



Tourism update: Ramaphosa reiterates his intention to double international tourist arrivals by 2030, in the latest SONA

24th June 2019

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

	Apr-18	Apr-19	% Change
Grand Total	3582842	3632618	1.4
SA Residents (Total)	1027709	1000776	-2.6
Arrivals	529412	493734	-6.7
Departures	497432	506224	1.8
Transits	865	818	-5.4
Foreign Travellers (Total)	2555133	2570509	3.0
Arrivals	1298709	1301855	4.0
Departures	1198469	1210297	1.6
Transits	57955	58357	10.7

Source: Stats SA

- The number of travellers passing through SA's ports of entry grew by 1.4% y/y in April 2019 (see figure 1), following March's marginal 0.4% y/y lift.
- A breakdown of the data shows that travel by South African residents fell by 2.6% y/y in April, (after lifting by a marked 5.7% y/y in March), primarily underpinned by a 6.7% y/y slide in arrival numbers. Conversely, foreign travel (arrivals, departures and transits) grew by 3.0% y/y in April (see figure 1), after falling by 1.6% y/y in March.
- Tourist numbers (defined as overnight visitors by Stats SA), which constituted around 67% of foreign arrivals in April 2019, edged up 7.7% m/m and 4.2% y/y (see figure 2), following March's notable 5.0% y/y decline.
- Specifically, tourists travelling from overseas countries (excl. African nations) comprising around 24% (217 131 individuals) of total tourist numbers in April 2019, grew by 12% y/y, following March's 9.2% y/y slide, as tourists, primarily from key European destinations picked up. That is arrivals from Germany climbed 30% y/y, while those from the UK lifted by a notable 26% y/y.
- Tourist numbers from Africa also picked up, albeit modestly by 1.9% y/y, following March's 3.3% y/y fall, underpinned by an increase in tourists from certain SADC regions.
- For the year to date however (Jan-April 2019), tourist figures remain lackluster, having declined by 1.3%, compared to the same period last year, with only a modest uptick in arrivals from North America and Asia, stemming an even larger decline.

Figure 2: Breakdown of foreign arrivals

	Apr-18	Apr-19	% Change
Foreign Arrivals	1298709	1350167	4.0
Non-visitors	78393	90205	15.1
Visitors	1220316	1259962	3.2
Same- day	353422	356903	1.0
Overnight (Tourists)*	866894	903059	4.2

Source: Stats SA

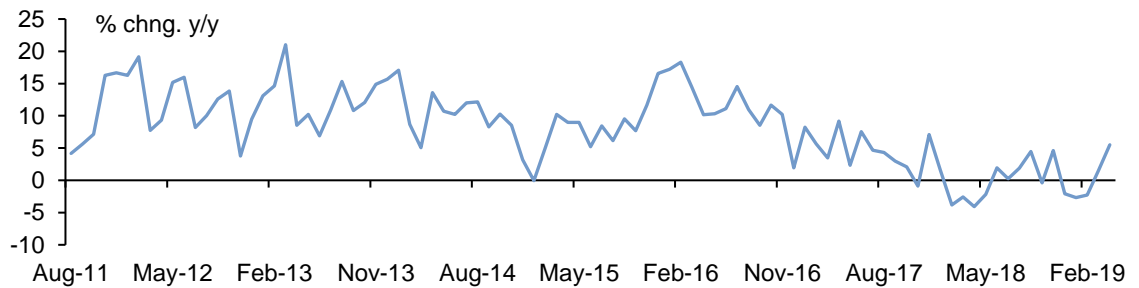
*A visitor who stays at least one night in collective or private accommodation in the place visited



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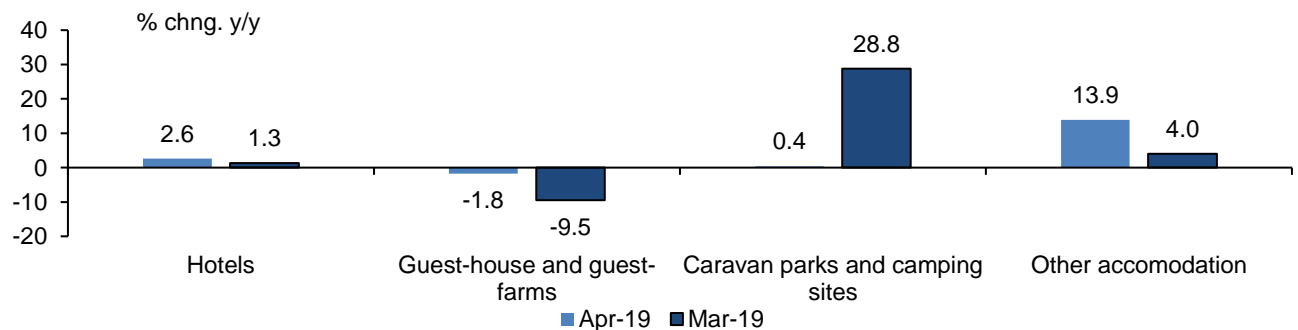
Figure 3: Income from accommodation (at current prices)



Source: Stats SA, Investec

- Total income derived from the tourist accommodation industry, measured in nominal terms grew by a further 3.7% y/y in April, following March’s 3.0% y/y lift (see figure 3), with income from just the accommodation component climbing 5.5%. This notable lift was underpinned by a 6.6% y/y increase in the average income charged per stay unit (unit of accommodation).
- An analysis of the data (income from accommodation), indicates that three of the four accommodation categories surveyed grew on a year-on-year basis in April 2019, with the ‘other’ accommodation category (which includes lodges, bed-and-breakfasts and self-catering establishments), making the largest positive contribution to the topline reading. That is, the ‘other’ accommodation segment, which makes up 26.2% of the “income from accommodation” index, grew by 13.9 y/y in April 2019, in turn adding 3.6% points to the headline outcome.
- The tourism industry and its allied sectors remain vital conduits for job creation and growth, in a country where unemployment is sitting at close to 28%. As such, the President in his recent State of the Nation Address reiterated his intention to “(d)ouble international tourist arrivals to 21 million by 2030”, through various measures, including the “(r)enewal of the country’s brand, introducing a world-class visa regime and a significant focus on Chinese and Indian markets and air arrivals from the rest of our continent”.
- He also stressed the need to ensure that tourists visiting the “(c)ountry are safe”, as crime continues to be a significant deterrent to tourist numbers.

Figure 4: Income from accommodation by accommodation category (at current prices)



Sources: Stats SA, Investec

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