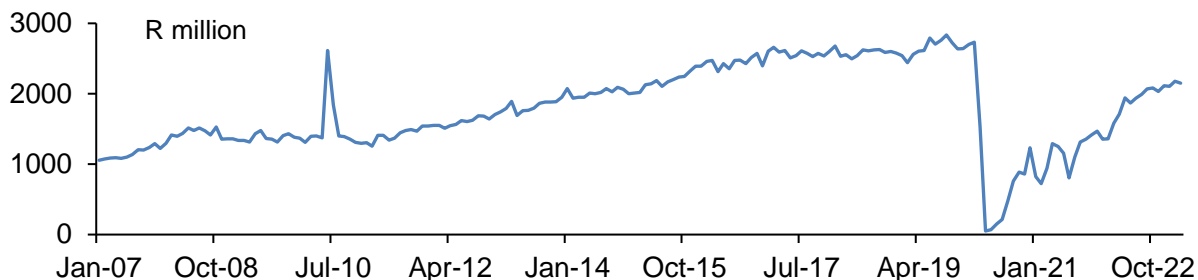


## Tourism update: income from tourist accommodation increased by 49.9% y/y in Q1.23

23 May 2023



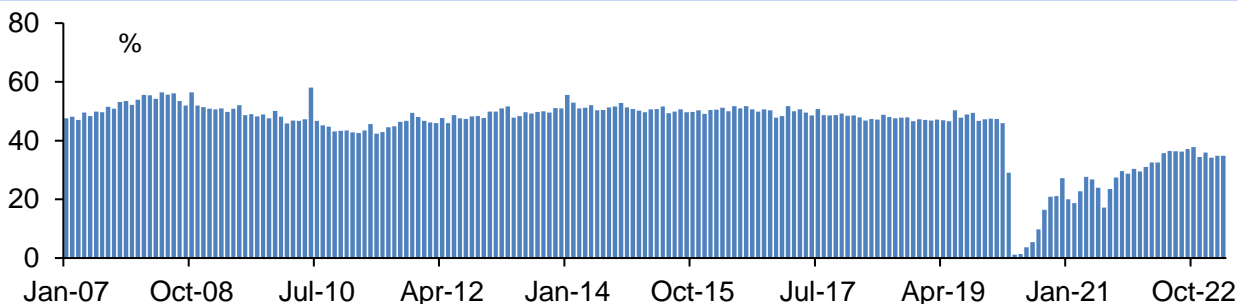
Figure 1: Income from accommodation at current prices (Seasonally adjusted)



Source: Stats SA

- Income derived from the domestic tourist accommodation industry (accommodation only) rose by 49.9% (nominal terms) in Q1.23 when compared to the same period last year. The primary contributors to this lift were the hotels category and the “other” accommodation category (which includes lodges, bed-and-breakfast establishments, self-catering establishments and ‘other’ establishments not elsewhere classified).
- Indeed, the travel industry one of the sectors most afflicted by the pandemic has seen activity pick up notably, however overcoming the country’s numerous challenges, primarily safety and security and load shedding is imperative to boost traveller numbers even further. Routine data gathered by the Department of Home Affairs’ (DHA) indicates that 2 445 237 travellers (arrivals, departures and transits) passed through South African ports of entry/exit during the month of March. This represents an increase of 16.1% m/m and 73.4% y/y respectively.
- Looking at tourist numbers specifically, there was a notable 102.5% y/y climb between Q1.23 and Q1.22 with those emanating from ‘overseas’ countries rising by 112.1% y/y over this period. A breakdown by region indicates that travellers from Europe comprised the largest share (around 68%). 119 118 tourists originated from the UK, representing an 80.6% increase followed by Germany (90 081), the Netherlands (34 169) and France (31 423). Moreover, tourists travelling from African nations rose by 99.3% y/y in Q1.23, with those stemming from SADC countries making up the majority.
- A recent statement by the Presidency reinforced the fact that “the industry is making a strong and sustained comeback”, adding that tourists “are also spending more during their visits – more than R25 billion in the first quarter of 2023. This is a valuable stream of foreign exchange, sustaining and creating jobs and enabling further investment in our tourism infrastructure”.
- Growing this essential sector of the economy which a significant channel for job creation, with strong links to other key sectors is imperative. Indeed, President Ramaphosa stated government’s intention “to forge ahead with the process of immigration reform to improve our competitiveness as a tourism destination”.

Figure 2: Total Industry Occupancy Rates (Seasonally Adjusted)



Source: Stats SA, Investec

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