in seats produced were the highest in South Africa 60%

- African airlines operated 2.1% (2019) and 1.5% (2020) of flights in the world
- South African airlines operated 0.4% (2019) and 0.2% (2020) of flights in Africa
- South African airlines operated 19% (2019) and 16% (2020) of flights in Africa
- The % decline in seats produced were the highest in South Africa 60%

Source: ICAO https://data.icao.int/coVID-19/operational.htm

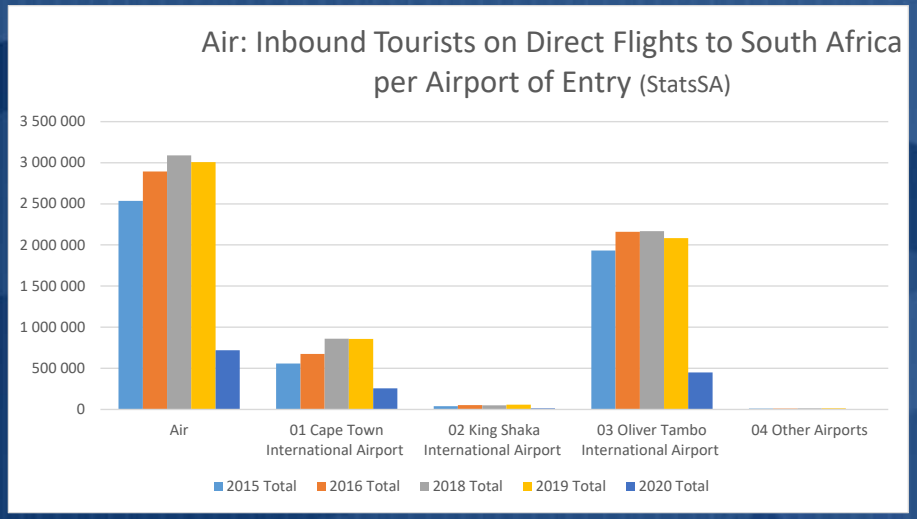
Air: Annual Inbound Tourists from Main Source Markets

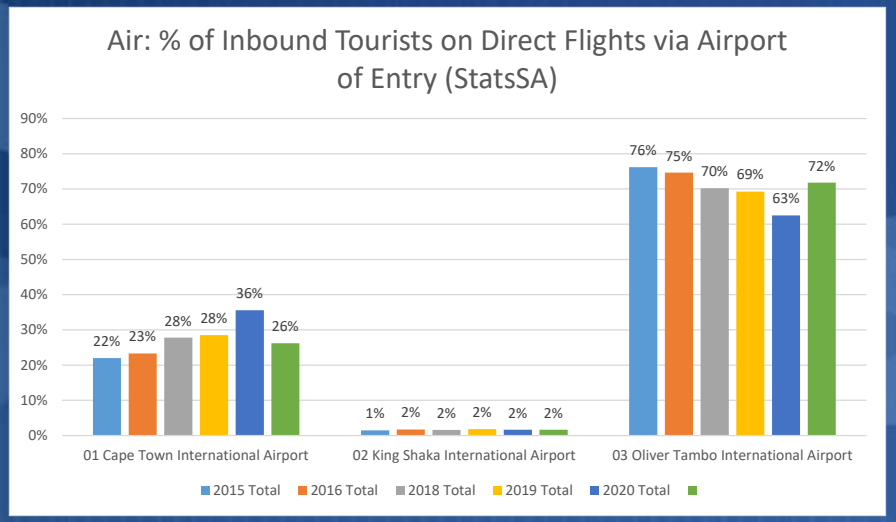


	2015 Annual	2016 Annual	2017 Annual	2018 Annual	2019 Annual	2020 Annual
Overseas Top 10	1 430 181	1 652 718	1 743 300	1 719 771	1 692 875	426 502
SADC Top 10	422 373	439 718	458 729	504 729	473 104	126 508
Other' African Top 10	137 095	151 158	136 791	140 438	123 264	32 199
Major Source Markets	**1 989 649**	**2 243 594**	**2 338 820**	**2 364 938**	**2 289 243**	**585 209**

Source: Data StatsSA

Air: Inbound Tourist Arrivals per Main Airport





Air: Inbound Tourist Arrivals: Intercontinental Source Markets

							% Increase					% Composition of Total of Each Grouping					
	2015 Annual	2016 Annual	2017 Annual	2018 Annual	2019 Annual	2020 Annual	2016 Annual	2017 Annual	2018 Annual	2019 Annual	2020 Annual	2015 Annual	2016 Annual	2017 Annual	2018 Annual	2019 Annual	2020 Annual
Overseas Top 10	**1 430 181**	**1 652 718**	**1 743 300**	**1 719 771**	**1 692 875**	**426 502**	**16%**	**5%**	**-1%**	**-2%**	**-75%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
UK	381 446	415 334	415 764	401 943	408 195	126 700	9%	0%	-3%	2%	-69%	27%	25%	24%	23%	24%	30%
USA	270 873	314 003	339 051	345 102	345 196	65 752	16%	8%	2%	0%	-81%	19%	19%	19%	20%	20%	15%
Germany	230 105	272 467	306 795	302 763	288 433	93 435	18%	13%	-1%	-5%	-68%	16%	16%	18%	18%	17%	22%
France	107 920	126 108	152 649	148 137	136 436	35 764	17%	21%	-3%	-8%	-74%	8%	8%	9%	9%	8%	8%
The Netherlands	100 539	118 379	126 535	119 831	119 162	31 477	18%	7%	-5%	-1%	-74%	7%	7%	7%	7%	7%	7%
Australia	92 526	101 073	107 758	106 824	103 044	19 336	9%	7%	-1%	-4%	-81%	6%	6%	6%	6%	6%	5%
China	80 181	111 740	92 327	92 998	89 070	11 530	39%	-17%	1%	-4%	-87%	6%	7%	5%	5%	5%	3%
India	69 118	84 385	87 792	83 559	84 727	16 152	22%	4%	-5%	1%	-81%	5%	5%	5%	5%	5%	4%
Canada	49 783	54 200	59 511	59 923	59 318	15 914	9%	10%	1%	-1%	-73%	3%	3%	3%	3%	4%	4%
Italy	47 690	55 029	55 118	58 691	59 294	10 442	15%	0%	6%	1%	-82%	3%	3%	3%	3%	4%	2%

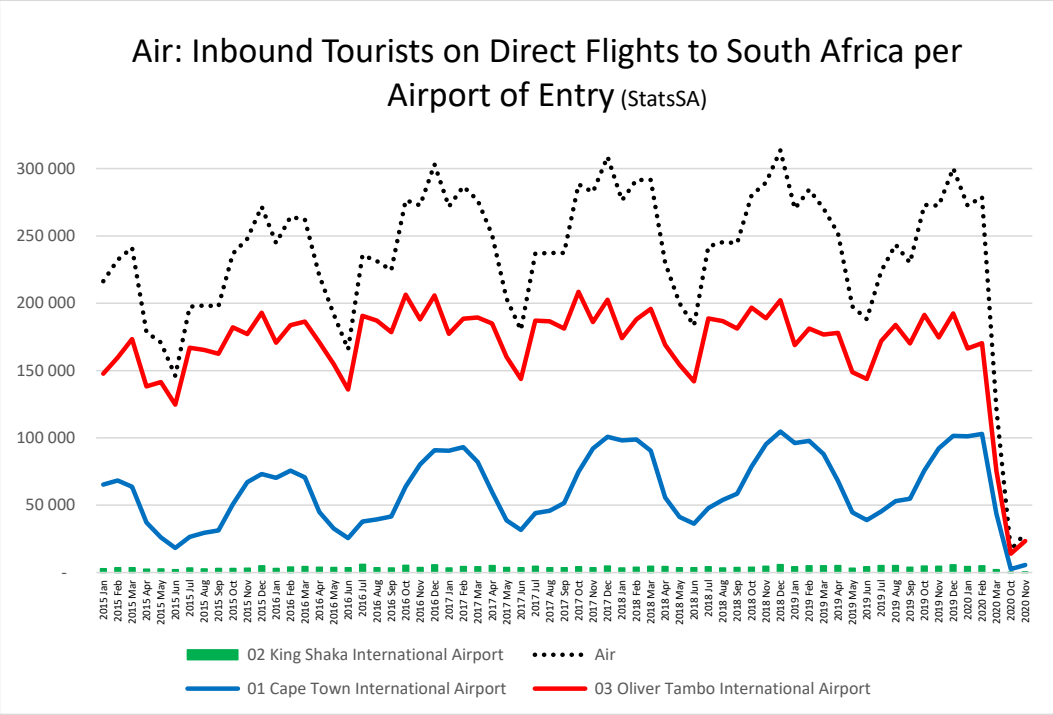
Source: Data StatsSA

Air: Inbound Tourist Arrivals: African Source Markets

							% Increase					% Composition of Total of Each Grouping					
	2015 Annual	2016 Annual	2017 Annual	2018 Annual	2019 Annual	2020 Annual	2016 Annual	2017 Annual	2018 Annual	2019 Annual	2020 Annual	2015 Annual	2016 Annual	2017 Annual	2018 Annual	2019 Annual	2020 Annual
SADC Top 10	**422 373**	**439 718**	**458 729**	**504 729**	**473 104**	**126 508**	**4%**	**4%**	**10%**	**-6%**	**-73%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Zimbabwe	125 500	141 976	151 292	178 542	155 205	46 710	13%	7%	18%	-13%	-70%	30%	32%	33%	35%	33%	37%
Namibia	59 009	62 455	62 754	62 272	58 437	12 811	6%	0%	-1%	-6%	-78%	14%	14%	14%	12%	12%	10%
Angola	46 195	41 580	47 364	60 321	56 442	13 685	-10%	14%	27%	-6%	-76%	11%	9%	10%	12%	12%	11%
Zambia	44 470	41 852	44 226	44 176	40 151	10 812	-6%	6%	0%	-9%	-73%	11%	10%	10%	9%	8%	9%
Mozambique	39 794	36 544	34 295	33 333	33 887	9 472	-8%	-6%	-3%	2%	-72%	9%	8%	7%	7%	7%	7%
Botswana	26 144	27 676	30 521	32 040	35 895	7 256	6%	10%	5%	12%	-80%	6%	6%	7%	6%	8%	6%
DRC	21 741	22 748	23 412	28 418	26 856	7 602	5%	3%	21%	-5%	-72%	5%	5%	5%	6%	6%	6%
Malawi	20 423	23 633	24 436	24 604	24 081	7 792	16%	3%	1%	-2%	-68%	5%	5%	5%	5%	5%	6%
Tanzania	23 512	23 506	22 207	22 311	21 288	6 026	0%	-6%	0%	-5%	-72%	6%	5%	5%	4%	4%	5%
Mauritius	15 585	17 748	18 222	18 712	20 862	4 342	14%	3%	3%	11%	-79%	4%	4%	4%	4%	4%	3%
Other' African Top 10	**137 095**	**151 158**	**136 791**	**140 438**	**123 264**	**32 199**	**10%**	**-10%**	**3%**	**-12%**	**-74%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Nigeria	54 900	60 522	46 620	49 485	35 127	9 331	10%	-23%	6%	-29%	-73%	40%	40%	34%	35%	28%	29%
Kenya	24 977	26 775	26 811	26 843	27 640	6 260	7%	0%	0%	3%	-77%	18%	18%	20%	19%	22%	19%
Ghana	15 390	16 057	16 810	19 984	17 388	5 027	4%	5%	19%	-13%	-71%	11%	11%	12%	14%	14%	16%
Uganda	10 199	11 939	12 599	12 280	13 357	3 146	17%	6%	-3%	9%	-76%	7%	8%	9%	9%	11%	10%
Egypt	6 954	8 281	8 043	7 396	7 936	2 469	19%	-3%	-8%	7%	-69%	5%	5%	6%	5%	6%	8%
Gabon	7 653	9 262	7 941	6 331	6 188	1 815	21%	-14%	-20%	-2%	-71%	6%	6%	6%	5%	5%	6%
Ethiopia	6 347	7 329	7 658	8 156	5 913	1 767	15%	4%	7%	-28%	-70%	5%	5%	6%	6%	5%	5%
Cameroon	4 712	4 959	4 651	4 689	4 680	1 237	5%	-6%	1%	0%	-74%	3%	3%	3%	3%	4%	4%
Congo	3 664	3 537	3 301	2 662	2 308	542	-3%	-7%	-19%	-13%	-77%	3%	2%	2%	2%	2%	2%
Côte d'Ivoire	2 299	2 497	2 357	2 612	2 727	605	9%	-6%	11%	4%	-78%	2%	2%	2%	2%	2%	2%
	1 989 649	**2 243 594**	**2 338 820**	**2 364 938**	**2 289 243**	**585 209**	**13%**	**4%**	**1%**	**-3%**	**-74%**						

Source: Data StatsSA

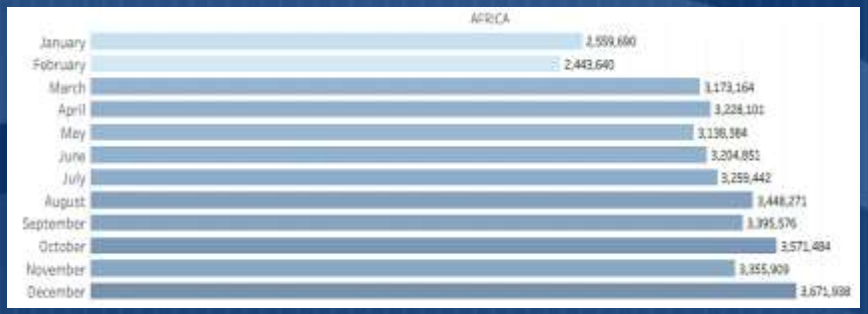
Air: Monthly Inbound Tourist Arrivals per Main Airport



- Inbound tourists through ORTIA are higher than at Cape Town .
- However, inbound traffic through Cape Town is demonstrate large seasonal swings on a monthly basis
- At ORTIA small monthly variations (zigzags) are seasonally followed by sharp downturns.
- Inbound traffic through both main airports experienced a substantial decline as a result of COVID19 travel restrictions in 2020.

Africa Domestic Seat Production

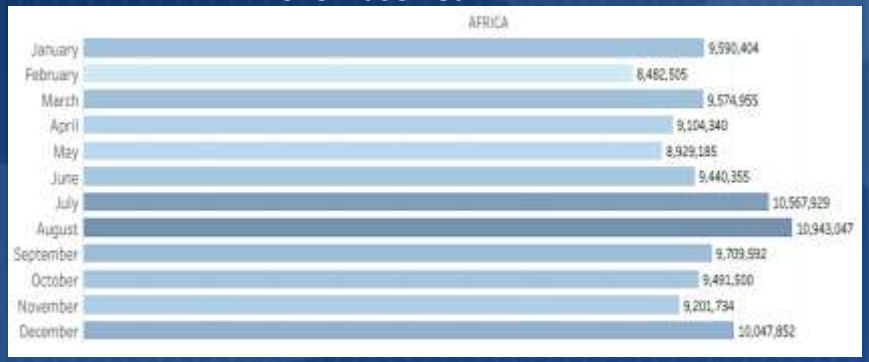
2019 Base Year



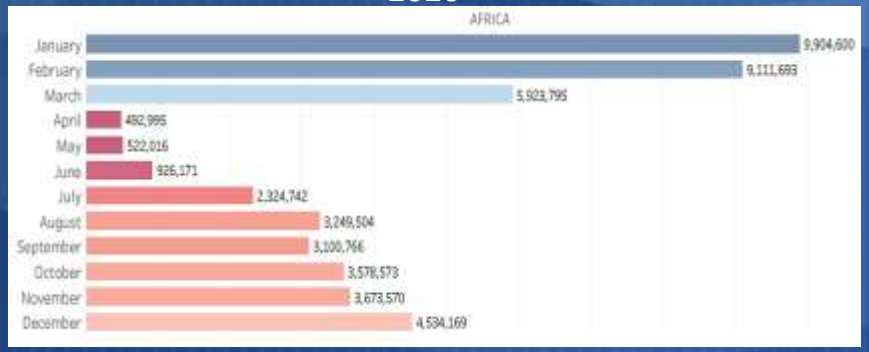
2020

Africa International Seat Production

2019 Base Year



2020



Daily Aircraft Departures at ORTIA and Cape Town Airports

Oliver Tambo International Airport (ORTIA)

Cape Town International Airport

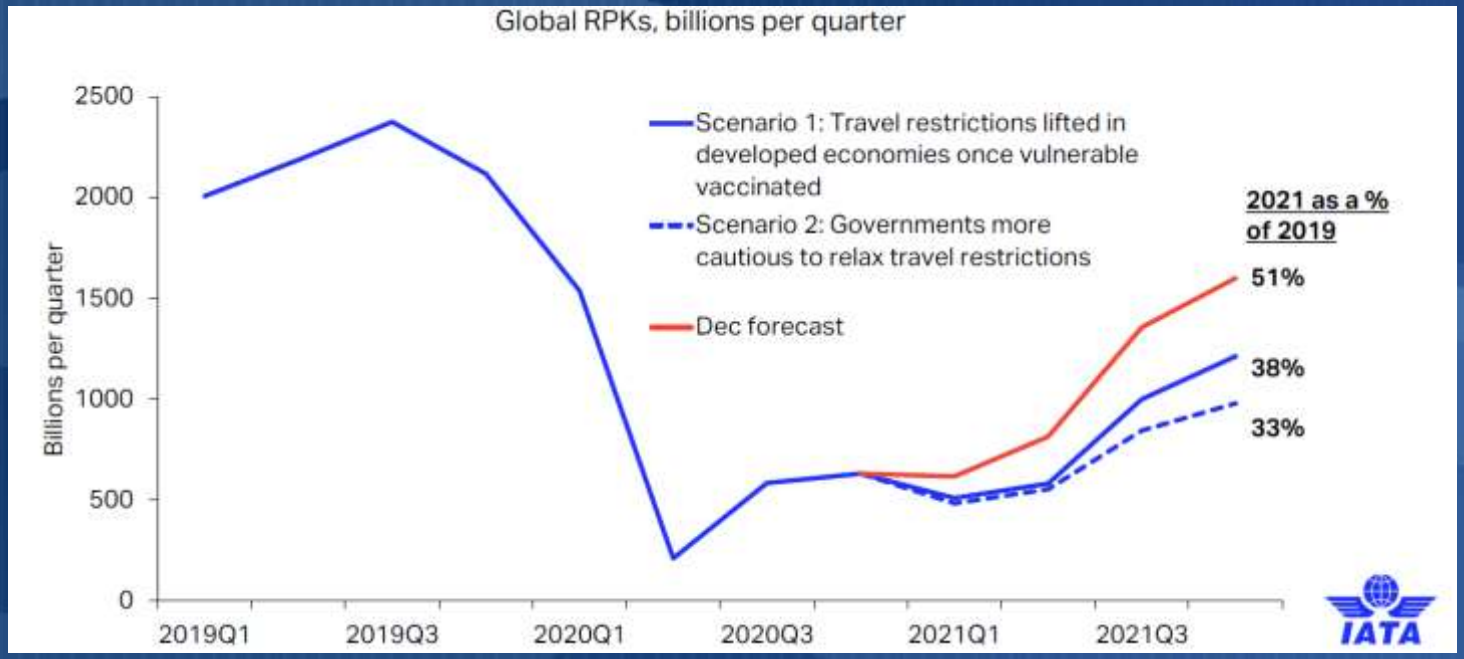
Source: https://www.icao.int/safety/pages/covid-19-airport-status.aspx

Global Scheduled Seats Percentage Change year-over-year
Month compared with equivalent month in previous year i.e. January 2021 v's January 2020

	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Global	**-5,0%**	**-18,9%**	**-67,2%**	**-70,1%**	**-66,6%**	**-55,1%**	**-49,4%**	**-50,1%**	**-48,4%**	**-48,0%**	**-45,9%**	**-48,3%**
Australia	0,4%	-10,6%	-87,5%	-90,7%	-87,3%	-82,4%	-82,2%	-80,9%	-79,1%	-74,4%	-54,3%	-60,7%
Brazil	2,4%	-7,4%	-91,0%	-91,7%	-86,2%	-78,1%	-71,1%	-60,1%	-51,4%	-44,0%	-38,4%	-35,5%
China	-50,0%	-41,5%	-45,9%	-31,2%	-22,0%	-17,0%	-9,4%	-4,4%	-1,1%	-3,6%	-4,2%	-14,4%
France	4,6%	-19,1%	-91,2%	-91,9%	-88,4%	-64,0%	-49,8%	-56,0%	-61,4%	-75,0%	-66,7%	-64,6%
Germany	-2,6%	-33,6%	-92,5%	-90,0%	-87,7%	-72,1%	-64,0%	-67,0%	-70,1%	-79,5%	-80,2%	-82,0%
India	9,5%	0,7%	-65,6%	-53,8%	-69,1%	-57,1%	-62,3%	-54,7%	-47,6%	-44,1%	-36,9%	-32,1%
Japan	0,6%	-18,6%	-46,0%	-49,6%	-49,0%	-43,0%	-39,4%	-46,7%	-46,4%	-44,5%	-42,7%	-48,2%
Mexico	11,6%	0,1%	-57,2%	-83,5%	-64,0%	-51,8%	-50,5%	-41,1%	-38,6%	-32,2%	-28,6%	-26,9%
Singapore	-7,7%	-43,8%	-93,3%	-96,3%	-95,0%	-93,7%	-92,6%	-92,8%	-92,2%	-90,9%	-88,0%	-87,2%
South Africa	**1,2%**	**-16,4%**	**-74,3%**	**-91,0%**	**-83,6%**	**-91,1%**	**-88,3%**	**-81,8%**	**-70,1%**	**-58,4%**	**-44,6%**	**-54,7%**
South Korea	-3,8%	-49,4%	-60,0%	-51,6%	-52,9%	-51,2%	-43,7%	-51,1%	-44,5%	-44,9%	-52,1%	-55,4%
Spain	2,3%	-26,6%	-93,0%	-87,0%	-91,0%	-64,5%	-46,2%	-61,1%	-67,5%	-72,5%	-67,2%	-69,6%
UAE	1,5%	-26,1%	-87,9%	-85,2%	-85,8%	-75,1%	-69,4%	-68,8%	-67,3%	-66,2%	-63,1%	-61,3%
United Kingdom	0,9%	-22,6%	-89,9%	-85,9%	-89,5%	-77,6%	-62,3%	-65,1%	-67,6%	-81,0%	-75,6%	-81,6%
USA	5,9%	-1,2%	-55,0%	-75,9%	-68,7%	-52,0%	-48,0%	-51,5%	-48,6%	-42,7%	-43,2%	-43,9%

Source: OAG-WEEKLY-TRACKER-22-February-2021
https://www.oag.com/coronavirus-airline-schedules-data#sec-two

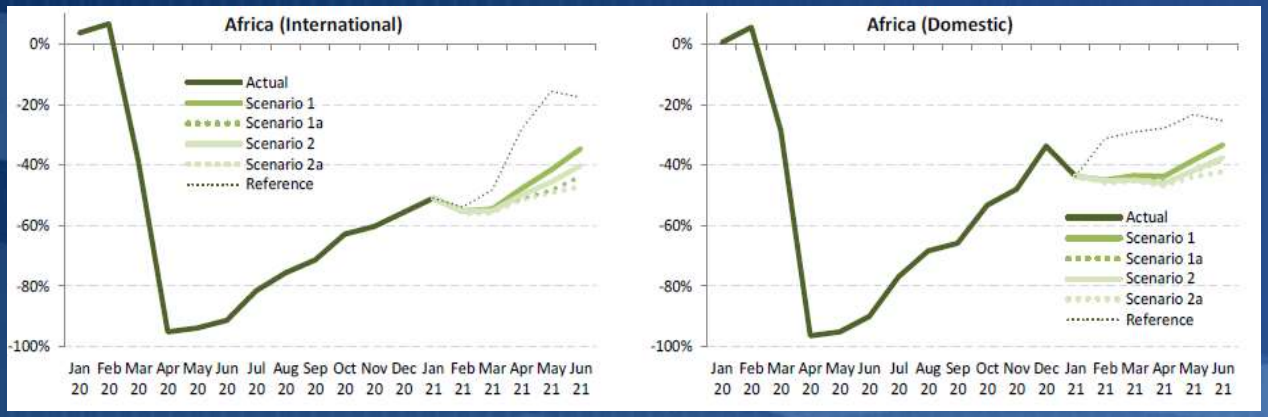
Air Traffic demand expected to be lower in RPKs
2021 is weaker than expected & risk of policy response to new virus variants and slow vaccinations



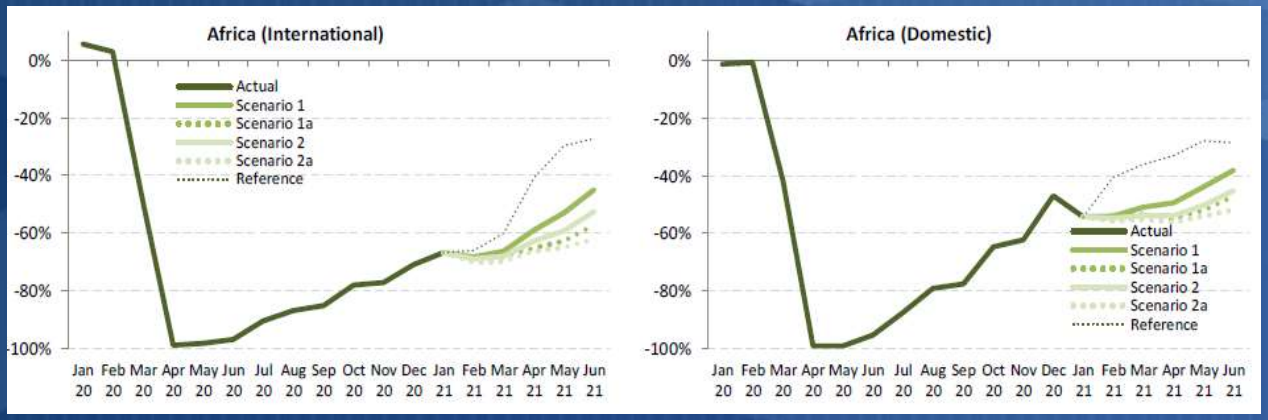
Source: IATA. Economics COVID-19Airline industry cash burn now expected to continue through 2021. 24 February 2021

Latest ICAO Africa Recovery Scenarios

Seat capacity



Passenger numbers



Source: ICAO Air Transport Bureau. Economic Development. Effects of Novel Coronavirus (COVID-19) on Civil Aviation: Economic Impact Analysis. Montréal, Canada. 24 February 2021

Some Observations of the Impact of COVID19 Measures

- Vaccines are not the silver bullet expected
- Vaccines are coming, but their effectiveness and their effective duration are uncertain
- Vaccine production, distribution issues and rollout in all counties will take time.
- The second and third waves (perhaps more) of the pandemic to follow
- Every Government takes its own COVID19 restrictive measures (unpredictable and not co-ordinated with other Governments of International Agencies)
- International cooperation becomes more important than vaccines.
- International markets require some intermediate period allowing people to travel between nations. Crossing borders must be acceptable to each of the countries involved.
- International flying will remain unstable for a long time until predictable border opening is restored and passenger confidence returns.
- Many passengers remain fearful of air travel despite vaccine and alignment on procedures and processes in the travel chain despite substantial pent-up demand for travel.
- Generally, due to economic contraction, there is lower disposable income and a lower propensity to fly (due to economic recessionary conditions)

Uncertainty on COVID19 measures and lower demand

Airline survival kit

- Adapt to operate under uncertainty
- Agility to take advantage of new opportunities and rapid exploratory reaction
- More dynamic scheduling
- Creativity
- Experimentation
- Risks taking
- Balancing supply to lower demand levels
- Viability & Sustainability

Required Policy: enabling environment

- Better Government co-ordination of COVID19 restrictions
- Shift in the regulatory policy to and enabling approach (more flexible to support industry to respond to market opportunities (which may be short term) , especially for sub-sectors with substantial regulatory, time and compliance requirements
- Open regulatory framework to facilitate agility (to counter the restrictiveness of COVID19 regulations)
- Opening of and lifting economic restrictions to accelerate air travel development
- Clarity on rules
- Competitive neutral Industry State financial aid

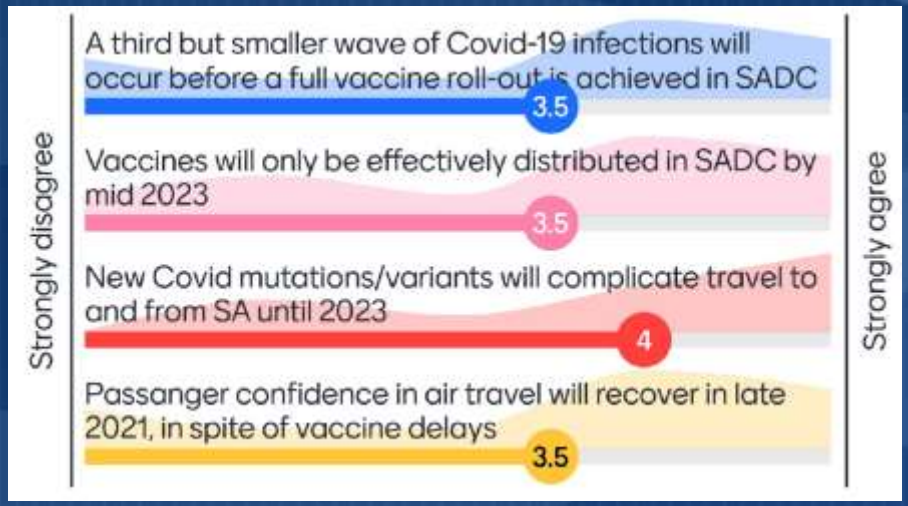
Important Fundamental Change that may affect Tourism to South Africa Pricing of long haul flights may reduce the propensity of long haul tourism journeys

- Business traffic is affected by:
  - The closure of borders for international flights or foreign passport holders
  - The general use of virtual events, doing business online; online meetings, working from home (WFH) is expected to be used in future.
  - The pressure of corporate cost-cutting to reduce spending
- The business and premium pricing model (higher-yielding traffic) supported long haul flying by cross-subsidising economy (coach) cabins for leisure passengers.
- Cargo revenue (for belly freight) is also essential to contribute to the infrastructure of wide-body aircraft.
- This may lead to a resurgence of long haul narrow-body aircraft operations (as already deployed on North Atlantic routes), which will affect the pricing model of economy seating on long haul flights .
- Increase economy priced tickets may affect direct long-haul tourist destinations like South Africa. negatively

Aviation Industry Scenario Workshop

Part 2

Global Health / Pandemic Trends



Global Industry Trends

Outcome: Aviation Industry Scenario Workshop

Part 2

Strategic Scenarios	**Quicksand** **DARK HOLE, EXTENDED LOCKDOWN** **Worst case… unexpected** 2021-2022, 2025 Traffic, 2021 domestic& international stagnate where we are (around **25%** of pre-covid levels), stagnation… to 2025 Recovery Back into level 4/5 lockdown, 3rd wave	**Swamp** **Where we are now… climbing out** MUDDLE THROUGH / Indecision / impasse (Swamp - drag you down and living organisms) SA's repetitional impact lags… arising from variant… Red-tape/	**Rainbow** after the storm, CLIMBING THE SUMMIT, amid lingering pandemic Business travel picks up, but still 50-60% of pre-Covid levels.	**Blue skies** & smooth sailing, no turbulence **Best case** Traffic, 2021 improves but below 2019 levels (60%-80%) in domestic, international still low to 2024 (**50-60%** of pre-covid in 2021). **Business travel reduced by digital working.**
Associations & airlines	Develop a plan for a **"health journey"**, and marks would e unhelpful but vaccines crucial. Work groups and **protocols development, working with international guidelines.** Find our way out… back into brainstorming.	**Stakeholder engagements** is crucial. Must balance supply and demand, adjust to lower level of demand as a matter of survival. Must receive **government assistance**, since cutting back on capacity is not easy	Travel picking up.. but effectively technology adoption to enable development, new stakeholder in the form of **Dept Health**. Investment in **stimulating demand** required, some **stakeholders disappearing, new airlines** Operating certificates **Collaboration** for industry-wide betterment	Maximise marketing, reinvest in infrastructure, re-employ, human capital, investment planning… growing demand. Ramp up capacity, assuming marketing will produce confidence. Perhaps de-regulating marks (unease) In the interests of the collective, not own.
Depts Tourism & Transport	Global response required, health guidelines needed. **Vaccines need to be expedited**	Tourism must harmonise with "ICAO" rules and **work with airlines and airports** on the **risk-adjusted strategies**… aligning with needs of airports and airlines. Very important to rebuild confidence, positive images, rebrand ourselves. (especially important from Tourism perspective)	Constant)marketing) reassurance in the public domain, **Education** about regional readiness. **Regional policy consistency**, alignment across borders and removal of barriers and constraints. Looking at incentives to attract passengers. eg. accommodation.	Reactivate all **bilateral** to meet the demand. **Need to work together and have combined effort.** **Protect domestic market,** then **regional, require agreements in place.**
Airports	No commercial air services.	Work with health sector for pro-active health **protocols**. **Scale down** operations and assets, but be **technology & innovative**, in retail in particular, using online retailing environment	**Contact tracing** working toward confidence and positioning for growth.	**Efficiency through technology**, better experience… wifi etc.

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Proposed OECD Policy Responses to Coronavirus (COVID-19) in the aviation industry

- The aviation industry is a key enabler of many other economic activities.
- The dramatic drop in demand for passenger air transport (and freight, to a lesser extent) due to the COVID-19 containment measures is threatening the viability of many airlines, with many jobs at stake.
- State financial aid (loans, loan guarantees, wage subsidies and equity injections) raise concerns about competition and the efficient use of public resources.
- Government policies should:
  - Prioritize sector-wide measures and competitive sustainability.
  - Strike a balance between the need for support and the risk of distorting competition.
  - Firm-specific support measures should not tilt the playing field with other firms in the aviation industry.
  - Preserve business dynamics and allow exit.
- Demand may be lower and structurally different from that before the crisis,
- Governments should:
  - Foster restructuring and avoid backing non-viable firms, but support displaced workers.
  - Encourage investments in the green transition and environmental improvements.
  - Address sustainability of the whole aviation value chain, including aircraft manufacturers and airports.
- Policy responses in the aviation industry should be integrated across sectors in the low-carbon transition strategies

Source: OECD Policy Responses to Coronavirus (COVID-19). COVID-19 and the aviation industry: Impact and policy responses 15 October 2020. https://www.oecd.org/coronavirus/policy-responses/covid-19-and-the-aviation-industry-impact-and-policy-responses-26d521c1

Car Rental Sector

Highly dependent on air travel

Derive bulk of revenue from airport locations - limited airport operations severely affected their bottom line.

Dominated by a number of large corporations:

Avis (30%); Bidvest (15%); Europcar (15%);Budget (10%)

Directly responsible for about 15,000 jobs, and thousands more across the value chain (vehicle sales, insurance, repairs, maintenance)

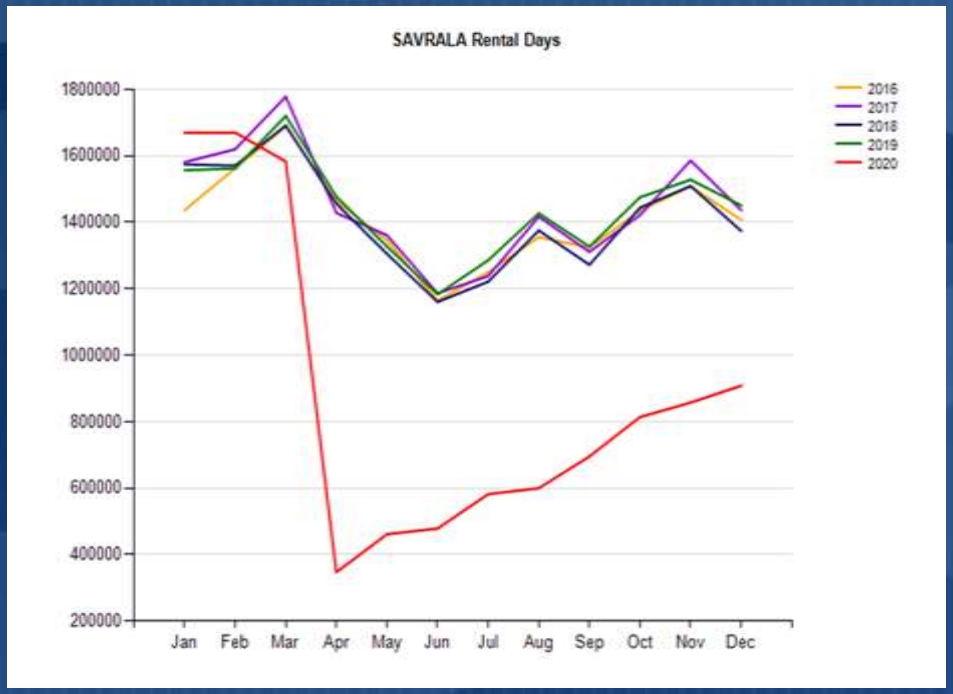
Market has been declining since 2016/2017

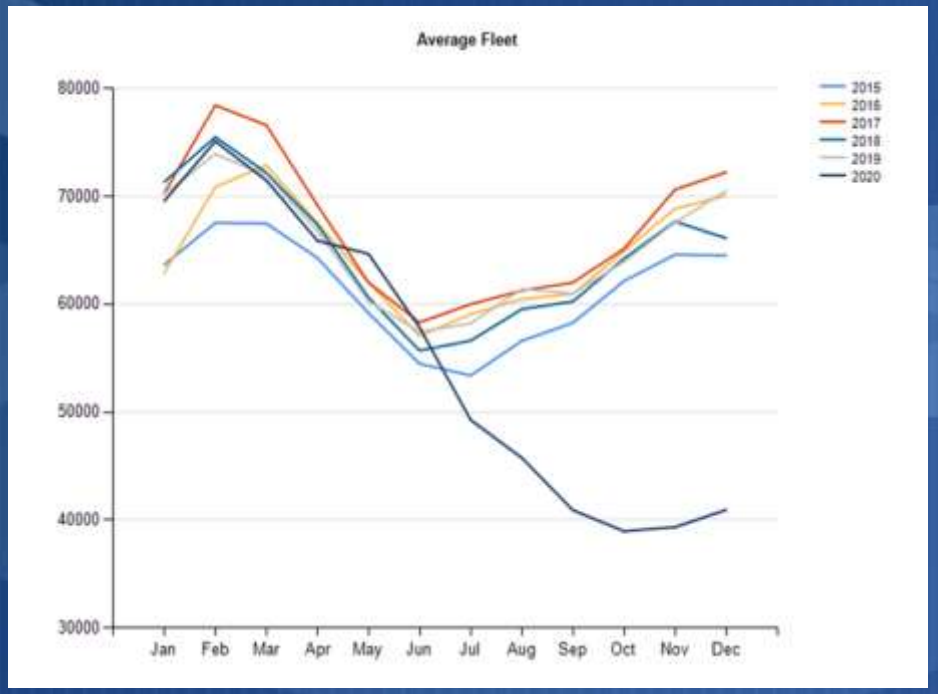
RENTAL DAYS

Rental Days					Jan to Dec
Segment	2016	2017	2018	2019	2020
Total	16 940 512	17 364 267	16 952 946	17 320 111	10 664 365
Total Growth	7%	3%	-2%	2%	-38%

FLEET SIZE/UTILISATION

	2016	2017	2018	2019	2020
Avg Fleet	64 784	67 153	64 744	65 253	54 970
Avg Growth	6%	4%	-4%	1%	-15,8%
Avg Util	71,5%	70,9%	71,8%	72,8%	53,1%
Avg Growth	1%	-1%	1%	1%	-27,1%





Lockdown from 26 March 2020 for all non-essential businesses forced car rental companies to cancel all bookings. Travel ban seriously affected car rental companies.,

Results from Car Rental Interviews and Scenario Planning Workshop

Currently experiencing worst-case scenario where:

- International tourism remains depressed
- Poor economic performance with a fairly negative outlook
- Constant uncertainty: andemic vs measures
- Continuing job losses and

Impact and uncertainty of drivers and trends for recovery

Car Rental Post-Covid

Sector will experience:

- lingering economic difficulties in spite of a improvement in the health pandemic.
- a need to adjust to cope with national-level economic stagnation and lower demand.
- likely rationalisation, including consolidation between competitors
- Lengthy recovery of business travel, possibly not to previous levels
- Re-invention of business models

Government would be called upon:

- to liberalise the sector and the informal economy
- to allow businesses to be more flexible and adaptive to changing conditions.

Partnership approach with

- aggressive steps needing to be taken between tourism, labour, local government, health and their international counterparts to ensure a partnership-approach to dealing with the constraints on the sector.

Bus/Coach Industry

- Cross-border (C-BRTA)
- Inter-urban
- Small operators

Tourism component

Offers about 51 000 seating capacity per month – (domestic and international tourism)

Annual revenue estimated at R 5 billion

Prior to COVID-19 sector under financial pressure due to increasing costs and currency fluctuations and declining market effects

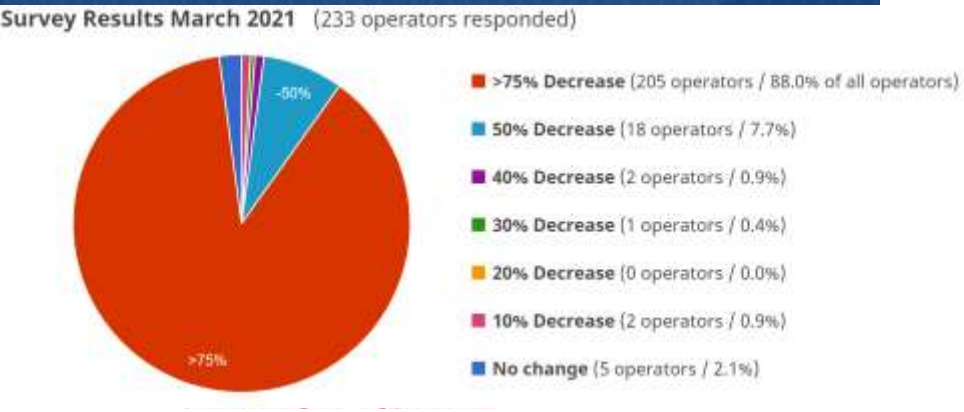
IMPACT OF COVID ON BUS/COACH TOURISM SECTOR

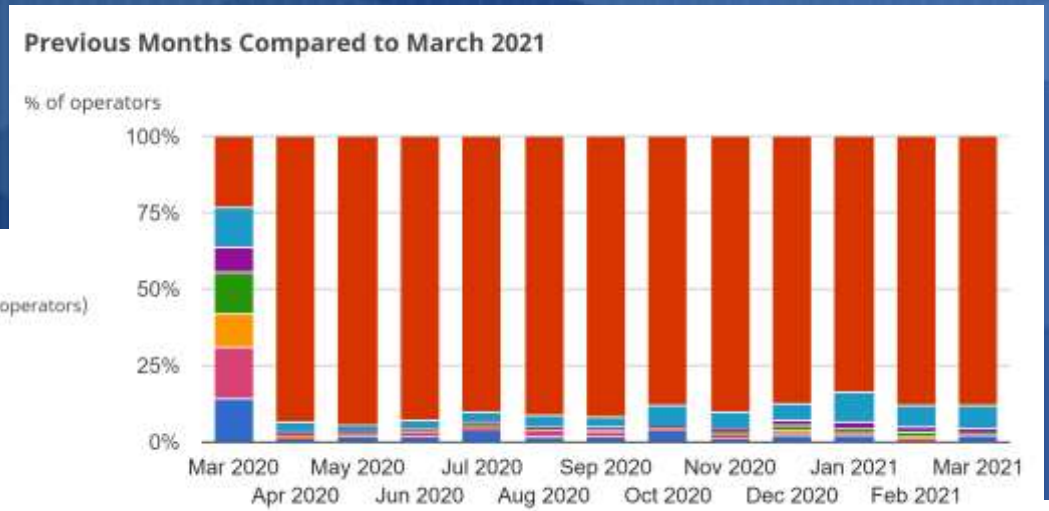
Since lockdown (SABOA, 2020):

- Little to no revenue generated
- Stationary fleet
- Closures and retrenchments most in tourism part of this industry (employees range from general labour to specialized tasks such as tour operators /guides/ translators / drivers)
- Cross-border: no tourism licences issued since March 2020
- Small tour operators reliant on international visitors hit hardest
- Possible impact for the year to date is approximately R 4, 6 BILLION
- Limited government assistance

The impact of the coronavirus pandemic on Africa's safari industry

Decrease in actual bookings due to the coronavirus outbreak





https://www.safaribookings.com/blog/coronavirus-outbreak

Post-COVID

- Slow recovery only expected from when international travel resumes with a very low initial uptake
- Operators are envisaged to be without income for a further period of time
- The resultant impact will seriously affect SA's ability to respond to national and international tourism needs in future
- Government regulations must be more agile e.g. licencing

Overall conclusions

- Transport modes generally experienced low to declining growth prior to COVID
- COVID lockdown measures have been devastating to the tourism transport sectors, across all modes, both domestic and international.
- Sectors continue to experience a "worst case scenario"
- Recovery scenarios require:
  - Economic growth
  - Government agility to create an enabling environment for rapid growth
  - Renewed tourist confidence amidst continued health safety uncertainty
  - Sector streamlining and consolidation
  - Innovative strategies for recovery and sustainability
    - New business models
    - New technologies

THANK YOU