Tourism update: Tourist numbers down 1.4% year-on-year, between January and May 2019.

22nd July 2019

Figure 1: South African residents and foreign travellers by travel direction

<table>
<thead>
<tr>
<th></th>
<th>May-18</th>
<th>May-19</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Total</td>
<td>3190914</td>
<td>3285819</td>
<td>3.0</td>
</tr>
<tr>
<td>SA Residents (Total)</td>
<td>857349</td>
<td>896563</td>
<td>4.6</td>
</tr>
<tr>
<td>Arrivals</td>
<td>439970</td>
<td>442436</td>
<td>0.6</td>
</tr>
<tr>
<td>Departures</td>
<td>416597</td>
<td>453266</td>
<td>8.8</td>
</tr>
<tr>
<td>Transits</td>
<td>782</td>
<td>861</td>
<td>10.1</td>
</tr>
<tr>
<td>Foreign Travellers (Total)</td>
<td>2333565</td>
<td>2389256</td>
<td>2.4</td>
</tr>
<tr>
<td>Arrivals</td>
<td>1196107</td>
<td>1213675</td>
<td>1.5</td>
</tr>
<tr>
<td>Departures</td>
<td>1076526</td>
<td>1106649</td>
<td>2.8</td>
</tr>
<tr>
<td>Transits</td>
<td>60932</td>
<td>68932</td>
<td>13.1</td>
</tr>
</tbody>
</table>

Source: Stats SA

- The number of travellers passing through SA’s ports of entry grew by 3.0% y/y to 3.3 million in May 2019, following April’s 1.4% y/y lift (see figure 1).
- A disaggregation of the data indicates that travel by South African residents recovered on a year-on-year basis in May, rising by 4.6% (after slipping by 2.6% y/y in April), primarily underpinned by a 8.8% y/y lift in departure numbers recorded. Foreign travel (arrivals, departures and transits) however, moderated in May, lifting by 2.4% y/y following April’s 3.0% y/y increase (see figure 1).
- Tourist numbers (defined as overnight visitors by Stats SA), which constituted around 62% of foreign arrivals in May 2019, fell by 1.8% y/y (see figure 2), following April’s 4.2% y/y lift, in turn bringing the year-to-date total (Jan. – May) to -1.4% y/y.
- Specifically, tourists travelling from overseas countries (excl. African nations) slid by 2.2% y/y between January and May 2019, with numbers from key destinations including Germany and France waning notably.
- Additionally, tourist numbers from Africa also diminished, falling by 1.2% y/y, year-to-date, underpinned largely by the 11.7% y/y (92 367 individuals) decline in tourists from Lesotho, which makes up over 20% of all tourists stemming from Africa.

Figure 2: Breakdown of foreign arrivals

<table>
<thead>
<tr>
<th></th>
<th>May-18</th>
<th>May-19</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Arrivals</td>
<td>1196107</td>
<td>1213675</td>
<td>1.5</td>
</tr>
<tr>
<td>Non-visitors</td>
<td>77559</td>
<td>78492</td>
<td>1.2</td>
</tr>
<tr>
<td>Visitors</td>
<td>1118548</td>
<td>1135183</td>
<td>1.5</td>
</tr>
<tr>
<td>Same- day</td>
<td>351218</td>
<td>381666</td>
<td>8.7</td>
</tr>
<tr>
<td>Overnight (Tourists)*</td>
<td>767330</td>
<td>753517</td>
<td>-1.8</td>
</tr>
</tbody>
</table>

Source: Stats SA

*A visitor who stays at least one night in collective or private accommodation in the place visited.*
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- Total income derived from the tourist accommodation industry, measured in nominal terms however picked up in May, rising by 4.4% y/y, following April’s 3.5% y/y lift (see figure 3), with income received from just the accommodation component rising by 4.8% y/y to R1 773.4 million. A marked 6.3% y/y increase in the average income charged per stay unit (unit of accommodation) boosted this result.

- An analysis of the data (income from accommodation), suggests that all four accommodation categories surveyed grew on a year-on-year basis in May 2019. The ‘other accommodation’ segment (which includes lodges, bed–and-breakfasts and self-catering establishments) made the largest positive contribution to the topline reading once again, rising by 9.3 y/y and in turn adding 2.6% points to the headline outcome.

- “Tourism has an important role to play in placing our economy on a sustainable inclusive growth trajectory”, the minister of tourism recently stated. “The indirect contribution of the tourism sector to our economy’s GDP” was around 8.2% in 2018. This “(c)aptures the strong economic links to the demand and supply side that the sector has with other sectors of the South African economy”. SA tourism remains a vital conduit for job creation in a country burdened by extremely high unemployment rates, especially within the youth category.

- In order to reach the Presidency’s target of doubling tourist arrivals to around 21 million by 2030 (as specified in the President’s State of the Nation Address), in the face of heightened competition by other regions, various initiatives and reforms have been prioritised, with a further reduction in regulatory barriers and the management of crime, key amongst these.

**Figure 3: Income from accommodation (current prices)**

Source: Stats SA, Investec

**Figure 4: Contribution from each accommodation category (current prices)**

Sources: Stats SA, Investec
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