

**TOURISM BUSINESS COUNCIL OF SOUTH AFRICA  
TRENDS AND INDICATORS REPORT  
JANUARY 2017**



**Compiled by:  
Mr. Alex Malapane,  
Manager: Knowledge Management and research**

**JANUARY 2017**

# CONTENTS

<b>INTRODUCTION</b> .....	3
<b>TRAVEL AND TOURISM CONTRIBUTION</b> .....	3
Global Contribution .....	3
South African Overview .....	3
<b>GLOBAL AND REGIONAL TRENDS</b> .....	3
<b>SOUTH AFRICAN BUSINESS PERFORMANCE: TOURISM BUSINESS INDEX</b> .....	4
<b>TOURISTS ARRIVALS – NOVEMBER 2016</b> .....	5
Overseas Tourists .....	5
Tourists from Africa .....	5
Mode of Transports .....	5
Purpose of Visit .....	5
<b>ACCOMMODATION</b> .....	5
<b>AVIATION</b> .....	7
Air passenger market analysis .....	7

## **INTRODUCTION**

- This trends and indicators report is a quarterly TBCSA report compiled by the Knowledge Management and Research unit. The sole purpose of this report is to collate statistical data that is readily available from different sources.
- This report presents the high level trends and indicators in the travel and tourism industry. Sources used or cited in this report originates from a vast range of reports produced by the WTTC, Stats SA, IATA, UNTWO, ACSA, TBCSA TBI, STR Global and many other sources.
- This report should be read in conjunction with these latest reports ( WTTC reports; Stats SA's Tourism and Migration, and Accommodation Reports; IATA Air passenger Reports; UNTWO World Tourism Barometer; ACSA Aviation Barometer; TBCSA Tourism Business Index and the STR Global Hotel review report).

## **TRAVEL AND TOURISM CONTRIBUTION**

### **Global Contribution**

- In 2015, Travel and Tourism (T&T) contributed 9.8% to global GDP.
- T&T has experienced 6th consecutive year of positive T&T growth at 3.1%;
- The industry has added 2.5 million new direct jobs increasing the total number of direct jobs to 108 million.
- Sector supports 284 million or 1 in 11 jobs in the world
- The sector is expected to outperform global GDP over the next decade, growing by 4% pa on average



**Source: WTTC 2016.**

### **South African Overview**

- In 2015, T&T Total contribution to the country's GDP in 2015 stood at R375, bn translating to 9.4% of GDP.
- T&T Industry's Total Contribution to Employment, stood at 9.9% of total employment or 1,554,000 jobs – this is expected to rise to 1,557,000 jobs by the end of 2016.
- Visitor exports generated R115 bn translating to 9.1% of total exports.
- T&T Investment in 2015 was R63.7 bn translating to 7.8% of total investment.

## **GLOBAL AND REGIONAL TRENDS**

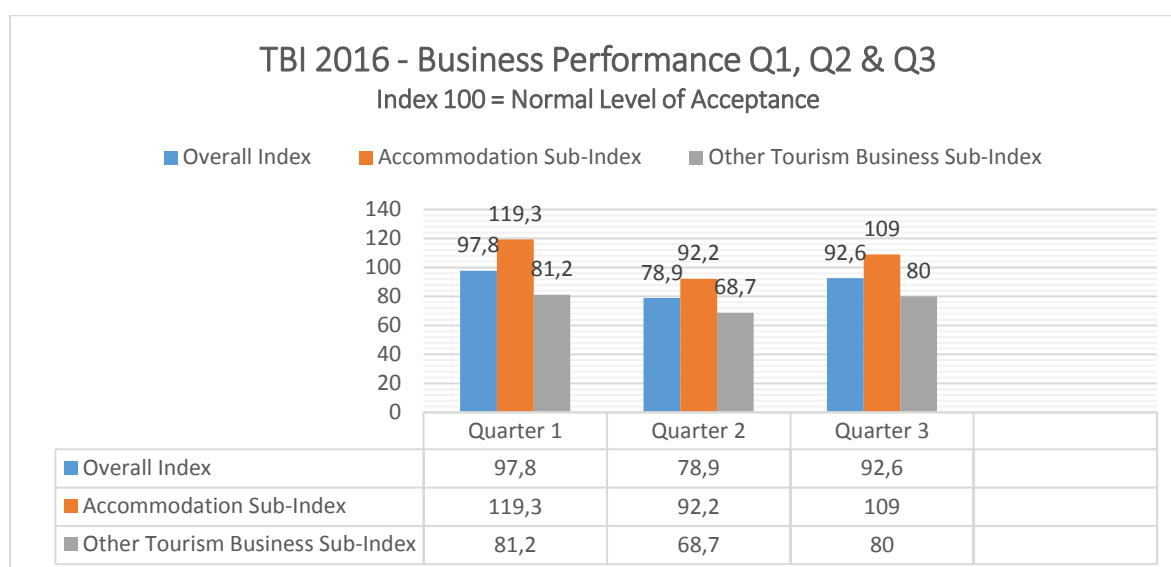
- According to the latest UNWTO World Tourism Barometer, International tourist arrivals worldwide grew by 4% between January and June 2016 compared to the same period last year.

Destinations worldwide received 561 million international tourists (overnight visitors), 21 million more than in 2015<sup>1</sup>.

- Strong growth in international tourists arrivals of 6,7% has been recorded for the year-to-date. This is reported to have been fuelled by particularly strong growth in the region's largest travel and tourism economy in South Africa.
- The UNWTO Tourism Barometer indicated that Africa increased international arrivals by 5% with Sub-Saharan Africa at 12% recovering vigorously. North Africa's international arrivals are down by 9% with Middle East decreasing by 9%.

### **SOUTH AFRICAN BUSINESS PERFORMANCE: TOURISM BUSINESS INDEX**

- The tourism industry experienced slightly worse than normal business performance in the third quarter of 2016, recording a tourism business index score of 92,6 slightly higher than the forecasted index score of 84,7.
- Accommodation (all types of tourism accommodation) which in this quarter recorded a sub-index score of 109 compared to a forecasted score of 105,0
- Other tourism businesses' in this quarter recorded a sub-index score of 80,0 compared to a forecasted score of 69,0.



- In the next quarter, the tourism industry anticipates an overall TBI score of 87.1
- The sub-indices, accommodation and other tourism businesses are forecasted at a score of 109.4 and 69.9 respectively.

<sup>1</sup> UNWTO World Tourism Barometer, Volume 14. September 2016.  
[http://cf.cdn.unwto.org/sites/all/files/pdf/unwto\\_barom16\\_05\\_september\\_excerpt\\_.pdf](http://cf.cdn.unwto.org/sites/all/files/pdf/unwto_barom16_05_september_excerpt_.pdf) Accessed 03 November 2016.

## **TOURISTS ARRIVALS – NOVEMBER 2016**

- According to Stats SA's latest Tourism and Migration report<sup>2</sup>, 3.3 million travellers passed through South African ports of entry in November 2016.
- The number of was made up of 795 059 South African residents and 2,5 million foreign travellers.
- Tourists increased by 4,5% from 774 378 in November 2015 in the same period.

### **Overseas Tourists**

- Overseas tourists increased by 13,1% compared to November 2015 during the same period.
- The highest increase was tourists from France who accounted for 29,3% compared to November 2015.
- Switzerland had the smallest increase of 6,7% compared to November 2015 during the same period.

### **Tourists from Africa**

- Tourists from 'other' African countries, increased by 0,7% from 16 016 in November 2015.
- The highest increase of 27,5% was tourists from Egypt compared to November 2015.
- Uganda showed the smallest increase of 1,6% in November 2016 compared to November 2015 during the same period.

### **Mode of Transports**

- About two thirds, 534 864 (66,1%) of tourists used road transport.
- 33,7% used air transport.
- 0,2% used sea transport.

### **Purpose of Visit**

- Majority of tourists, 96,4% were on holiday.
- 3,2 were here for business.
- 0,4% were here for study purposes.

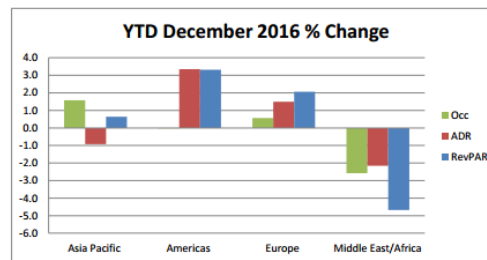
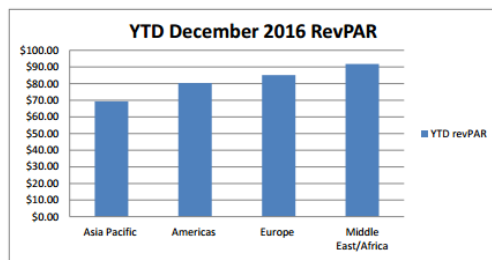
## **ACCOMMODATION**

- Hotel performance to October 2016 remains diverse across world regions. In line with weak international tourist arrivals, hotel performance has been particularly weak in the Middle East, with declines recorded across all key performance indicators.
- In North Africa, significant declines have been recorded in occupancy rates and revenue per available room. Meanwhile, hotel performance has been stronger in Asia Pacific, Europe, North America and in particular, Sub-Saharan Africa.

---

<sup>2</sup> Statistics South Africa, 2016. Tourism and Migration.

<http://www.statssa.gov.za/publications/P0351/P0351November2017.pdf> Accessed 25 January 2017



	December 2016 vs December 2015								Year to Date - December 2016 vs December 2015									
	Occ %		ADR		RevPAR		Percent Change from December 2015		Occ %		ADR		RevPAR		Percent Change from YTD 2015			
	2016	2015	2016	2015	2016	2015	Occ	ADR	RevPAR	2016	2015	2016	2015	2016	2015	Occ	ADR	RevPAR
<b>Asia Pacific</b>	68.8	66.8	106.30	105.49	73.12	70.49	2.9	0.8	3.7	69.0	68.0	100.46	101.39	69.34	68.90	1.5	-0.9	0.6
Central & South Asia	68.5	68.4	126.11	124.69	86.42	85.34	0.1	1.1	1.3	63.6	61.9	107.88	110.47	68.59	68.34	2.8	-2.3	0.4
Northeastern Asia	67.9	64.8	93.53	92.89	63.50	60.23	4.7	0.7	5.4	68.7	67.6	90.85	91.67	62.38	62.00	1.5	-0.9	0.6
Southeastern Asia	69.5	69.7	118.42	119.00	82.25	82.88	-0.3	-0.5	-0.8	68.5	67.2	110.26	112.91	75.48	75.86	1.9	-2.3	-0.5
Australia & Oceania	73.1	72.7	144.57	138.33	105.64	100.55	0.5	4.5	5.1	75.7	74.9	133.21	130.02	100.89	97.45	1.1	2.5	3.5
<b>Americas</b>	52.9	53.0	120.75	117.63	63.84	62.30	-0.2	2.7	2.5	65.1	65.1	123.37	119.38	80.31	77.73	0.0	3.3	3.3
North America	52.9	52.8	119.45	116.01	63.14	61.29	0.0	3.0	3.0	65.4	65.3	123.27	119.33	80.63	77.93	0.2	3.3	3.5
Caribbean	65.4	68.5	262.69	264.40	171.89	181.08	-4.5	-0.6	-5.1	66.7	68.3	201.81	201.16	134.69	137.46	-2.3	0.3	-2.0
Central America	58.4	55.7	121.17	130.26	70.80	72.51	5.0	-7.0	-2.4	59.8	58.0	111.10	112.02	66.46	65.01	3.1	-0.8	2.2
South America	47.8	50.6	94.04	91.30	44.92	46.19	-5.6	3.0	-2.8	55.0	58.1	92.24	82.92	50.75	48.20	-5.3	11.2	5.3
<b>Europe</b>	61.2	58.5	115.91	111.82	70.92	65.45	4.5	3.7	8.4	70.4	70.0	121.06	119.28	85.18	83.45	0.6	1.5	2.1
Eastern Europe	54.6	49.1	73.44	68.20	40.07	33.46	11.2	7.7	19.7	63.8	60.4	73.91	69.20	47.13	41.82	5.5	6.8	12.7
Northern Europe	68.4	66.4	126.23	119.06	86.40	79.01	3.1	6.0	9.4	76.2	75.7	126.24	122.65	96.17	92.82	0.7	2.9	3.6
Southern Europe	53.2	51.2	109.98	105.53	58.51	53.99	4.0	4.2	8.4	67.3	67.3	125.26	124.07	84.30	83.47	0.0	1.0	1.0
Western Europe	61.4	59.0	120.28	120.28	73.89	71.03	4.0	0.0	4.0	68.7	69.0	126.92	126.60	87.23	87.39	-0.4	0.2	-0.2
<b>Middle East/Africa</b>	60.7	60.0	165.79	166.27	100.58	99.81	1.1	-0.3	0.8	61.6	63.2	149.02	152.30	91.79	96.30	-2.6	-2.2	-4.7
Middle East	66.7	67.0	182.96	197.23	122.09	132.13	-0.4	-7.2	-7.6	66.2	67.7	174.47	188.06	115.51	127.34	-2.2	-7.2	-9.3
Northern Africa	43.8	39.8	148.91	95.88	65.22	38.16	10.0	55.3	70.9	47.6	52.9	105.93	89.43	50.43	47.31	-10.0	18.4	6.6
Southern Africa	57.6	58.9	127.09	121.62	73.20	71.61	-2.2	4.5	2.2	60.9	60.7	109.23	102.78	66.47	62.34	0.3	6.3	6.6

**Source: STR Global – Global Performance in US Dollars.** \*\*\*This version of the Global Hotel Review incorporates "Constant Currency Exchange" methodology. All ADR and RevPAR calculations use January 31, 2016 exchange rates as of 7:30PM CST.

Domestically, the total income for the tourist accommodation industry increased by 6,4% in November 2016 compared with November 2015 as reported by Stats SA (2016)<sup>3</sup>. The highlights are as follows:

- Income from accommodation increased by 10,3% year-on-year in November 2016.
- In November 2016, there was 2,2% increase in the number of stay unit nights sold.
- 7,9% increase in the average income per stay unit night sold.
- In November 2016, the types of accommodation that recorded the highest year-on-year growth in income from accommodation were:
  - ✓ Caravan parks and camping sites – 28%
  - ✓ Other accommodation – 11,6%
- The occupancy rate for the total industry in November 2016 was at 51,1%. The following occupancy rates for different types of accommodation were recorded:

Accommodation Type	Occupancy Rate for November 2016
Hotels	63,6%
Caravan parks and camping sites	36,0%
Guest-houses and guest-farms	49,6%
Other Accommodation	45,1%

<sup>3</sup> Statistics South Africa 2016. Tourist accommodation.  
<http://www.statssa.gov.za/publications/P6410/P6410November2017.pdf> Accessed 25 January 2017

## **AVIATION**

- According To IATA, annual growth in industry-wide revenue passenger kilometres (RPKs) climbed to a nine-month high of 7.6% year-on-year in November, up from 5.6% in October.
- Once again, carriers from the Middle East and Asia Pacific regions posted the fastest traffic growth (11.0% and 9.9% respectively), while those from North America posted the slowest growth rate (3.1%).

### **Air passenger market analysis**

- Industry-wide passenger traffic growth accelerated to a nine-month high of 7.6% year-on-year in November.
- The seasonally-adjusted (SA) trend has strengthened of late, alongside a pick-up in the economic cycle.
- Robust international RPK growth in most regions, although domestic passenger markets remain mixed.
- Industry-wide passenger load factor posts a record November-high of 78.9%.

	World share <sup>1</sup>	November 2016 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>	RPK	ASK	PLF (%-pt) <sup>2</sup>	PLF (level) <sup>3</sup>
<b>TOTAL MARKET</b>	<b>100.0%</b>	<b>7.6%</b>	<b>6.5%</b>	<b>0.8%</b>	<b>78.9%</b>	<b>6.1%</b>	<b>6.2%</b>	<b>-0.1%</b>	<b>80.5%</b>
International	63.5%	8.0%	6.8%	0.9%	77.1%	6.4%	6.9%	-0.4%	79.5%
Domestic	36.5%	7.1%	6.1%	0.8%	82.2%	5.6%	5.0%	0.4%	82.3%

<sup>1</sup>% of industry RPKs in 2015    <sup>2</sup>Year-on-year change in load factor    <sup>3</sup>Load factor level

### **Source: IATA 2016 – Air Passenger Market Analysis.**

Domestically, the Airport Company South Africa's (ACSA) aviation barometer for quarter 3 (Q3) revealed the following trends and indicators:

➤ In the third quarter of 2016 there were 4.98 million arrivals and 4.77 million departures across the network of airports owned and operated by Airports Company South Africa. This is an increase of 4,4% compared to the same period in 2015.
➤ Domestic arrivals increased by 3,8% and departures by 3,7% compared to the third quarter of 2015.
➤ International passenger arrivals (up 5,5%) and departures (up 5,7%) compared to the third quarter of 2015.
➤ Neighbouring countries, Namibia, Swaziland, Lesotho and Botswana continued strong performance in quarter 3.
➤ Regionally, arrivals up by 7,8% and departures up by 8,5%.

### **Source: ACSA Aviation Barometer Q3 – 2016**

End.

This Report was compiled by Mr. Alex Malapane, Manager: Knowledge Management and Research