

South Africa

Tourism in the economy

In 2017, the direct contribution of the tourism sector to GDP was ZAR 130.3 billion, constituting a 2.8% direct contribution to GDP. This level of contribution has been stable at around 3% over the past decade, with a peak of 3.2 % achieved in 2006. Direct employment in tourism was 722 013 in 2017, representing 4.5% of the total workforce. The World Travel and Tourism Council estimates that the direct contribution of tourism will be ZAR 136.1 billion in 2018 and direct employment will rise to 726 500.

In 2018, there were 10.5 million international tourist arrivals, up 1.8% over 2017. Key source markets are other African countries, which make up over 70% of all international arrivals. Zimbabwe is the top source market (21.1% of tourists), followed by Lesotho (16.6%), and Mozambique (13.0%). South Africa's major long-haul overseas markets are the United Kingdom, United States and Germany. Inbound tourism expenditure amounts to ZAR 120.9 billion.

Domestic tourism trips totalled 17.7 million in 2018, up 2.6% over 2017, but still substantially lower than 2016 (-27.3%), which recorded 24.3 million tourism trips. The number of domestic trips has been in decline since 2015, mainly due to unfavourable economic conditions. The visiting friends and relatives segment declined by a substantial 38% and was the main reason for the overall decrease in domestic trips during the period.

Tourism governance and funding

Tourism is a concurrent function in South Africa's Constitution, meaning that all three levels of government (National, Provincial and Local) have jurisdiction and direct responsibility. The Minister of Tourism oversees both South African Tourism, the NTO, and the Department of Tourism, which is responsible for promoting the inclusive growth of tourism through research, policy, destination development international relations and sector support services.

The Department of Tourism co-ordinates the activities of public and private sector stakeholders through the implementation of the 2017 National Tourism Sector Strategy. Horizontal co-ordination is undertaken through bilateral engagement and co-operation with key departments in targeted areas, such as visa policy, air connectivity and licensing. Vertical co-ordination is achieved by identifying and bringing together relevant public and private sector structures at local, provincial and national levels to enable effective co-operation, joint planning and reporting.

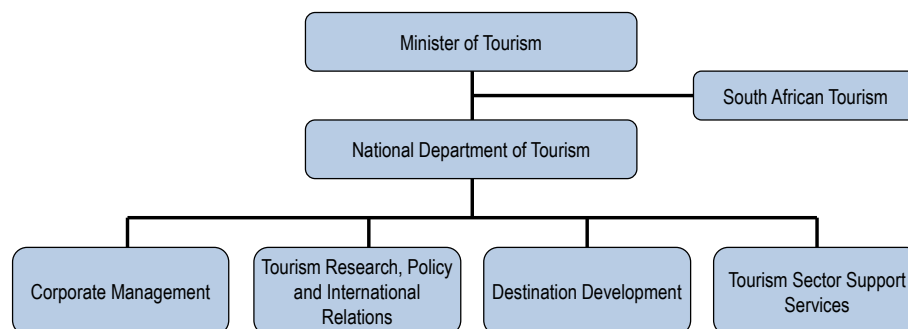
Additional initiatives include a comprehensive human resource and skills strategy, finalised in 2018 and involving the industry and the higher education sector. Travel facilitation is promoted in association with the Ministries of Home Affairs and Transport, while the Ministry of Environmental Affairs is a key partner in the development and implementation of programmes focusing on sustainable tourism.

The whole-of-government approach to tourism is based on collaborative efforts with key departments (ministries) that have mandates with an impact on tourism. Interaction with the private sector takes place

through organised associations representing the various sub-sectors and with the development of joint projects such as the National Tourism Visitor Information System. There is also a Tourism Leadership Dialogue structure, which is convened by the Tourism Minister with industry leaders.

The national budget for the 2018/19 financial year was ZAR 2.3 billion, of which ZAR 1.2 billion was allocated to South African Tourism for destination marketing. The rest of the budget was allocated to the Expanded Public Works Programme, the Tourism Incentive Programme, Visitor Support Services, Destination Development and the Research, Policy and International programme.

South Africa: Organisational chart of tourism bodies



Source: OECD, adapted from the Department of Tourism, 2020.

Tourism policies and programmes

The National Tourism Sector Strategy, updated in 2016 and approved in 2017, remains the overarching framework guiding tourism development, being a 10-year strategy until 2026. Its key pillars are: Effective Marketing, Destination Management, Facilitating Ease of Access, Visitor Experience, and Broad-based Benefits.

The implementation of the Strategy is facilitated through work streams aligned to each pillar, bringing together all actors to work on identified activities. The Effective Marketing pillar, for example, focuses on co-ordinating efforts to promote South Africa to become a top-of-mind destination and the achievement of an improved conversion rate. Prioritised markets and segments are targeted through this pillar and broader action includes improved brand management in partnership with the national brand organisation, Brand South Africa and the Ministry of International Relations and Co-operation.

The Destination Management pillar provides for the sustainable development and management of the tourism sector through practices that help organise the tourism system. These include planning, the development of standards and the development of structures and processes that organise information flows and relationships between the various stakeholders in order to optimise destination performance.

Seamless travel facilitation and access to participate in tourism is implemented through the Facilitating Ease of Access pillar, working to identify and remove barriers that limit the ability of potential international tourists to travel to South Africa and travel easily within the destination. This includes working with public sector partners to ease visa regulations and processes for tourism priority markets, and to promote air capacity and connectivity as appropriate.

The Visitor Experience pillar targets the provision of quality visitor experiences for both domestic and international tourists to increase customer satisfaction and inspire repeat visits. Enhancement of both tangible and intangible elements of the visitor experience underpin activities, including the development, maintenance and enhancement of tourist specific and related infrastructure. The development of skills and

service levels, increased capacity in telecommunications, and countering safety and security concerns that could have a major bearing on the visitor experience, are examples of issues addressed through this pillar.

The Broad-based Benefits pillar seeks to promote the empowerment of previously marginalised enterprises and rural communities to ensure inclusive growth of the sector. Focus areas include targeted support for sustainable enterprise development and the expansion of benefits of tourism to rural and other previously under-served areas.

The Strategy has been given further impetus by the selection of tourism as one of the sectors targeted to contribute to higher levels of growth for the country. Focused country-level masterplans are under development to facilitate improvements in the enabling environment, infrastructure prioritisation and the destination brand.

Digital transformation has emerged as one of the major factors affecting the tourism economy (Box 2.7). In particular, for the local tourism economy, there have been developments in the short-term rental arena, prompting the development of an amendment to the Tourism Act. The draft amendment includes definitions for short-term rentals, creating an instrument to determine thresholds, and seeking to differentiate between occasional and professional home rental providers.

The proposed amendments are in response to an increasing number of home-owners listing their properties on digital platforms, with this accommodation segment growing rapidly since the initial launch of the first platform in 2009. These developments have happened without an enabling legal framework. Short-term rental as practiced through digital platforms is not provided for in any national legislation. It is thus far also not in place in any of the local authority by-laws (sub-national legislation), and municipal (local authority) planning departments have had challenges responding to concerns raised by other property owners not participating and feeling unfairly impacted by the activities of fellow property owners. Some concerns have also emerged from guest house and Bed-and-Breakfast owners, on whom compliance requirements are imposed and who therefore perceive digital platform operators to be competing unfairly. At the same time, operators argue that the platforms facilitate access to a market that would otherwise not be possible, increasing the diversity of the offer for visitors and supporting small enterprises seeking to supplement incomes. The draft provides for the Minister of Tourism to determine thresholds in respect of short-term rentals, which is defined as the renting or leasing on a temporary basis, for reward, of a dwelling or part thereof, to a visitor. Consultation is a major principle in this draft legislation as it will allow stakeholders to comment prior to the finalisation of any of its provisions.

Statistical Profile

South Africa: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	273 884	248 903	149 486	152 200	133 650
Overnight visitors (tourists)	28 009	24 451	24 280	17 200	17 650
Same-day visitors (excursionists)	245 875	224 452	125 206	135 000	116 000
Nights in all types of accommodation	113 100	102 486	103 418	70 100	69 300
Hotels and similar establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	14 529	13 952	15 121	14 976	15 004
Overnight visitors (tourists)	9 549	8 904	10 044	10 285	10 472
Same-day visitors (excursionists)	4 980	5 048	5 077	4 691	4 532
Top markets					
Zimbabwe	2 144	1 901	2 029	2 040	2 209
Lesotho	1 502	1 395	1 757	1 747	1 739
Mozambique	1 283	1 200	1 268	1 339	1 361
Swaziland	918	838	894	877	884
Botswana	556	594	680	681	689
Nights in all types of accommodation	..	..	..	..	..
Hotels and similar establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	5 382	5 414	5 551	5 786	6 015
Overnight visitors (tourists)
Same-day visitors (excursionists)
Top destinations					
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TOURISM RECEIPTS AND EXPENDITURE, MILLION USD					
Inbound tourism					
Total international receipts	10 484	9 139	8 808	9 699	9 784
International travel receipts	9 338	8 259	7 919	8 810	8 985
International passenger transport receipts	1 146	881	888	889	800
Outbound tourism					
Total international expenditure	6 313	5 735	5 354	6 064	6 344
International travel expenditure	3 169	2 998	2 858	3 255	3 400
International passenger transport expenditure	3 145	2 736	2 496	2 808	2 944

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078927>

South Africa: Enterprises and employment in tourism

	Number of establishments	Number of persons employed ¹				
	2018	2014	2015	2016	2017	2018
Total	..	..	..	..	..	..
Tourism industries	46 461	681 916	669 652	690 262	722 012	..
Accommodation services for visitors	10 489	115 364	136 120	130 256	135 720	..
Hotels and similar establishments	3 003	..	..	..	..	..
Food and beverage serving industry	18 217	137 789	141 709	146 534	143 873	..
Passenger transport	6 833	235 649	217 910	232 663	254 844	..
Air passenger transport	1 217	34 765	31 669	23 253	26 477	..
Railways passenger transport	40	6 135	5 205	5 168	5 146	..
Road passenger transport	5 290	193 870	179 047	203 481	220 157	..
Water passenger transport	286	879	1 989	761	3 064	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	368	7 770	10 282	8 068	9 743	..
Travel agencies and other reservation services industry	2 057	30 132	29 120	30 749	30 960	..
Cultural industry	4 383	15 817	15 392	17 268	16 645	..
Sports and recreation industry	4 114	16 845	20 539	16 560	19 510	..
Retail trade of country-specific tourism characteristic goods	..	122 550	98 580	108 164	110 717	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	..	..	..	..	..

.. Not available

1. Data refer to number of jobs.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078946>

South Africa: Internal tourism consumption

Million ZAR

	2017		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	156 437	120 979	277 416
Tourism characteristic products	113 539	75 144	188 683
Accommodation services for visitors	22 370	19 757	42 127
Food and beverage serving services	1 979	11 223	19 142
Passenger transport services	66 157	30 187	96 343
Air passenger transport services	23 017	14 940	37 956
Railways passenger transport services	442	203	645
Road passenger transport services	42 685	15 035	57 720
Water passenger transport services	13	9	22
Passenger transport supporting services	..	..	..
Transport equipment rental services	3 656	1 867	5 523
Travel agencies and other reservation services industry	9 130	3 837	12 967
Cultural services	195	244	439
Sports and recreation services	4 113	8 029	12 142
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	42 898	45 835	88 733
Tourism connected products	15 818	17 637	33 455
Non-tourism related consumption products	27 080	28 198	55 278
Non-consumption products	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078965>



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