

## South Africa

### Tourism in the economy

According to the World Travel and Tourism Council (WTTC), tourism's direct and indirect contribution to the GDP was ZAR 258 billion, estimated at about 9% of the total GDP. The tourism sector in South Africa is estimated to have directly contributed 3.0% of GDP in 2010. While no more recent national estimates are available, data from the WTTC estimate that this fell slightly to 2.7% in 2011. WTTC also estimates that, taking into account both the direct and indirect effects of tourism, the tourism sector's total contribution to GDP in 2010 was 9%.

Employment generated by the tourism sector directly accounted for some 567 000 jobs or 4.3% of total employment in 2010. The WTTC estimates that total employment, including the indirect effects of the tourism sector, represented 1.2 million jobs in 2011, or 9% of total employment in South Africa (compared to 7.8% in 2009 and 6.9% in 2010).

Since the country's first democratic elections in 1994, international tourist arrivals to South Africa have surged, making tourism one of the fastest growing sectors. The number of foreign visitor arrivals has increased from just over 3 million in 1993 to over 11 million in 2010, of which 8.1 million were tourists. Tourist arrivals to South Africa went up by 15.1% in 2010 compared to 2009.

Inbound tourist arrivals reached a peak in 2008 at some 9.6 million, but have since fallen to around 8.1 million in 2010, although this figure is up by 15.1% on 2009. The international market is thought to have been adversely affected by global economic weaknesses in recent years, however. Arrivals were boosted by hosting the 2010 FIFA soccer World Cup<sup>T</sup>, with about 310 000 tourists arriving specifically for the event. The five largest origin markets for tourists to South Africa in 2010 were Zimbabwe (1 513 000), Lesotho (1 275 000), Mozambique (1 051 000), Swaziland (632 000) and the United Kingdom (453 000). Together, these five countries supplied in excess of 60% of all foreign visitors.

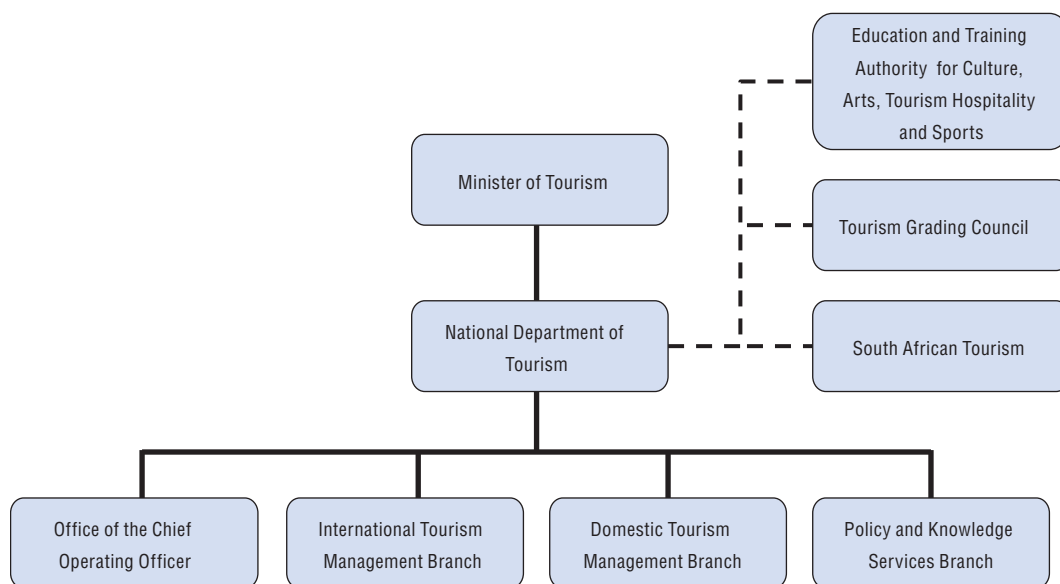
Tourism has been identified as one of the six pillars of the country's economic growth strategy, the New Growth Path, which aims to create 5 million new jobs, including 225 000 in the tourism sector. The country's International Relations Strategy also prioritises tourism as a significant pillar of economic diplomacy. The Industrial Policy Action Plan and the National Tourism Sector Strategy are among other key planning documents that recognise tourism as a priority sector. Tourism is seen as having the potential to contribute to economic growth, job creation and poverty alleviation and to play a strategic role in creating and/or strengthening international relations.

## Tourism organisation

The South African National Department of Tourism was established in 2009, to act as a catalyst for tourism growth and development (Figure 4.53). A strategy-focused organisation, the Department for Tourism is committed to creating an environment conducive to the development and growth of tourism in South Africa. This will be achieved through innovation, strategic partnerships and collaboration, the provision of information and knowledge management services and by strengthening institutional capacities.

Following the adoption of the National Tourism Sector Strategy in 2011, the department's organisation structure was revised in response to the expanded role that tourism will play in supporting economic growth and job creation.

Figure 4.53. **South Africa: Organisational chart of tourism bodies**



Source: OECD, adapted from Department of Tourism 2012.

The Department of Tourism provides comprehensive strategic direction and oversight to the tourism sector through the office of its Chief Operating Officer and via three operational branches – International Tourism Management, Domestic Tourism Management and Policy and Knowledge Systems.

There are three other important public sector bodies dealing with tourism – South African Tourism, which deals with international marketing and is funded primarily by the Department but also receives a contribution from the private sector, the Tourism Grading Council which is responsible for quality assurance and is primarily concerned with the accommodation sector, and the Culture, Arts, Tourism Hospitality and Sports Education and Training Authority which undertakes training in the tourism sector and is funded in part by the Department of Labour and in part through levies paid by tourism sector employees.

There are also many private sector organisations active in the tourism sector, namely the Tourism Business Council of South Africa, the South African Tourism Services Association, the Association of South African Travel Agents, the South African Vehicle

Renting and Leasing Association, the Airline Association of South Africa, the National Accommodation Association of South Africa and Federated Hospitality Association of South Africa.

### Tourism budget

For 2012-13, the total budget of the Department of Tourism is ZAR 1.4 billion, of which 14% is allocated to administrative costs, 58% (ZAR 788 million) to policy and knowledge services, 3% to international tourism and 25% to domestic tourism. Under policy and knowledge services, 96% of total funding is transferred to South African Tourism to fund its marketing and destination management functions.

The total budget for 2012-13 is predicted to rise by 9.4% in 2013-14 and by a further 5.7% in 2014-15, with the proportional distribution of the budget by department remaining unchanged.

### Tourism-related policies and programmes

Although South Africa has come a long way since the end of apartheid in 1994, persistent socio-economic inequalities remain. The hosting of the 2010 World Cup significantly boosted the tourism industry in the country. Opportunities remain to exploit this event further, to expand tourism and other infrastructure, and to showcase South Africa as a tourist destination to the world.

The vision of South Africa is to become “a top 20 tourism destination in the world by 2020”. The mission of the government is to “grow a sustainable tourism economy with domestic regional and international components, based on innovation, service excellence, meaningful participation and partnerships”.

The National Tourism Sector Strategy (NTSS) has been developed to inspire and accelerate the growth of the tourism industry. Nonetheless, the tourism sector is faced with a number of challenges, including the:

- fragmentation of tourism planning across the three spheres of government (legislative, based in Cape Town, administrative, based in Pretoria, and judicial, based in Bloemfontein), and within the local government tourism sector;
- lack of branding and marketing alignment between provinces and cities;
- lack of compliance with the tourism black economic empowerment (BEE) charter and scorecard;
- weak systems for tourism skills development, and inadequate budgets for domestic tourism;
- inadequate database covering the tourism supply side, with an associated lack of reliable market information; and
- lack of incentives for tourism product diversification, new investment and enterprise development.

The above challenges are being addressed by the policy and structural reforms taking place within the Tourism Ministry and through strong collaboration with other government departments and the private sector. The National Tourism Sector Strategy (NTSS) focuses on three major themes:

### **Tourism growth and the economy**

The intention is to increase tourism substantially in the period to 2020, by attracting an additional 5 million foreign visitors and 3.5 million domestic tourists, by creating an additional 177 000 direct tourism jobs, and by actively promoting the concept of “decent jobs” that include fair treatment, decent wages and career progression, and incorporating a plan to ensure that decent work is provided across the industry. It is hoped to raise domestic tourism to a point where it will contribute 60% of all tourism revenues, and to establish five offices in neighbouring countries to advance intra-regional tourism, and promote more regional tourism programmes.

### **An enhanced visitor experience**

In order to deliver a world-class visitor experience, a national visitor satisfaction index will be set up for foreigners and locals, and service issues hampering domestic tourism will be tracked and addressed. The Department of Tourism and its partners will build a culture of embracing tourism among South Africans and will pursue the aim of markedly increasing residents’ awareness of tourism and its economic value, as well as increasing the levels of community participation in the tourism sector. The sector will create lasting positive images to showcase South Africa as a distinctive brand to potential tourists by leveraging the 2010 Soccer World Cup publicity and successes.

### **Sustainability and good governance**

The department envisages an increase in tourism companies with broad-based black economic empowerment (BBBEE) ratings; an improvement in the number of companies reaching the tourism charter targets, and an increase in the number of black-owned tourism businesses. Widening the regional impact of tourism is also a priority. This will be achieved by increasing the share of bed nights spent in the least visited provinces and the nights spent in mid-level visited provinces. More people will be encouraged to visit and stay in rural areas by enhancing the supply of rural tourism products. The Department will work towards increasing the number of tourism programmes and projects that are led by and that benefit communities directly, as well as increasing those tourism businesses adhering to “responsible tourism” standards and practices. Various tourism stakeholders at the local governance level will incorporate the NTSS targets into local Integrated Development Plans (IDPs) and economic development plans.

Strategic development, based on the NTSS, will be grouped into four clusters of activity:

- Policy, strategy, regulations, governance, and monitoring and evaluation
- Tourism growth and development
- People development
- Enablers of growth

### **Legislative/policy framework**


The policy framework linked to the Tourism Sector Strategy is being developed further and will include a draft Tourism Bill and strategies for responsible tourism, rural tourism, national and cultural heritage, events, international tourism, avitourism and domestic tourism.

## Statistical profile

Table 4.318. **South Africa: Domestic tourism**

	Units	2006	2007	2008	2009	2010
Number of nights spent	Million	..	157.8	149	128.4	130.8
Average length of stay per trip	Nights	..	4.4	4.5	4.2	4.4
Direct domestic travel receipts	Billion ZAR	16.5	20	25.8	22.4	21.1
Average spend per domestic trip	ZAR	444	550	780	730	710


Sources: South Africa Tourism, 2006-10 Annual Tourism Report, Domestic Tourism Report Provincial Scorecard 2007-09.

StatLink  <http://dx.doi.org/10.1787/888932634745>Table 4.319. **South Africa: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Number of nights spent	Millions	66.5	55.8	66.9	55.8	66.9
Average length of stay	Nights	8.2	7.9	8.2	8.3	8.5
Total international arrivals <sup>1</sup>	Thousands	8 396	9 091	9 592	7 012	8 074
Top 5 markets						
<i>Zimbabwe</i>	Thousands	981	964	1 227	1 227	1 513
<i>Lesotho</i>	Thousands	1 914	2 170	2 163	1 048	1 275
<i>Mozambique</i>	Thousands	917	1 084	1 227	983	1 051
<i>Swaziland</i>	Thousands	991	1 039	1 088	628	632
<i>United Kingdom</i>	Thousands	488	498	485	446	453
International travel receipts	Billion ZAR	61	70	90	79	98


1. Tourists.

Sources: Department of Tourism, South African Tourism and World Travel and Tourism Council.

StatLink  <http://dx.doi.org/10.1787/888932634746>Table 4.320. **South Africa: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	7 502	8 023	8 475	7 011	8 073
International travel expenditure	Billion ZAR	78	95	128	79	98

Sources: Department of Tourism; World Travel and Tourism Council, 2009; South African Tourism, Annual Report 2009-11.

StatLink  <http://dx.doi.org/10.1787/888932634783>Table 4.321. **South Africa: Tourism in the national economy**

2010	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP	Units	Tourism share of GDP
Accommodation services	Million ZAR	15 693	10 456	26 149	Percentage	0.94
Food and beverage serving services	Million ZAR	3 822	7 584	11 405	Percentage	0.35
Passenger transport services	Million ZAR	37 222	16 461	53 683	Percentage	0.45
Travel agency, tour operator and tourist guide services	Million ZAR	2 954	1 241	4 195	Percentage	0.98
Cultural services	Million ZAR	93	137	229	Percentage	0.21
Recreation and other entertainment services	Million ZAR	2 121	4 038	6 158	Percentage	0.29
Other services	Million ZAR	4 104	4 886	8 990	Percentage	0.003
Goods	Million ZAR	5 451	13 907	19 358	Percentage	0.01
<b>Total</b>	<b>Million ZAR</b>	<b>78 992</b>	<b>67 141</b>	<b>146 133</b>	<b>Percentage</b>	<b>3.2</b>

Source: South Africa 2009 Tourism Satellite Account Report.

StatLink  <http://dx.doi.org/10.1787/888932634802>


Table 4.322. **South Africa: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Seasonality index <sup>1</sup>	Percentage	1.19	1.11	1.44	1.77	1.20
Average number of provinces visited by all foreign tourists	Days	1.3	1.3	1.2	1.3	1.3
Tourism GDP <sup>2</sup>	Billion ZAR	45.2	59.7	67.1	68.8	80.2
Tourism share of GDP <sup>2</sup>	Percentage	3.0	3.0	3.0	2.9	3.0
Direct employment in tourism	Employees	553 712	569 688	609 021	547 934	567 378
Tourism share of employment (direct and indirect)	Percentage	4.1	4.2	4.4	4.1	4.3

1. Developed by South African Tourism. An index value of 0% represents perfect seasonality, while a value of 100% represents very poor seasonality, i.e. large fluctuations month to month.

2. Direct contribution.

Source: World Travel and Tourism Council, *Economic Impact Reports South Africa*.

StatLink  <http://dx.doi.org/10.1787/888932634821>



**From:**  
**OECD Tourism Trends and Policies 2012**

**Access the complete publication at:**

<https://doi.org/10.1787/tour-2012-en>

**Please cite this chapter as:**

OECD (2012), "South Africa", in *OECD Tourism Trends and Policies 2012*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/tour-2012-57-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).