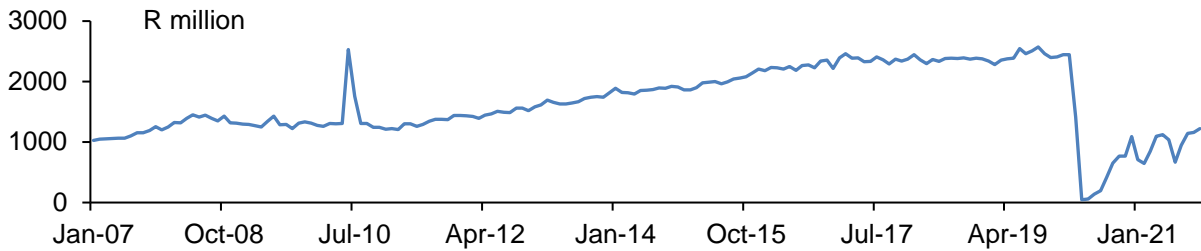




Tourism update: Income from the tourist accommodation rose by 5.5% mmsa in November but remains significantly down on pre-pandemic levels

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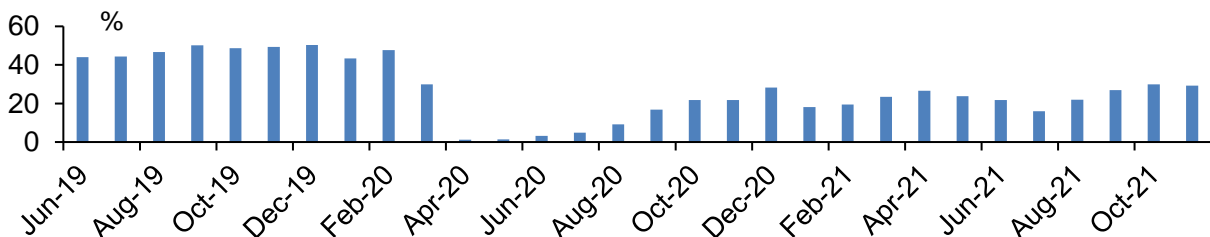
Figure 1: Income from accommodation at current prices (Seasonally adjusted)



Source: Stats SA, Investec

- Income derived from the tourist accommodation industry grew by a modest 5.5% when measured on a month-on-month seasonally adjusted (mmsa) basis in November, following notable increases of 42.2% mmsa and 20.3% mmsa in August and September respectively (a rebound from the significant downturn following the July riots and unrest).
- Industry occupancy rates climbed slightly in November but remained under 30.0%, markedly below pre-pandemic readings. Indeed, local tourism as well as arrivals from the SADC region have largely sustained the domestic tourism industry, one of the worst affected sectors of the economy.
- International tourist arrivals however remain key to many operators in the local market. Pre the discovery of the highly transmissible Omicron variant, the lifting of travel bans by key tourist markets as cases globally waned and lockdown measures were eased saw a 235% year-on-year increase in tourists entering the country in October 2021, according to Stats SA’s latest tourism and migration report. Tourists from international countries (excluding Africa) increased to 59 475 from just 8 325 in October 2020.
- The seasonally significant festive season was however disrupted by the rapid spread of the Omicron variant, which saw many countries reinstate travel bans, leading to a significant loss from cancelled accommodation. However, moderate local lockdown measures saw South Africans flock to popular holiday destinations, buoying the domestic tourism sector. A number of key markets have subsequently dropped travel bans which is positive for SA’s significant tourism market.
- Indeed, global tourism has been one of the most devastated sectors of the economy. “The pace of recovery remains slow and uneven across world regions due to varying degrees of mobility restrictions, vaccination rates and traveller confidence”, according to the UNWTO World Tourism Barometer. Moreover, the latest UNWTO (World Trade Organisation) Panel of Experts survey results indicate that while prospects for 2022 have improved, “the majority of experts (64%) now expect international arrivals to return to 2019 levels only in 2024 or later, up from 45% in the September survey”.

Figure 2: Hotel Occupancy Rates (NSA)



Source: Stats SA, Investec

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