

Southern African Bus Operators Association Annual Conference 2024

15 August 2024

Venue: Randpark Golf Club

broadening horizons



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA



Purpose

- To engage the sector on strategies and developments in the tourism sector

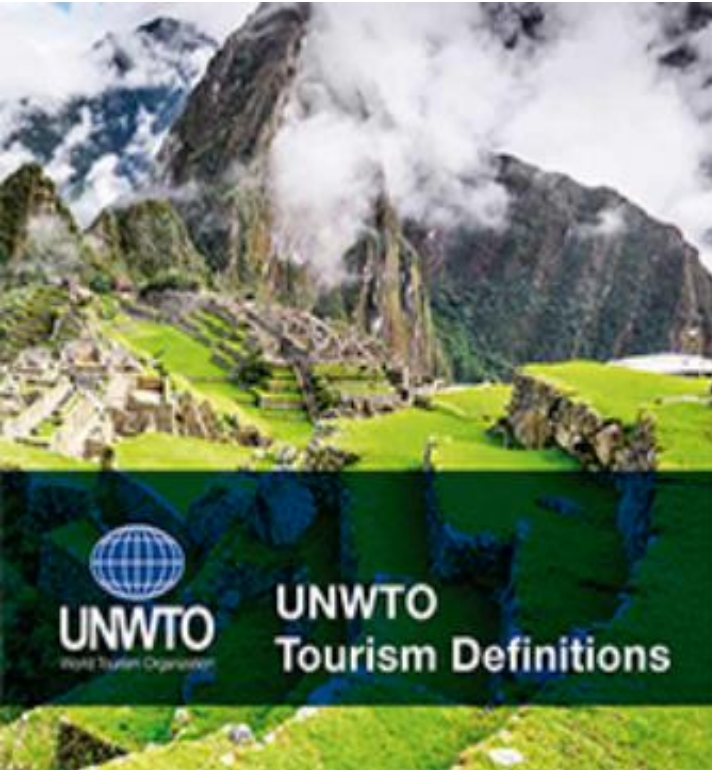


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Definition of concepts



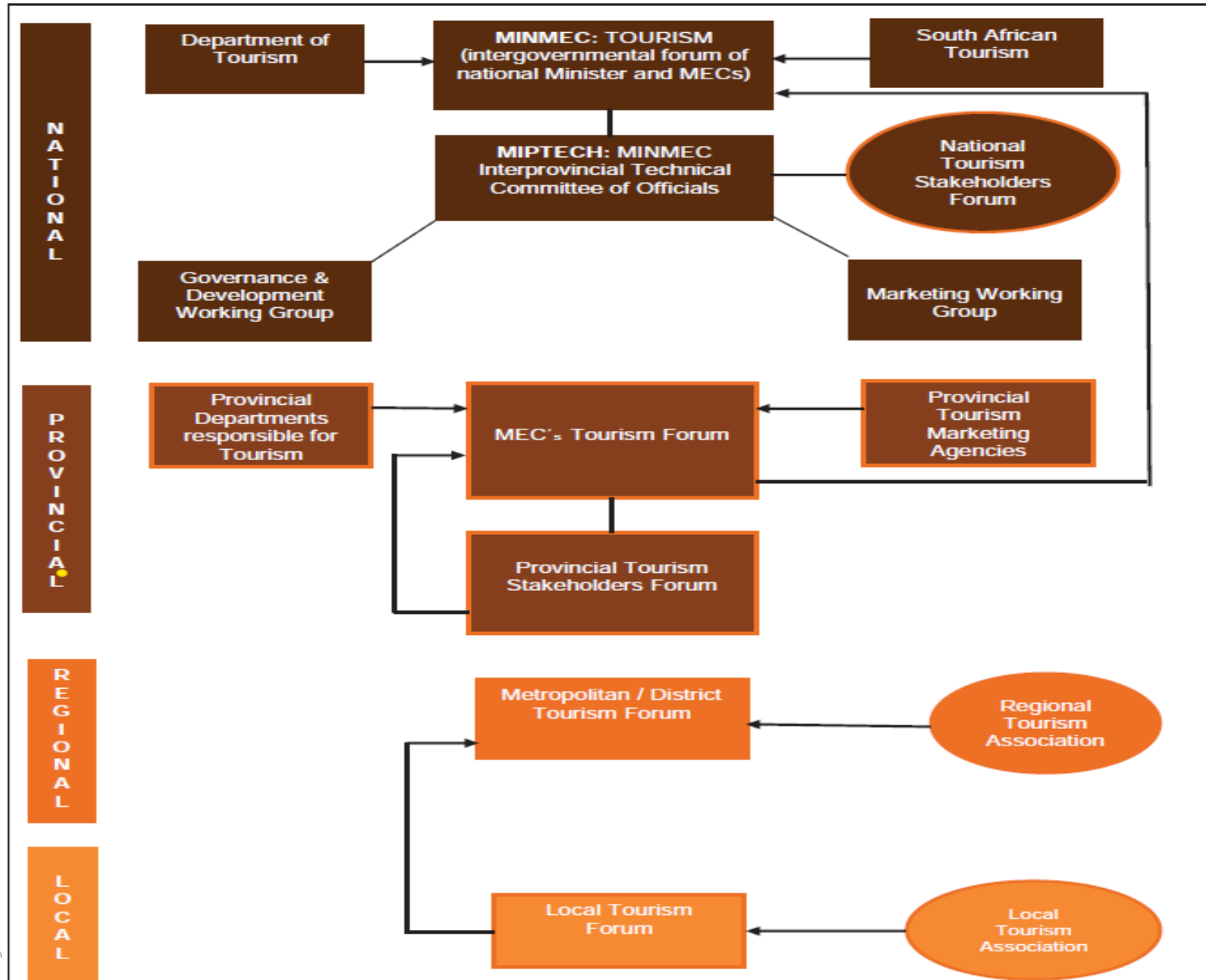
- **Tourism:** is a social, cultural and an economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes.
- **Visitor:** any person taking a trip to a main destination outside his/her usual environment for less than a year, for any main purpose (business, leisure) other than to be employed by a resident entity in the country visited.
- **Tourist:** is a visitor (domestic, inbound or outbound) who stays at least one night in a place visited.
- **Tourism value chain:** is the sequence of primary and support activities which are strategically fundamental for the performance of the tourism sector.

Definition of concepts cont...



- **Tour operator business:** is a business that typically combines and organizes accommodation, meals, sightseeing and **transportation** components.
- **Tour Operator:** is a person or company that thinks up ideas for holidays, researches the ideas, designs the holiday itinerary and content, contracts the services needed for the holiday, accommodation, transport, guides, tour leaders or resort reps etc. and then markets the resultant package. They sell the package either directly to the consumer or use the services of a travel agent to do so.
- **Travel Agent:** offers the consumer a range of holiday packages that have been put together by a tour operator.

Tourism governance structure

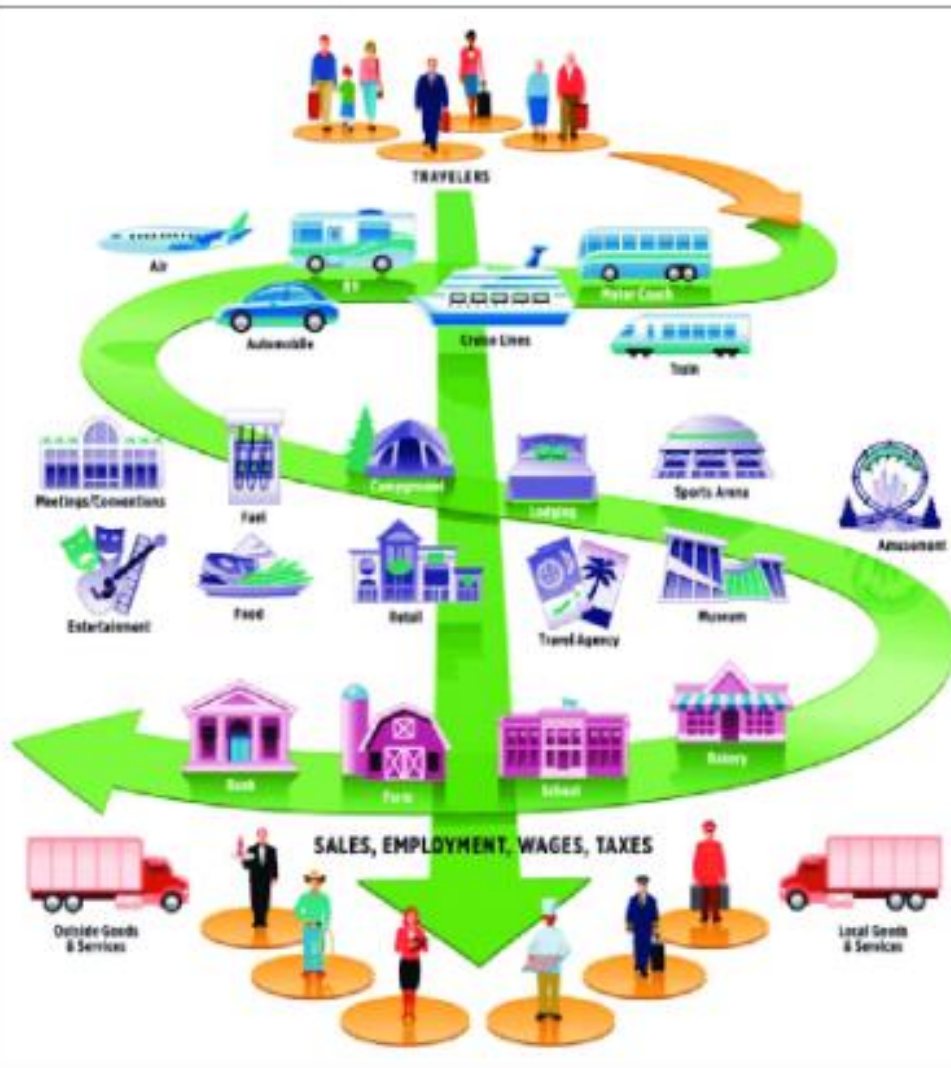


Tourism private sector structure

WHERE DO WE FIT IN?

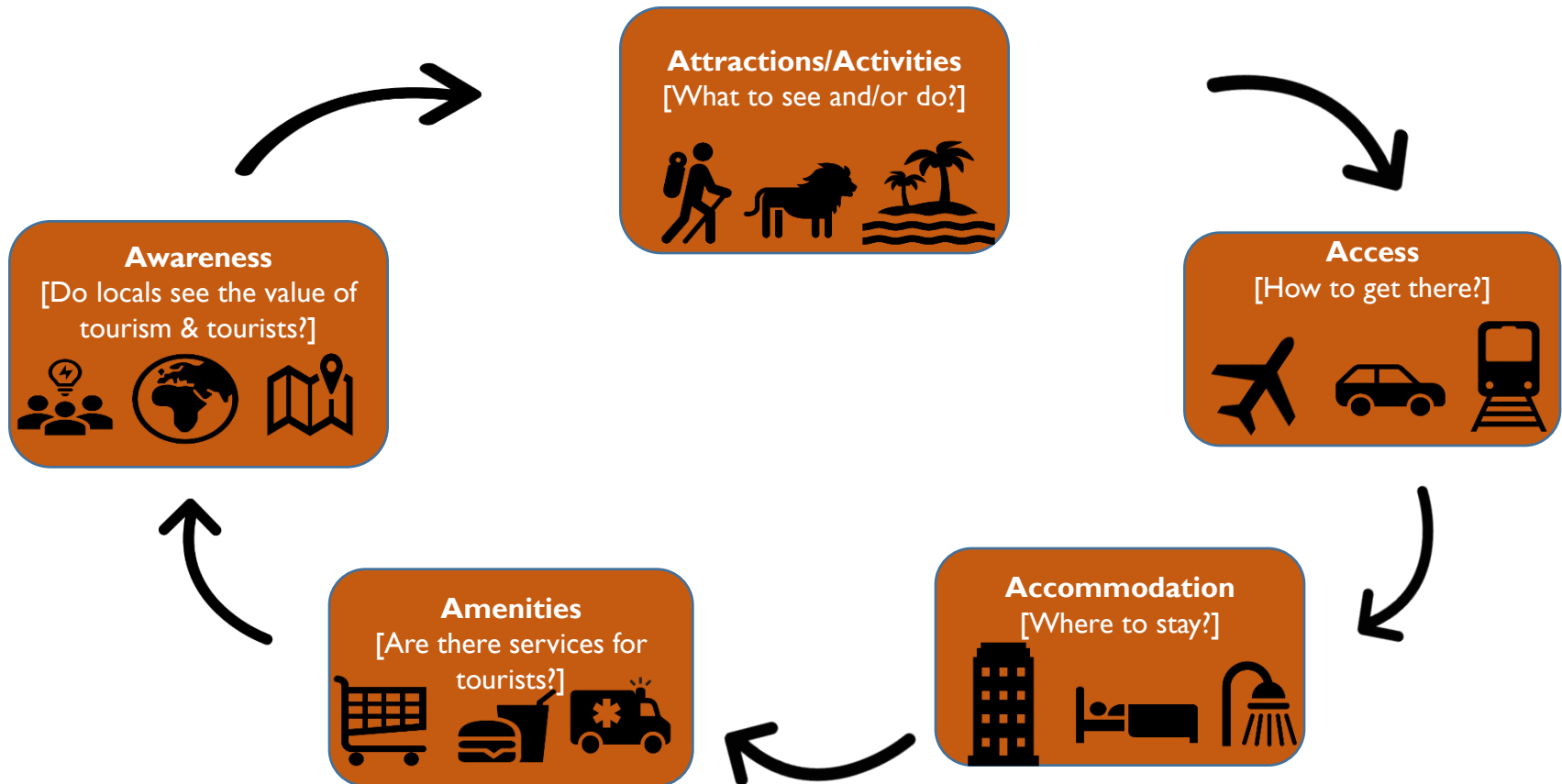


Why tourism?

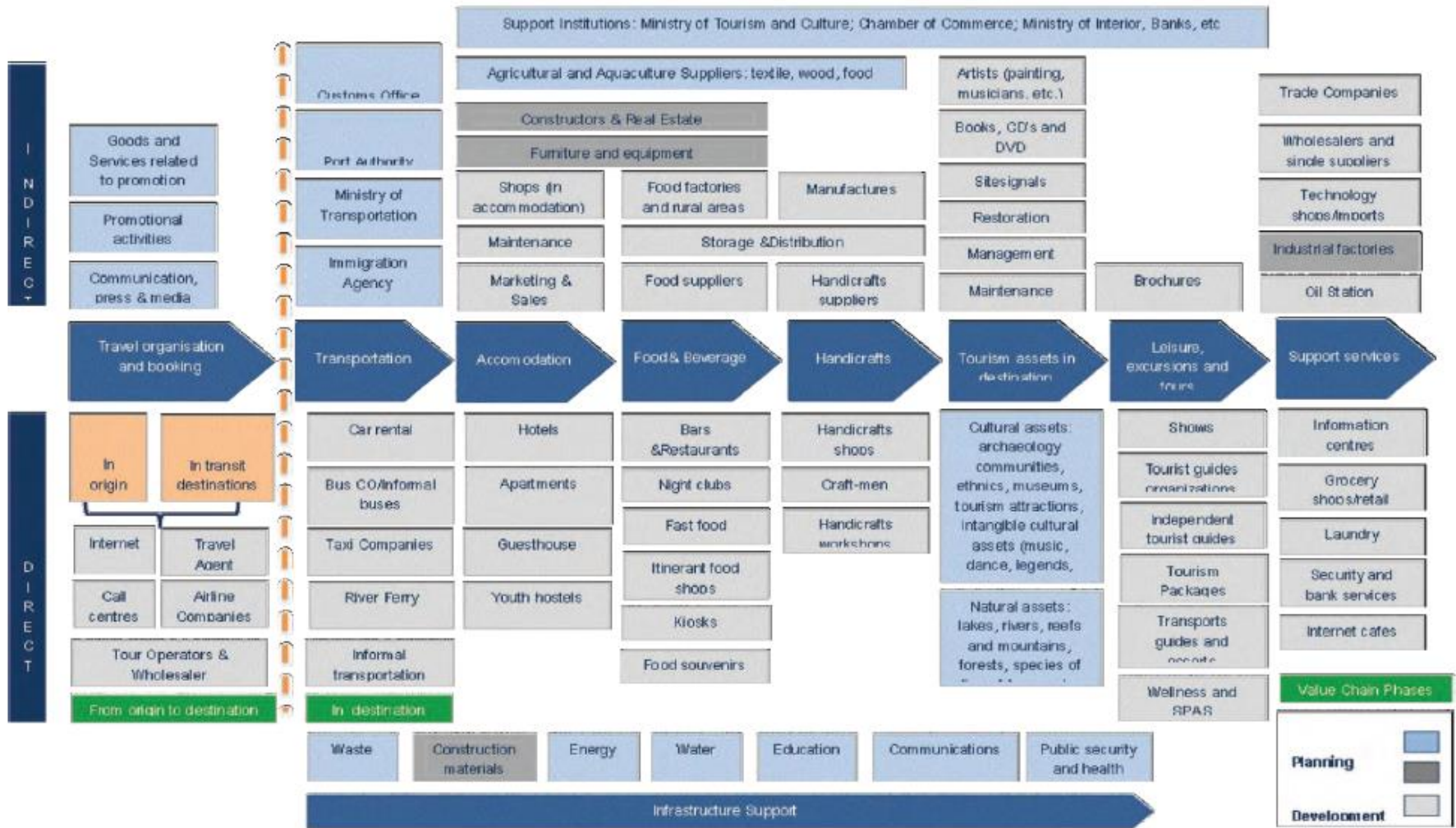


- Tourism has been identified as one of the key economic sectors by various government plans / economic policies.
- Identified as critical sector to contribute towards economic recovery.
- Tourism impacts gross domestic product.
- Tourism has a multiplier effect and stimulates other sectors of the economy.
- Tourism supports low income countries.
- Tourism enables young people and women to break into the work environment.
- Tourism employs many people.
- Tourism is more than its sun, sand and sea stereotypes.

Components of Destination Supply – Tourism as a System

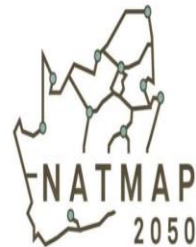


Tourism value chain



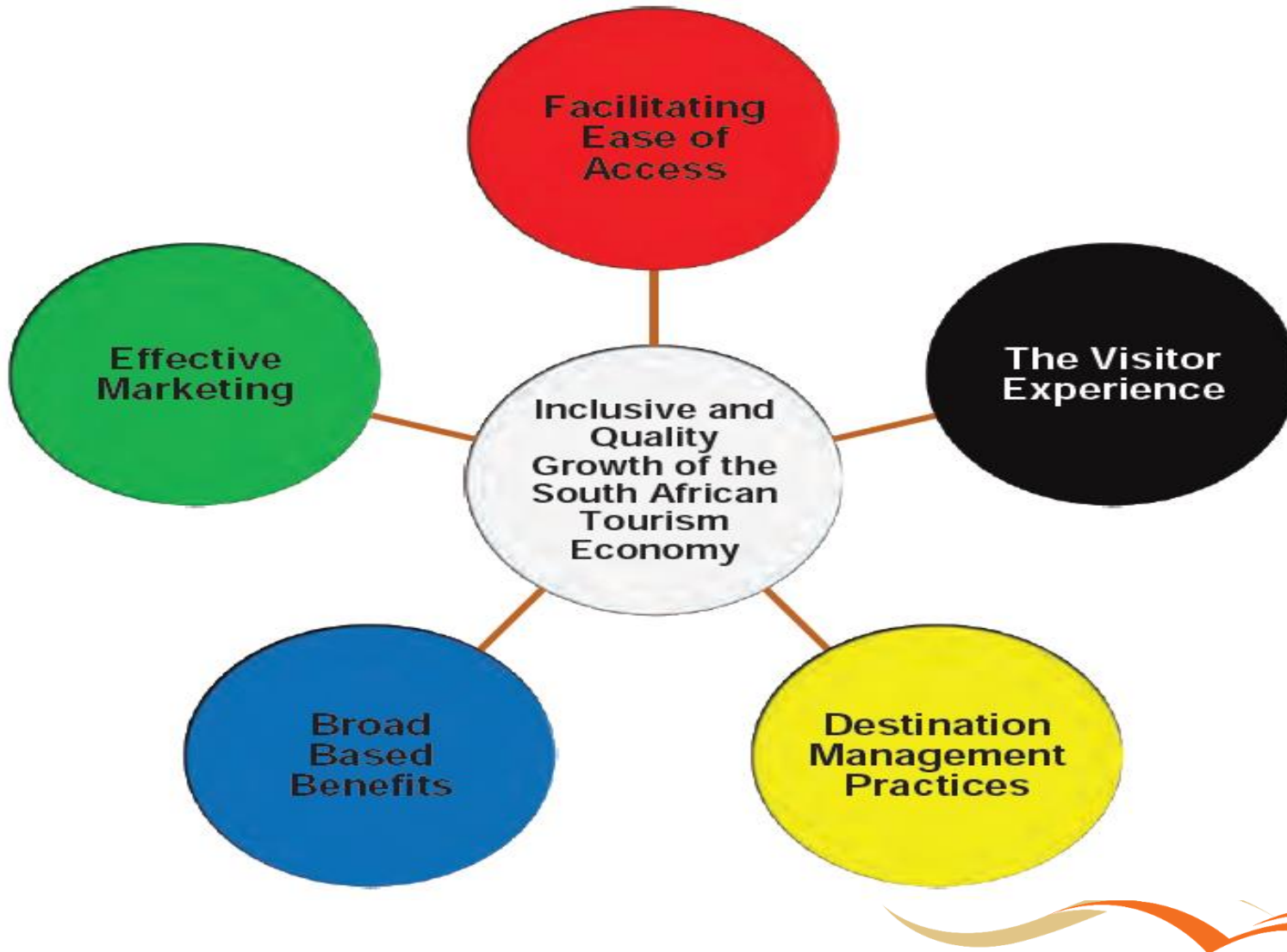
Source: OECD/UNWTO/WTO 2013

Intricate link between tourism and transport



- **Transport is an essential element of tourist product in various ways in that it is:**
 - A means to reach the destination
 - A necessary means of movement at the destination
 - In some instances, it is the actual tourism attraction or activity
- More than 88% of air transport was consumed by visitors in South Africa from 2016 to 2018.
- More than 30% to 36% of **road transport** was consumed by visitors, in the same period.
- This illustrates a mutual beneficial relationship between tourism and transport.

National Tourism Sector Strategy



Facilitating ease of access

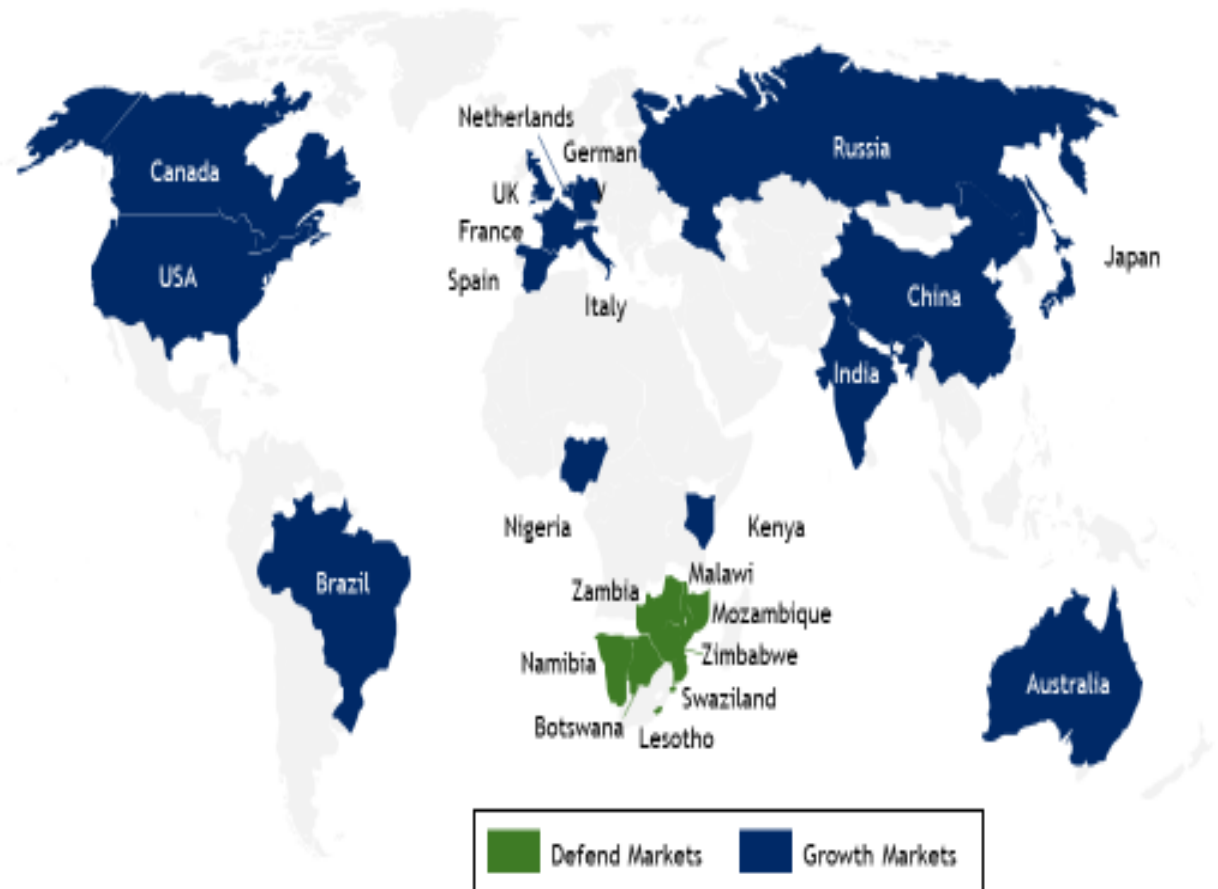


- Removing barriers that limit the ability of tourist to visit South Africa.
- NTSS envisages seamless travel facilitation to enable tourism growth.
- Integration of all modes of transport which are an essential enabler of tourism as they link visitors with products, attractions and services.
- Facilitate travel through improved private & public transport for tourists & identify actions to support tourist travel
- Create conducive business environment for emerging tourism businesses to ensure participation in the tourism economy.

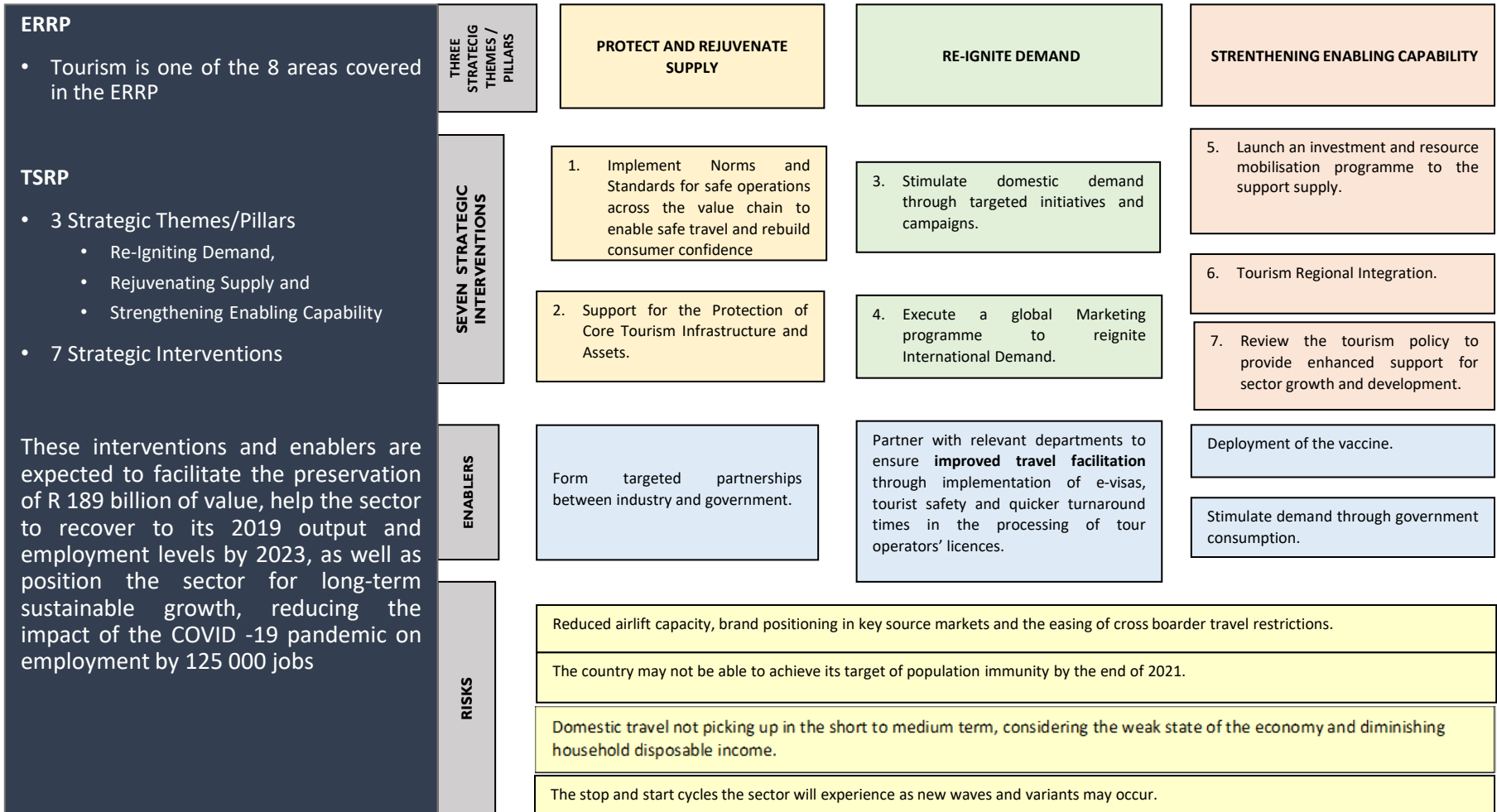
MARKET SELECTION: PORTFOLIO SELECTION

SELECTION

- ▶ The priority markets comprises of :
 - Eight (8) Africa Land markets
 - Two (2) Africa Air markets
 - Three (3) American markets
 - Seven (7) European markets
 - Four (4) AAME markets
- ▶ The selection accounted for 83% of holiday trips, 77% of MICE trips and 92% of total international trips to South Africa in 2019

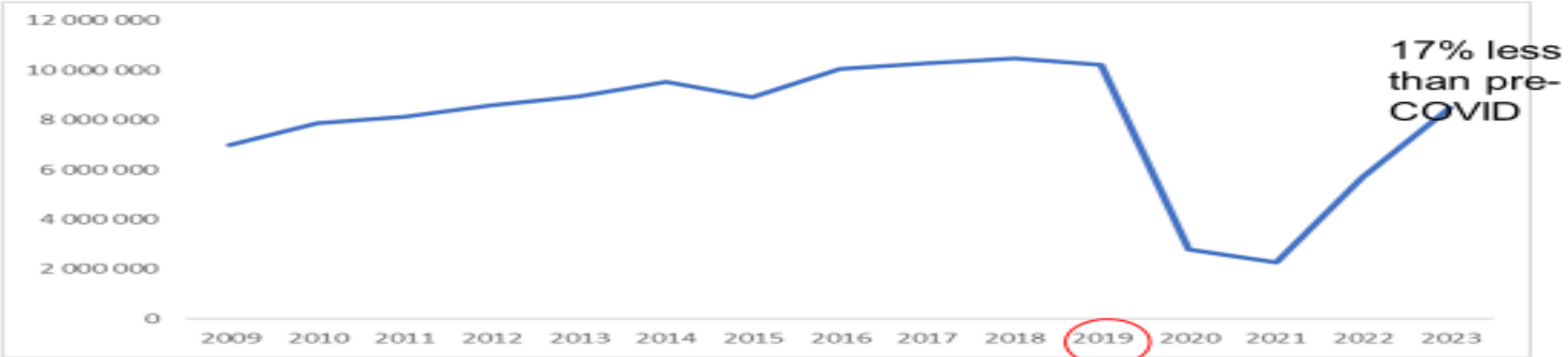


Tourism Sector Recovery Plan (TSRP) – The Approach



Recovery Plan Impact

Year Region	2019		2020		2021		2022		2023	
	Arrivals	Total Arrivals YoY change %	Arrivals	Total Arrivals YoY change %	Arrivals	Total Arrivals YoY change %	Arrivals	Total Arrivals YoY change %	Arrivals	Total Arrivals YoY change %
Africa Land	7 276 957	-2.3%	2 054 604	-71.8%	1 786 112	-13.1%	4 047 829	126.6%	6 153 017	52.0%
Europe	1 556 452	-3.8%	446 653	-71.3%	217 241	-51.4%	900 703	314.6%	1 244 877	38.2%
Americas	560 651	-0.1%	119 872	-78.6%	99 403	-17.1%	326 200	228.2%	455 901	39.8%
Asia, Australasia & Middle East	495 056	0.6%	94 505	-80.9%	61 160	-35.3%	223 768	265.9%	359 535	60.7%
Africa Air	323 886	-5.1%	82 920	-74.4%	87 497	5.5%	189 432	116.5%	257 375	35.9%
Unspecified	15 591	14.6%	3 766	-75.8%	4 286	13.8%	10 130	136.4%	12 628	24.7%
Total	10 228 593	-2.3%	2 802 320	-72.6%	2 255 699	-19.5%	5 698 062	152.6%	8 483 333	48.9%

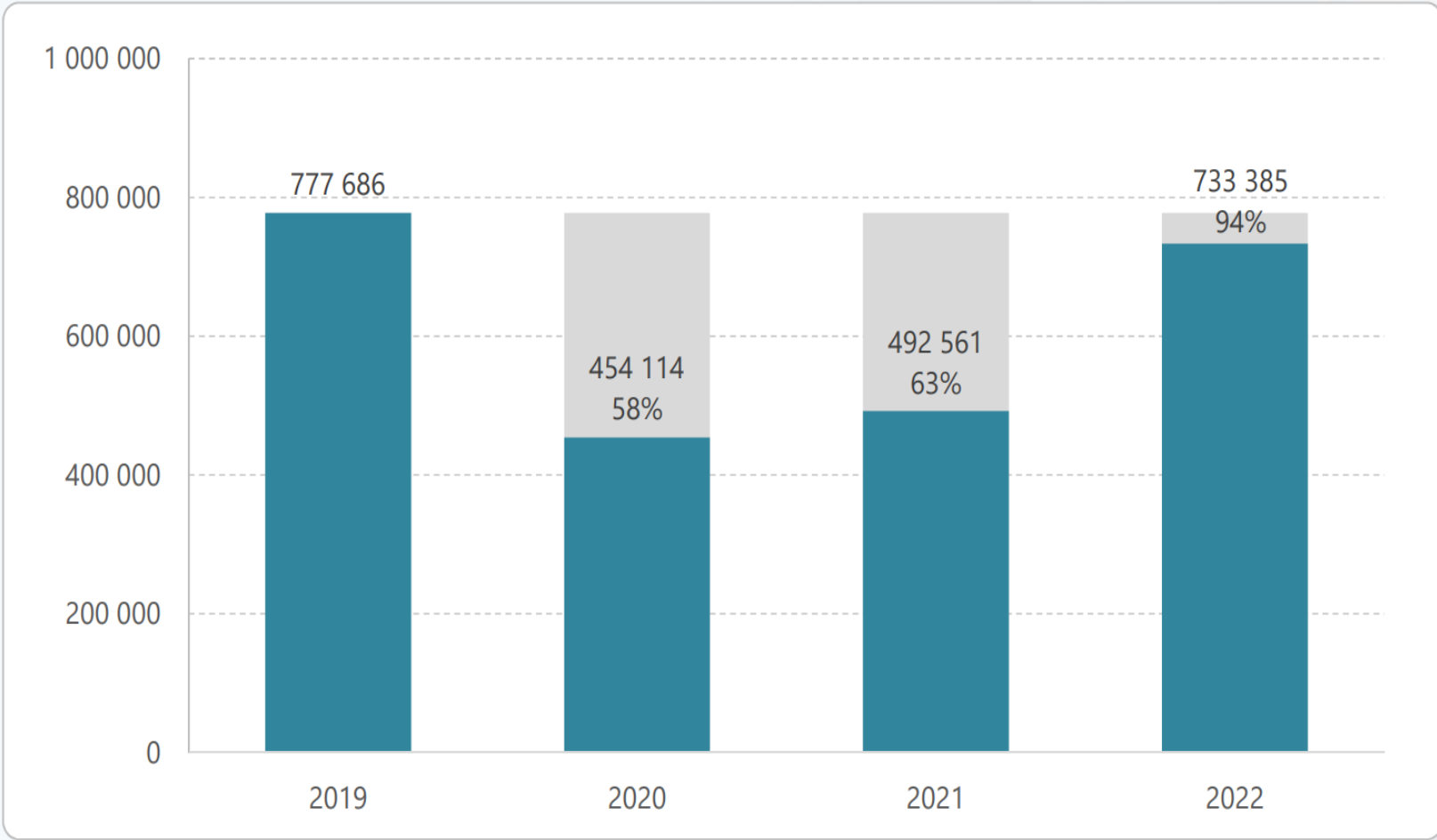


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Tourist Arrivals (excluding Transit)	7 000 052	7 882 975	8 135 066	8 605 190	8 961 565	9 549 236	8 903 773	10 044 163	10 285 197	10 472 105	10 228 593	2 802 320	2 255 699	5 698 062	8 483 333
% Diff		12,6%	3,2%	5,8%	4,2%	6,6%	-6,8%	12,8%	2,4%	1,8%	-2,5%	-72,6%	-19,5%	152,6%	48,9%

In 2023, the total number of arrivals reached 8.483 million, indicating a 48.9% upswing from the preceding year. However, the arrival figures remain 17% below the 2019 levels, which stood at 10.2 million. South Africa's performance falls below the global average of -12%.

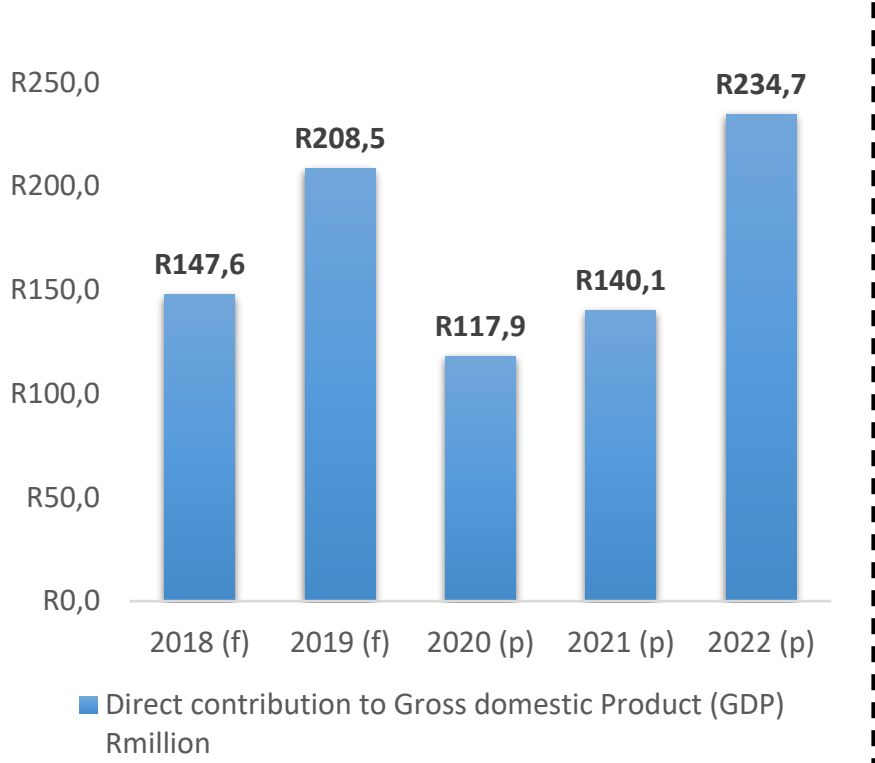
Recovery Plan impact cont..

In 2022, the number of people directly employed in the tourism sector was **94%** of the 2019 pre-pandemic level of 777 686



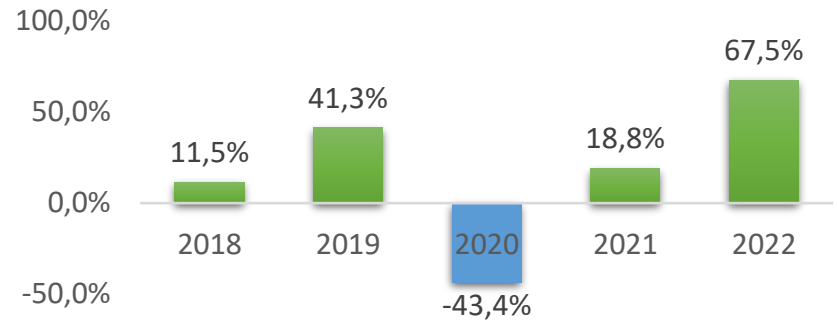
Source: Stats SA

Recovery Plan Impact cont..

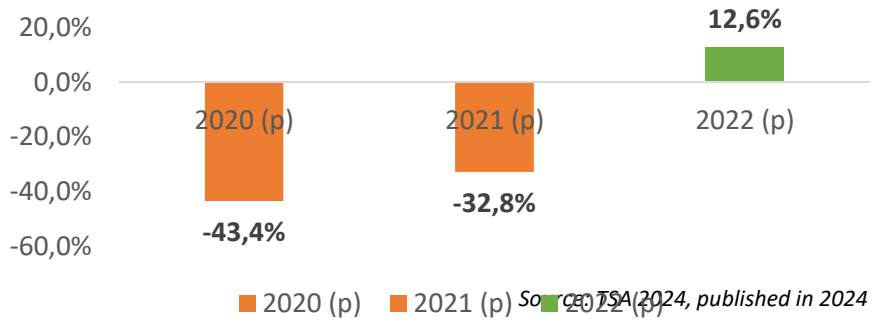


	2018 (f)	2019 (f)	2020 (p)	2021(p)	2022(p)
Direct contribution of travel and tourism as % of SA GDP	2,8	3,7	2,1	2,3	3,5

Year on Year % change



% Change Compared to 2019



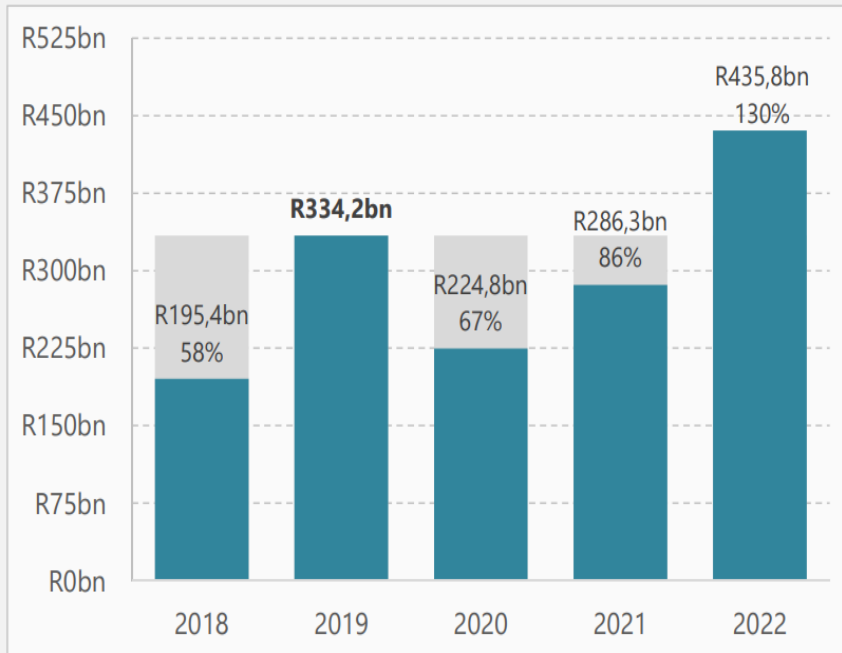
Source: TSA (2024), published in 2024



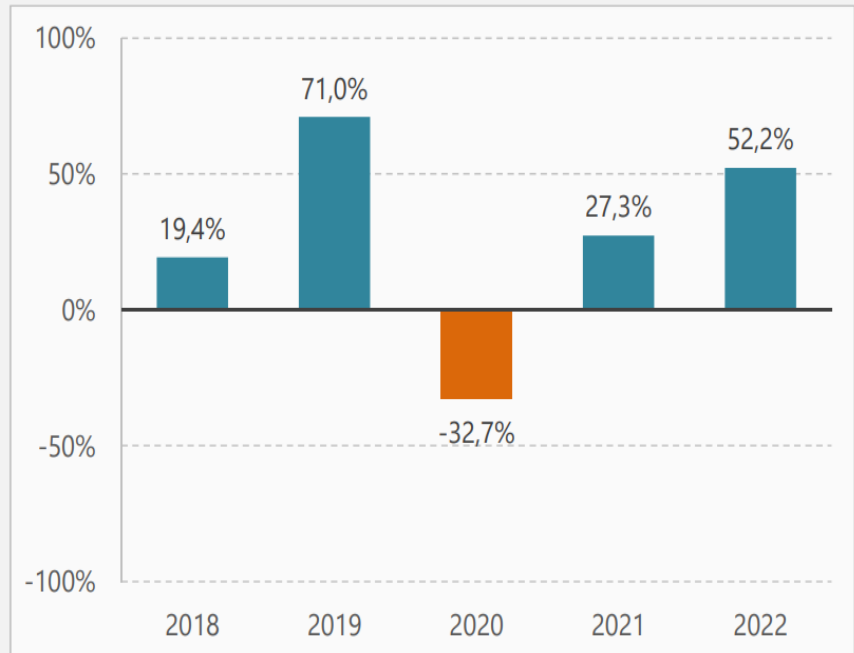
Recovery Plan Impact..

In 2021, domestic tourism expenditure recovered to **130%** of 2019's pre-pandemic level of R334,2 billion

Domestic tourism expenditure (R billion)



Domestic tourism expenditure (annual change)

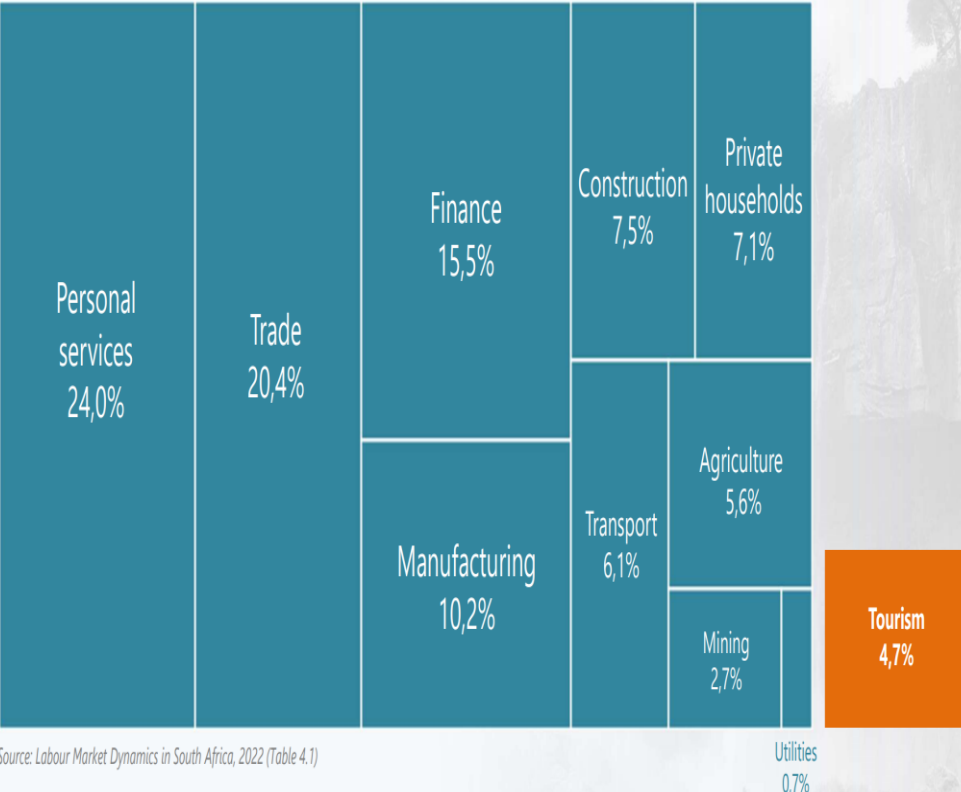


Source: Stats SA

SABOA Conference

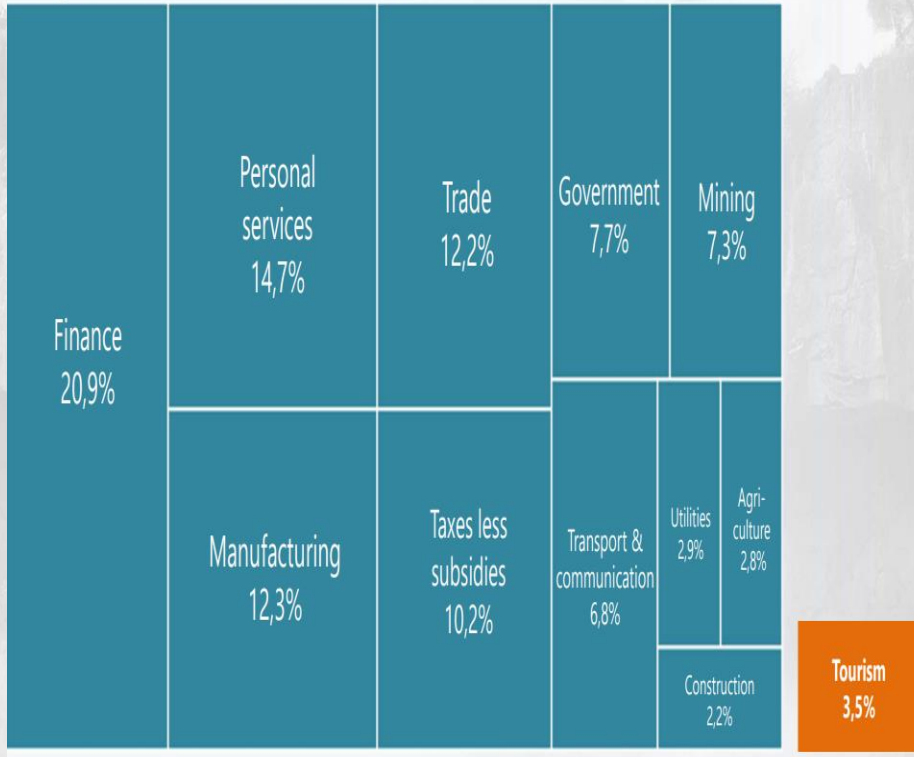
Tourism sector employed more people than the mining and utility industries & GDP larger than construction, agriculture & utilities industry in 2022

Percentage breakdown of South Africa's workforce by industry (Total: 15,4 million individuals)



Source: Labour Market Dynamics in South Africa, 2022 (Table 4.1)

Industry contribution to GDP in 2022 (Total: R6,6 trillion)



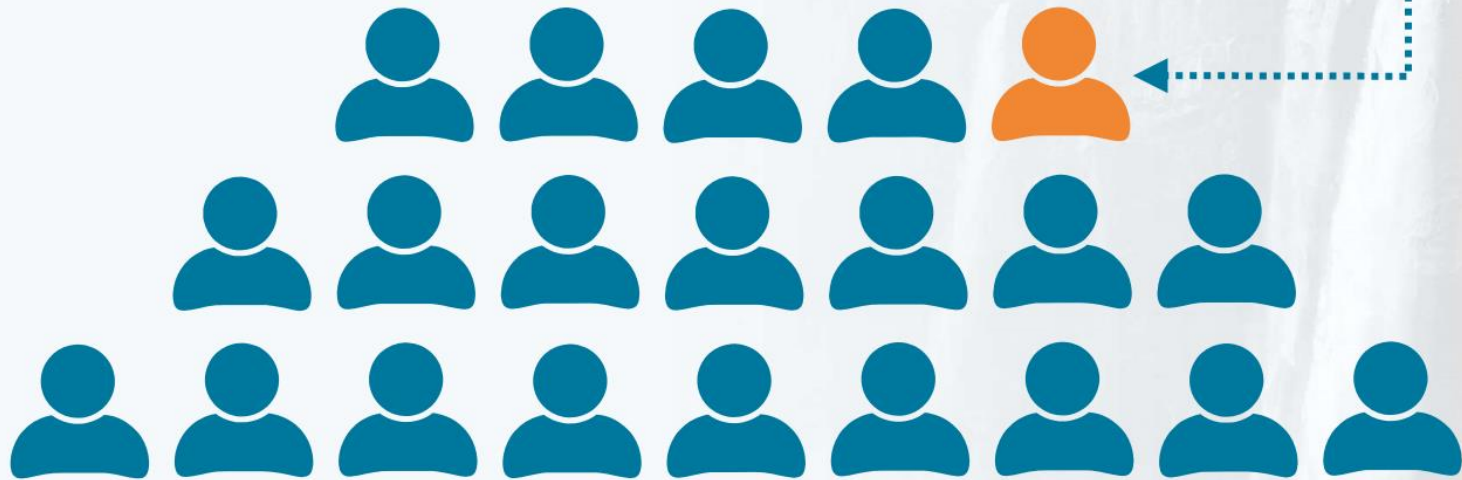
Source: Gross Domestic Product (GDP)



The tourism sector directly employed 4,7% of the South African workforce in 2022

That is, **1 in 21** employed individuals worked in the tourism sector in 2022

This represents 733 385 individuals



In 2021, **3,4%** of the South African workforce was directly employed by tourism
In 2020, **3,0%** of the South African workforce was directly employed by tourism
In 2019, **4,8%** of the South African workforce was directly employed by tourism



Tourism Sector Master Plan - Approved by Cabinet in September 2023

Pillar / Theme	Actions
Protect and Rejuvenate Supply	<ul style="list-style-type: none">• Implement norms and standards for safe operations• Support for the protection of core tourism infrastructure and assets
Re-ignite Demand	<ul style="list-style-type: none">• Stimulate domestic demand through targeted initiatives and campaigns Execute a global marketing programme to reignite international demand (<i>Lead: SA Tourism</i>);
Strengthening Enabling Capacity	<ul style="list-style-type: none">• Strengthen the supply-side through resource mobilisation and investment• Tourism regional integration, &• Create an enabling policy environment).

Enablers

- Form targeted, strategic partnerships between government and industry
- Partner with relevant departments to ensure improved travel facilitation through implementation of e-visas, tourist safety, airlift capacity and quicker turnaround times in the processing of tour operator licences
- Stimulate domestic demand through Government Consumption expenditure

Master Plan Governance Structures

The highest decision making and resolving blockages to delivery during development and implementation structure. The EOC is Chaired by the Minister of Tourism and will have a **maximum of ten members**, from organised labour, business and government.

Tourism Sector Masterplan Executive Oversight Committee (EOC)

Chairperson: Minister / Deputy Minister of Tourism

Members: Director-Generals of Departments of Tourism, Home Affairs, and Transport; CEOs of TBCSA, SANParks, and SA Tourism; National Commissioner of SAPS and a Labour Representative

Oversees the development of the Masterplan - notably, review and sign off deliverables; and facilitating negotiations and agreement of commitments of the partners. The structure to be chaired by the DG of Tourism and CEO of TBCSA, and to have a **maximum of fifteen members**. Representatives to include government, business/industry associations, and labour representatives.

Tourism Sector Masterplan Steering Committee (Steerco)

Chairperson/s: Director-General of Tourism and CEO of TBCSA

Members: SA Tourism, SATSA, AASA, ACSA, BARSA, BrandSA, DHA, DOT, SAPS, DIRCO, DTIC, SANParks, Provincial Tourism Departments/Authorities, SALGA, Labour representative and Other relevant government departments and agencies

Focus will be on content and specific aspects of the Masterplan during all the phases. Participation will be from Business, Government, Labour, research, support and industry associations.

NB: The existing NTSS Work Streams including Labour will undertake responsibilities of this structure

Working and Industry Reference Groups

(a merger of the Tasks Teams and/or Industry Reference Groups and the Working Groups)

Chairperson/s: Deputy Directors-General of the Department of Tourism

Members: NTSS Work Streams members including a representative from labour

Opportunities

The Department of Tourism provides a number of opportunities for SMMEs

Tourism Incentive Programme

- Market Access Programme
- Tourism Transformation Fund (The grant component is capped at 50% of the total funding required up to a maximum of R 5 million (US\$ 0.35 million) per project. Could be accessed by local equity partners)
- Tourism Equity (funds accommodation, hospitality & related, Travel and related including coach operators)
- Capacity building (skills development including Tour guides)
- Green Tourism Incentive Programme (Managed by the Industrial Development Corporation Tourism Incentives on a sliding scale between 50% to 90% of total cost of approved energy and water efficiency solution, capped at R1 million (US\$ 69 013))



Issue for noting

- Currently finalizing the White Paper on the Development and Promotion of Tourism in South Africa.
- Continuous collaboration in attending to issues of tour operating licenses.



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