



Figure 1: Breakdown of income directly generated by tourism in SA as calculated by Statistics SA

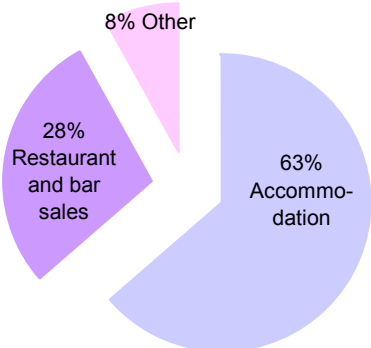


Figure 2: Breakdown of available tourist accommodation in SA by type

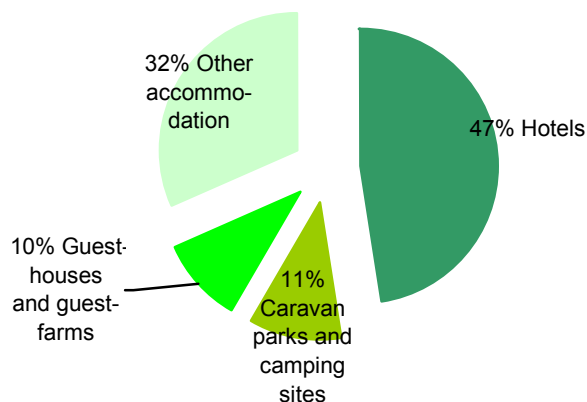
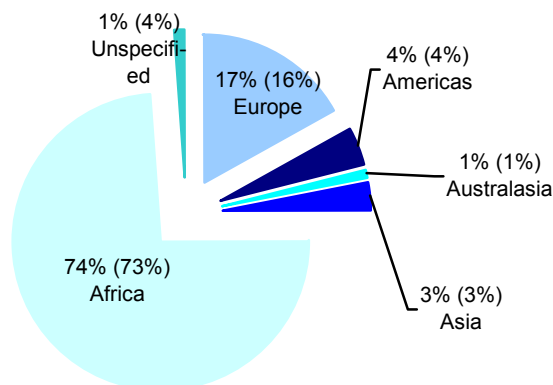


Figure 3: Arrivals by country of residence April 2005 (compared to April 1997 – Easter falls in March in both years)



Sources for all figures: Investec Group Economics Division, Statistics SA, WTTC, World Tourism Organization (WTO) & SAT.

Executive Summary

- The tourism industry is estimated by Statistics SA to have earned R758.5million in direct spend in the month of June 2005, the most recent month for which data is available. Whilst this is well below the equivalent R1 037.2million earned in March, earnings in March were boosted by an early Easter;
- This is supported by the statistics on foreign tourist arrivals, which were down 1.7% on the year in April due to the depressing effect of Easter coming a month early;
- For the first half of 2005 direct tourism spend as measured by Statistics SA totalled R5.3bn, or 1% of GDP. The World Travel and Tourism Council (WTTC) estimates that this spend is closer to 3% of GDP but uses a wider survey;
- The WTTC estimates that global travel and tourism demand will grow by 5.4% in 2005 and by 4.6% per annum over the subsequent decade;
- The outlook for international tourism has improved in 2005 and this is expected to be the case for SA as well. Given the importance of the tourism industry as a driver of both growth and employment creation this is positive for the South African economy.

Analysis

Accommodation provides the bulk (63%) of direct tourism revenue as calculated by Statistics SA (see figure 1). However, these estimates are only drawn from data obtained from hotels, caravan parks, camping sites, guesthouses, guest farms etc. Consequently, whilst the category other income (see figure 1) includes income earned by shops, transport and laundry services, billiard rooms, dance floors, telephone and fax services etc these are all in-house services (offered by the hotels) as are the restaurant and bar sales shown in figure 1. Tourism spend on airline tickets is therefore not included, nor is spend on entertainment, retail purchases etc not provided by the hotels. This is the reason for the difference between Statistics SA and the WTTC's figures.

Figure 2 gives an indication of the type of tourist accommodation available in SA. In June 2005 SA has 95 700 units available on any one day. 1 303 700 stay unit nights were sold in that month meaning the occupancy rate was 45.4% overall, although that of hotels was higher at close to 60%, which can partly be attributed to the negative impact of the winter months on the camping and caravan sites.

The latest data on tourist arrivals by country of residence is for April 2005 (see figure 3). This year's early Easter dampened international tourism arrivals, which caused those of Africans to rise proportionately from the usual ratio of 65-70% (see the June 2005 Tourism Update - website address below). Visitors to SA from African countries would also be expected increase proportionately in the advent of more working days in April as they come to SA to make purchases of wholesale and retail goods in the main.



SA Economic Research Tourism Update

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