



TBCSA FNB Tourism Business Index

Compiled by Grant Thornton

TBCSA FNB Tourism Business Index

Introduction

The Tourism Business Index (“**TBI**”) is an initiative of the Tourism Business Council of South Africa. It is sponsored by First National Bank, and is compiled by Grant Thornton.

The TBI provides an indication of the current and likely future performance of the various businesses operating within the Tourism Sector in South Africa. It profiles the industry and positions it as an important component of the South African economy.

The index is produced quarterly, however for the first two editions; the TBI was still in the piloting phase. The information for the TBI is collected through an online survey of tourism businesses completed after the end of the quarter.

The first official edition of the TBI was released on the 18th of January 2011.

For this edition of the TBI, as previously, the accommodation sector and non-accommodation operators have an adequate sample size, enabling two sub-indices to be produced. The overall tourism index includes accommodation operators and responses from airlines, tour operators, coach operators, vehicle rental companies, travel agents, retail outlets, conference venues and attractions.

The responses from the airlines, scheduled coach operators and vehicle rental companies, are regrettably still too few to allow for the development of a tourism transport sub-index. The TBCSA would like to encourage businesses in tourism and particularly in these sectors to participate in the TBI survey to allow for a transport sub-index to be developed in the future.

What is a Business Index?

The purpose of the TBI is to provide individual tourism businesses with regular, up-to-date information on the performance of tourism businesses, including the outlook for performance over the next three months. It therefore tracks actual recent business performance in the sector and is an indicator of prospects for short-term future performance.

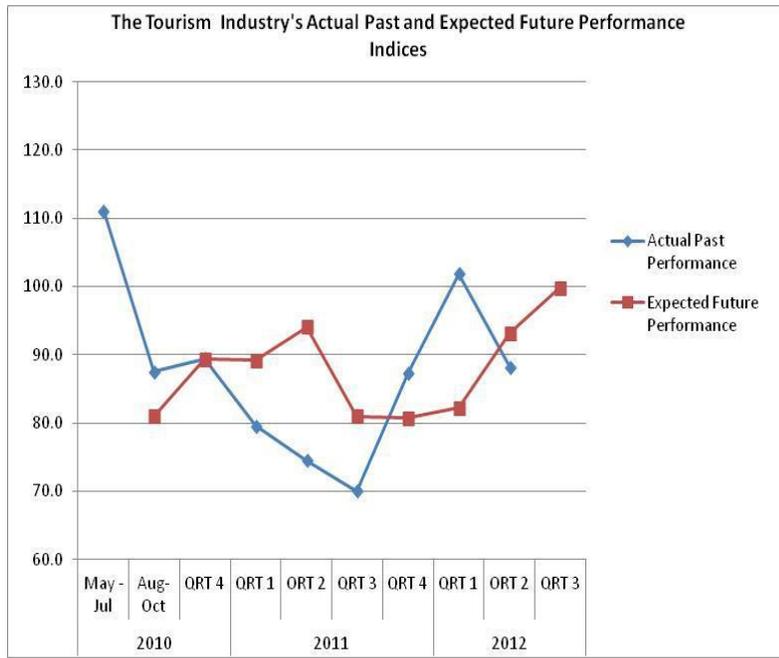
It is a business index that focuses on the performance and profitability of businesses operating in the sector, as oppose to a sector performance index. While in many instances the subtle distinction between the two approaches would not manifest in different indices, in certain circumstances, they may be different. For example, if there is significant over-capacity in the industry, business performance can be weak, while the industry could be experiencing strong growth and making an increasing contribution to GDP. As the TBI tracks and forecasts tourism business performance, it is not separated into domestic and foreign tourism. Many tourism businesses host or handle both inbound and domestic tourists and therefore demand and characteristics in both major markets are inextricably linked to business performance.

The information is designed to help individual businesses and policy and strategy makers, understand the current tourism operating environment and plan for the likely future tourism industry environment.

Note: The pilot surveys did not follow exact quarters. The first two pilots each covered 3 months from May to July 2010, then August to October 2010, while the last survey of 2010 covered the last quarter, ie October to December. October was therefore included in two indices. From the first official edition in 2011 onwards, only regular quarters are covered.

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The Tourism Business Index



The Tourism Industry’s actual performance index was rising steadily since the start of the 4th quarter of 2011, breaking the “normal” index of 100 for the first time since the pilot phase in the first quarter for 2012. However, in the second quarter of 2012, we see the actual performance index decrease again, registering an index of 88,2 for the second quarter of 2012 against a normal of 100. This indicates worse than normal performance levels and is a 13,7 index point decrease from the first quarter’s actual performance index of 101,9. However when compared to the expected industry performance index of 93,2 for the second quarter of 2012, the Industry performed only slightly worse than expected. The indicators are therefore that an unexpected good first quarter 2012 was followed by a more or less as expected second quarter with performance back to below normal levels.

Despite the lower actual performance index for quarter 2, the industry is still somewhat optimistic about the expected future performance levels, predicting close to normal performance of 99,8 in the third quarter. This is the highest expected future performance index recorded by the tourism industry since the start of the TBI, indicating good levels of optimism in the Tourism Industry regarding business performance reaching acceptable levels again.

What is Normal?

The reported changes or expected changes in demand and profitability are expressed relative to the expected normal levels of business for the relevant period. Normal is defined as “the level of acceptable business performance in line with the realistic long term average performance you would hope to achieve, or the long term average historical performance experienced, during this quarter, i.e. taking seasonal variances into account”.

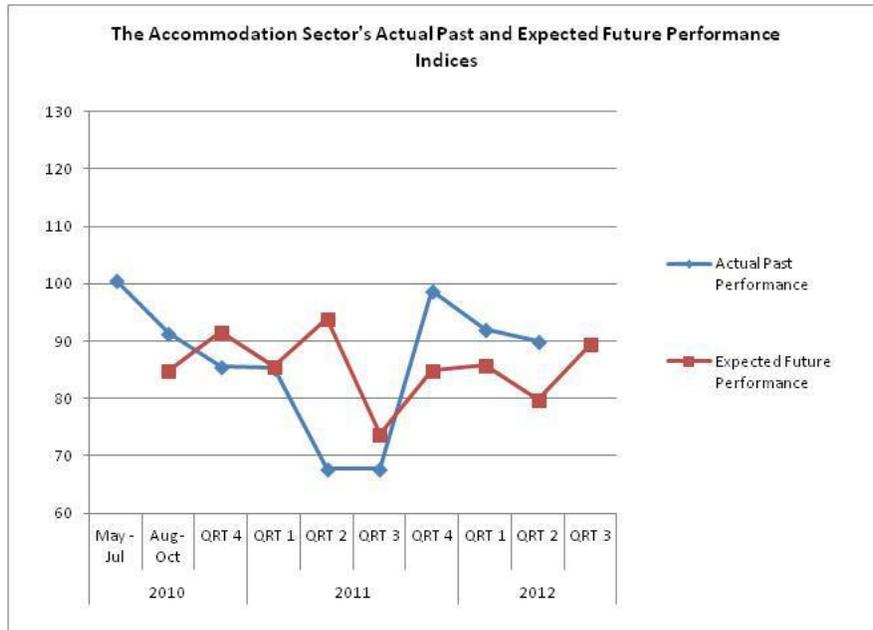
Normal is then calibrated to an index of 100. When the index shows Performance or Prospects at higher than 100, this indicates better than normal performance while, below 100 indicates worse than normal performance.

If all business surveyed indicate a significantly better than normal performance across all dimensions covered, the index could register a maximum high of 200, while significantly poor performance for all businesses would result in an index of 0.

2 – 3 Years is usually required before a business tendency index can be said to be fully bedded-down. This allows performance and prospects to be compared over time and any underlying response bias that could impact on the index to be adjusted for.

Accommodation Index

In terms of the sub-indices, the accommodation sector performed slightly better than expected while the other tourism business sectors indicated performance worse than anticipated for the second quarter of 2012.



The accommodation sector performance index for the second quarter of 2012 was 89,9 compared to the expected performance index of 79,8 for this quarter. The result indicates while accommodation businesses had a slightly better than expected quarter, they still performed slightly worse than during the first quarter of 2012 (a decrease of 2,3 index points from a performance index of 92,2 for the first quarter of 2012 to 89,9 for the second quarter of 2012).

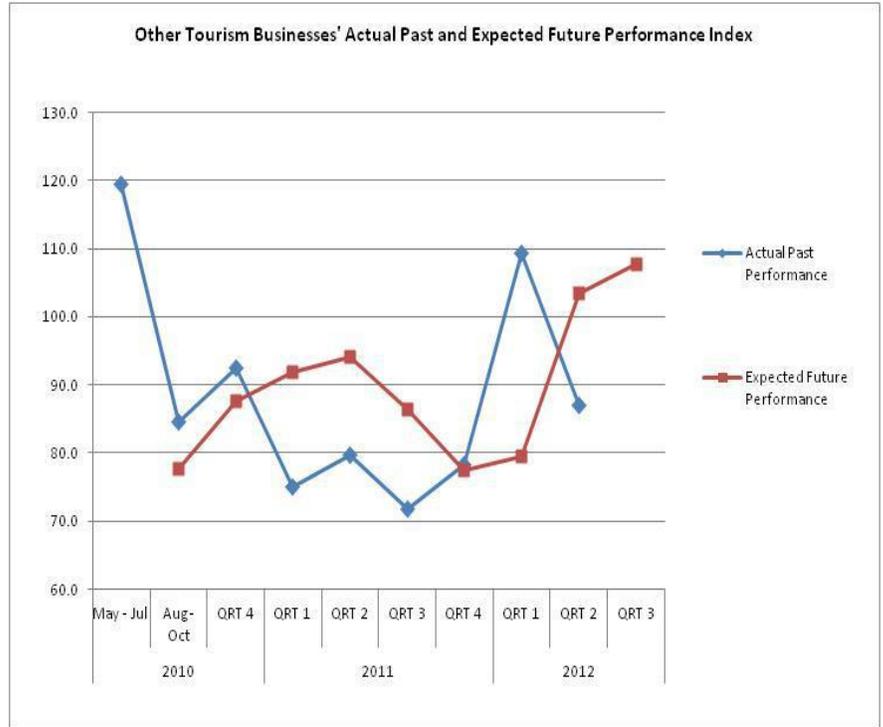
The accommodation sector has indicated a more optimistic outlook for the third quarter of 2012, when compared to their expected performance indications in previous editions. For the third quarter of 2012, the accommodation industry is expecting a future index of 89,6, which is in line with the actual performance index recorded from the second quarter of 2012 (index of 89,9). This outlook indicates that the accommodation industry expects their worse than normal performance levels to continue in the third quarter of 2012 and not return to the higher, close to normal performance levels actually experienced during the last quarter of 2011.

The last quarter's reduced accommodation sector performance index is largely influenced by the backpackers, independent lodges and guest houses and B&B establishments who all reported worse than normal performance levels. Hotel groups, did however also report worse than normal performance levels, but these were less severe than those of the independent lodges, backpackers, guest houses and B&B establishments. Independent hotels recorded better than normal performance levels, while the index was assisted by timeshare establishments which recorded normal performance levels during the second quarter of 2012.

Other Tourism Business Sub Index

During the second quarter of 2012, the "other" tourism sector recorded a performance level lower than the accommodation sector with an actual performance index of 86,9, compared to an expected performance index of 103,5 for the second quarter of 2012, indicating, that in contrast to the accommodation sector, these business experienced a much worse than expected quarter.

In spite of this much worse than expected actual performance levels, this other sector of the Tourism Industry recorded a more bullish outlook than the accommodation sector regarding their expected performance levels for the third quarter of 2012 with an expected performance index of 107.6. This prediction is higher than all the predicted performance indices recorded in the past and indicates that this sector expects their performance levels to be above normal in the third quarter (in contrast to the accommodation sector which expects their worse than normal performance levels to continue during the third quarter of 2012).



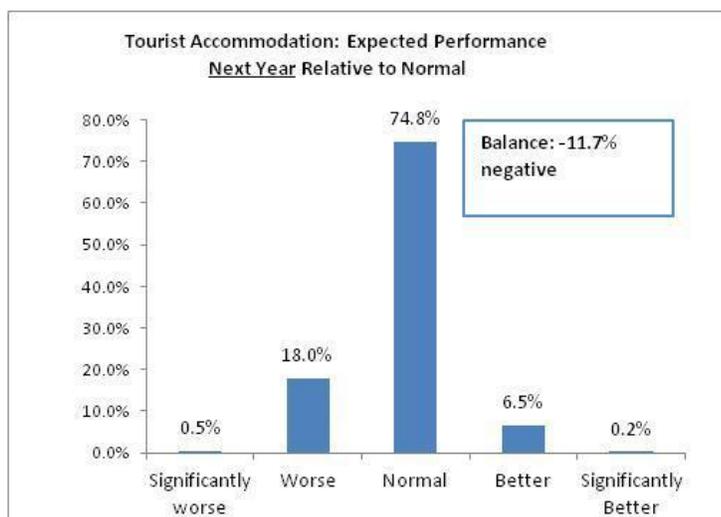
The last quarter’s actual past performance index within this sector of the Tourism Industry, was influenced by the conference and event organisers, activities and attractions, tour operators and car rental companies who all experienced worse than normal performance levels. Travel agents, retail outlets and coach operators were the only respondent groups to record higher than normal levels of performance during the last quarter in this sector of the tourism industry.

TBI Summary

		Overall		Accommodation		Other	
		Actual	Forecast	Actual	Forecast	Actual	Forecast
2011	1 st Quarter	79.6	89.1	85.3	85.5	75.1	91.9
	2 nd Quarter	74.5	94.1	67.8	94.0	79.6	94.1
	3 rd Quarter	70.0	81.0	67.7	73.9	71.8	86.4
	4 th Quarter	87.3	80.7	98.9	84.9	78.3	77.4
2012	1 st Quarter	101.9	82.2	92.2	85.8	109.3	79.4
	2 nd Quarter	88.2	93.2	89,9	79.8	86,9	103.5
	3 rd Quarter		99.8		89,6		107.6

Balance Statistics

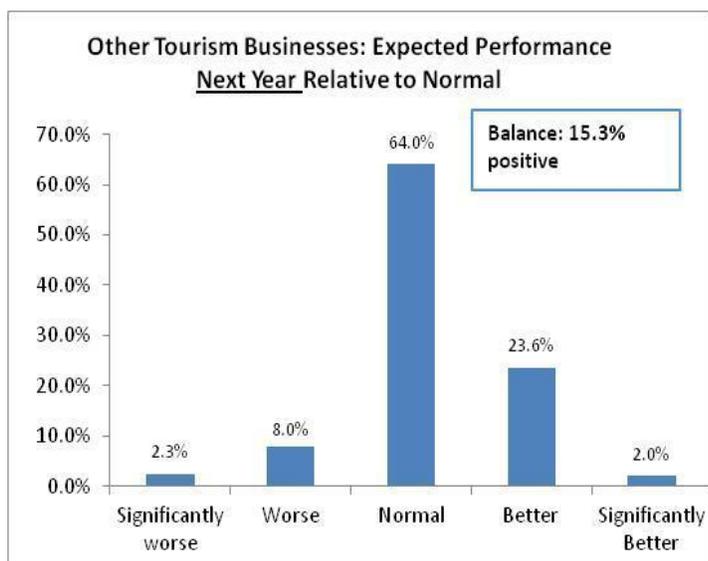
Next Year



When considering the next year (as oppose to the next quarter) prospects are improving, but are still fairly pessimistic in the accommodation sector, with a negative balance statistic of -11,7%. Only 0,5% expect significantly worse than normal performance, but almost a fifth of accommodation businesses (18,0%) still expect worse than normal performance levels; down from 34,1% in the last edition. In contrast, only 6,7% are expecting higher than normal performance levels within the next year. The majority of the accommodation businesses (74,8%) expect normal performance levels in the next year. This balance statistic has however improved from -24,5% in the last edition.

The Balance Statistic

Results from qualitative questions are provided in the form of a “balance” statistic. This is the difference between the percentages of positive and negative responses. A balance for each question is calculated by deducting the percentage of negative replies from the percentage of positive answers given to each question. The final value is a single figure, with a minus representing an overall negative outlook or performance and a positive figure an overall positive outlook or performance. For a given balance, the varying percentage of “normal” replies and the split of positive/negative replies over the two options in the scale may indicate a varying degree of uncertainty or a stronger positive or negative outlook amongst managers.



The other tourism businesses are much more optimistic about the next year, with a balance statistic of 15.3%. This is a slight decrease from the 17,2% balance statistic recorded by the other tourism businesses regarding the next year in the previous edition.

In this edition, over quarter of the other tourism businesses (25,6%) expect performance levels to be better or significantly better than normal over the next year, while only 10,3% are expecting worse than normal or significantly worse than normal performance levels. The majority of the other tourism business (64,0%) are expecting normal business performance levels during the next year.

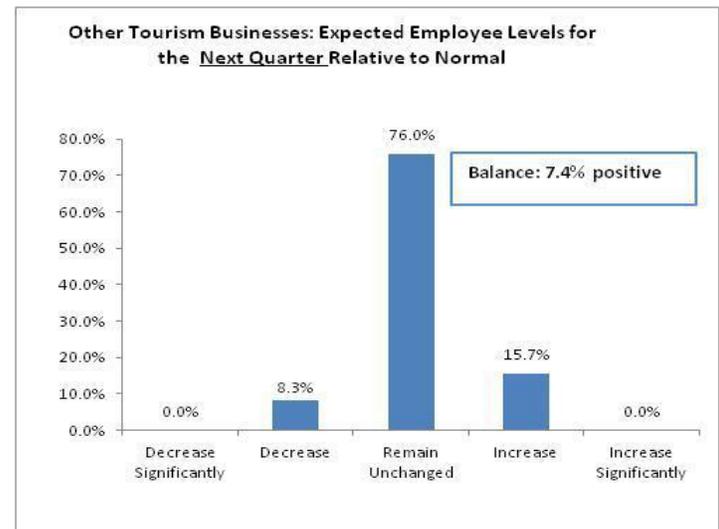
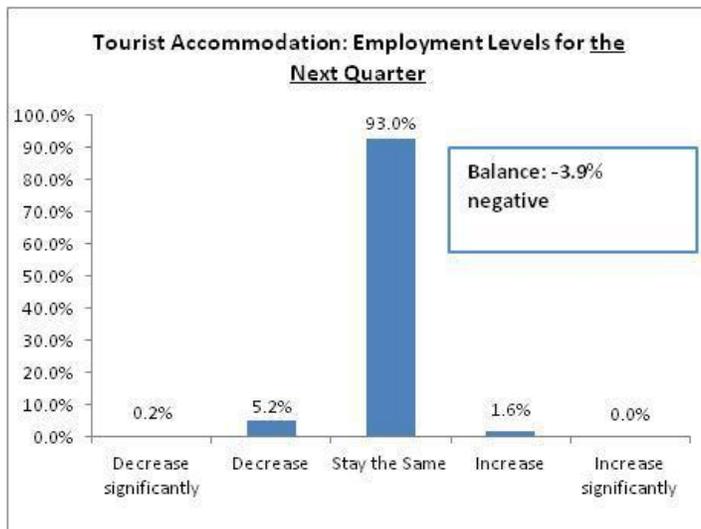
Summary of the Next Year Balance Statistic Historical Results

		Accommodation Sector	Other Sector
2011	1 st Quarter	-27.7%	+13%
	2 nd Quarter	-40.2%	-5.4%
	3 rd Quarter	-70.3%	-3.2%
	4 th Quarter	-53.0%	-16.9%
2012	1 st Quarter	-24.5%	+17.2%
	2 nd Quarter	-11.7%	+15.3%

Employment Levels

The accommodation sector has a negative expectation regarding employment levels in the third quarter of 2012, recording a negative balance statistic of -3,9%, while the other tourism businesses are optimistic with a balance statistic of 7,4%.

Very few accommodation operators (1,6%) intend to increase their employment levels during the third quarter of 2012, while 15,7% of the other tourism businesses are expecting increases in employment levels. The majority of operators (93,0% for accommodation operators and 76,0% of the other tourism businesses) expect their employment levels to remain unchanged, while 5,4% of accommodation respondents and 8,3% of the other businesses expect to decrease their employment levels during the next quarter.

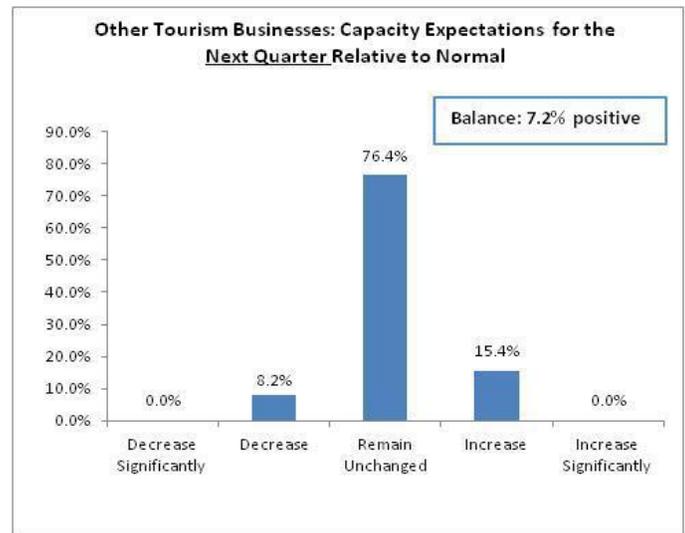
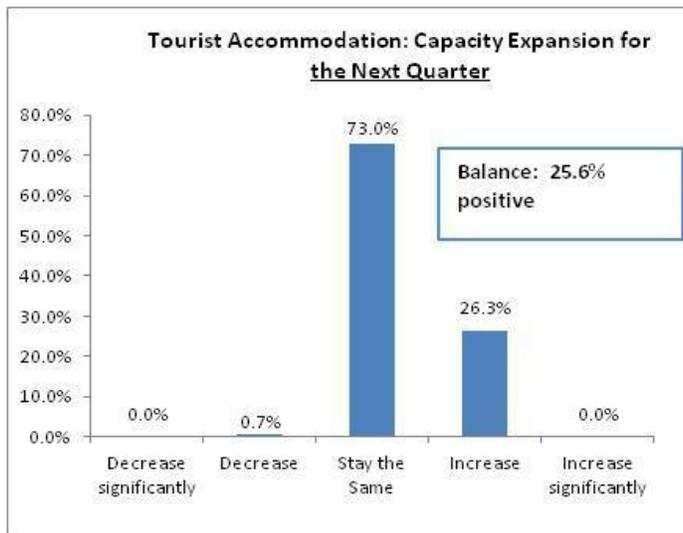


When compared to the expectations regarding employment levels recorded in the previous edition within the accommodation and other tourism businesses (balance statistic of -17,3% and -3,0% respectively), it is encouraging to see that there is a somewhat more positive outlook (or slightly less negative outlook in the case of accommodation operators) emerging within the tourism industry regarding future employment levels.

Summary of the Employment Balance Statistic Historical Results

		Accommodation Sector	Other Sector
2011	1 st Quarter	-23.7%	-28.9%
	2 nd Quarter	-25.3%	-12.3%
	3 rd Quarter	-17.4%	+1.8%
	4 th Quarter	-15.4%	+1.6%
2012	1 st Quarter	-17.3%	-3.0%
	2 nd Quarter	-3.9%	+7.4%

Capacity Growth Expectations



The majority of the accommodation operators (73%) indicate that their room/unit capacity will remain unchanged in the next quarter compared to 92,1% in the last edition. 26,3% Indicate that they plan to increase their unit/ room capacity, while only 7,6% expected to increase their room/unit capacity in the prior edition. Only 0,7% (-0,2% last quarter) of the accommodation operators expect a decrease in their room capacity during the third quarter of 2012, resulting in the positive balance statistic of 25,6%; an improvement on the 7,4% positive last quarter indicating the increased buoyancy in the industry has tipped some operators and investors into capacity expansion again.

Other tourism businesses report a slightly lower positive balance statistic of 7,2% regarding their expected capacity for the next quarter. The majority of the operators (76,4%) are expecting that their capacity will remain unchanged, while 15,4% feel that their capacity will increase. 8,2% Of the operators expect their capacity to decrease. When compared to the expectations within this sector regarding capacity recorded for the second quarter of 2012 (positive balance statistic of 20,7%), expectations are slightly less optimistic regarding capacity growth within this sector of the tourism industry for the third quarter of 2012.

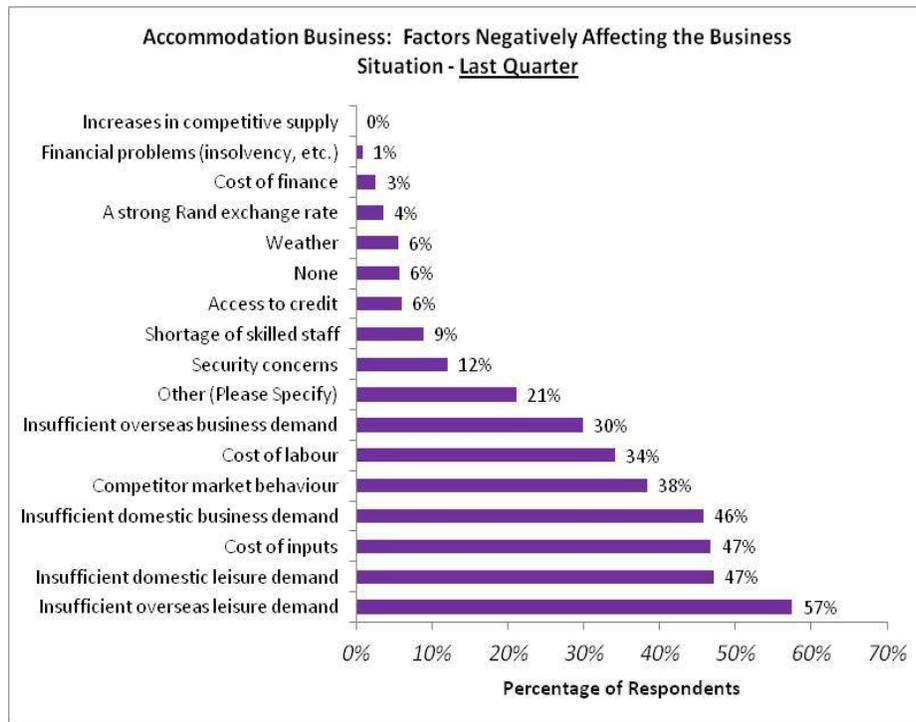
Summary of the Capacity Growth Balance Statistic Historical Results

		Accommodation Sector	Other Sector
2011	1 st Quarter	+14.3%	-11.1%
	2 nd Quarter	+12.6%	+9.3%
	3 rd Quarter	+9.6%	+24.8%
	4 th Quarter	-3.3%	+21.0%
2012	1 st Quarter	+7.4%	+20.7%
	2 nd Quarter	+25.6%	+7.2%

Factors Affecting Business Conditions

When considering the performance of the Tourism Industry, this report considers both positive and negative factors which are possibly impacting on the performance of the different sub-sectors.

Negative Factors - Last Quarter



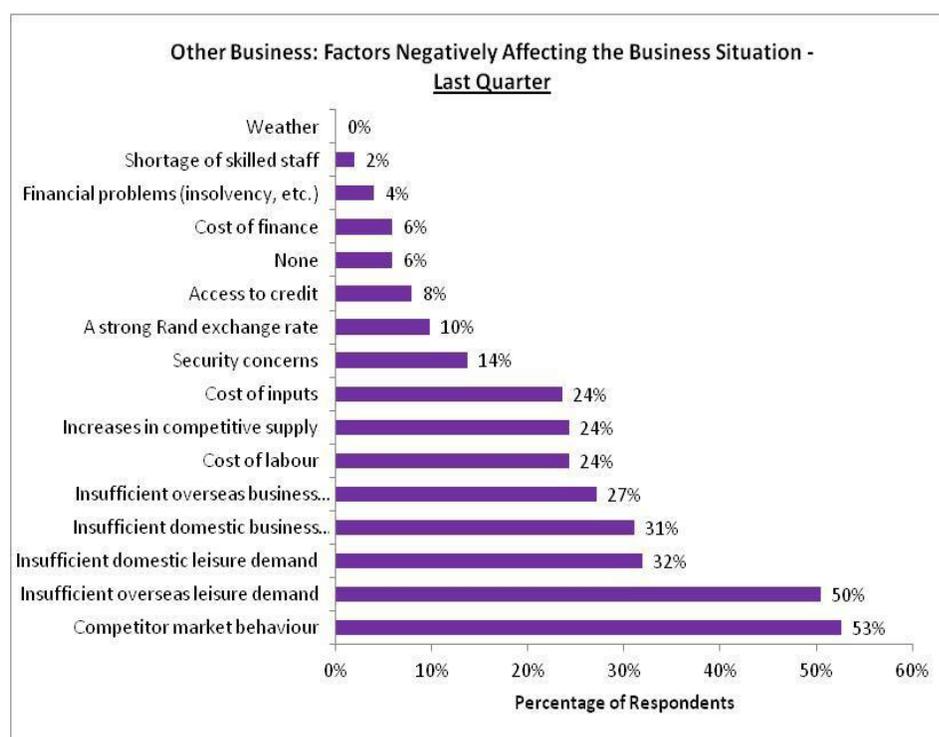
In the accommodation sector, insufficient overseas and domestic leisure demand, cost of inputs and insufficient domestic business demand is the most recorded negative factors during the second quarter of 2012 (reported by 57% - 46% of respondents respectively). In the previous edition, these were the four most mentioned negative impacting factors, but all at lower levels last quarter; except for costs of inputs which was mentioned the most (48% of respondents) in the last edition. This reflects the reasons behind this quarters overall lower

performance. In this edition, 6% of the accommodation respondents felt that no specific factor had a negative impact on their business performance during the second quarter of 2012, compared to 14% in the last edition. Competitor market behaviour, cost of labour and insufficient overseas business demand were also cited by many of the respondents (38%, - 30%) as negative impacting factors during the second quarter of 2012.

Once again a limited number of respondents felt that the shortage of skilled staff negatively affected their business in the second quarter of 2012 (mentioned by 9% of respondents) and this is down from the 11% who stated this as a negative contributing factor in the previous edition. Security concerns however, have increased by 4 percentage points as a negative impacting factor from 8% who stated it as a negative factor in the previous edition to 12% in this edition.

Some specific other factors cited which had a negative impact on players in the accommodation industry during the second quarter of 2012 include; increases in municipal tariffs, increased fuel costs, the economic decline and political uncertainty in Europe, electricity disruptions during peak hours and unexpected cancellations on short notice.

A strong rand exchange rate has decreased from its expected negative impact mentioned by 15% during the last edition to only 4% for the second quarter of 2012. Increase in competitive supply was not indicated, as was also the case in the last edition, as a negatively impacting factor for the second quarter of 2012, however financial problems were indicated by 1% of respondents as a negative impacting factor during the second quarter of 2012, while in the previous edition, none of the respondents indicated this as an impacting factor.



In terms of the other tourism businesses, competitor market behaviour (53%, compared to 42% in the previous edition), insufficient overseas and domestic leisure demand (50% and 32% respectively, compared to 39% and 27% respectively in the previous edition), insufficient overseas and leisure business demand (31% and 27% respectively, compared to 23% and 12% in the previous edition) were most indicated as negative contributing factors.

Cost of inputs and increases in competitive supply was mentioned by 34% and 32% of respondents as negative impacting factors during the last edition, but only 24% mentioned these factors as negative impacting factors during the second quarter of 2012. This is also lower than the number of respondents who cited these factors as expected negative impacting factors for the second quarter of 2012, during the last edition (39% of respondents cited cost of inputs, while 34% cited increase in competitive supply as a possible negative contributing factor to the second quarter of 2012).

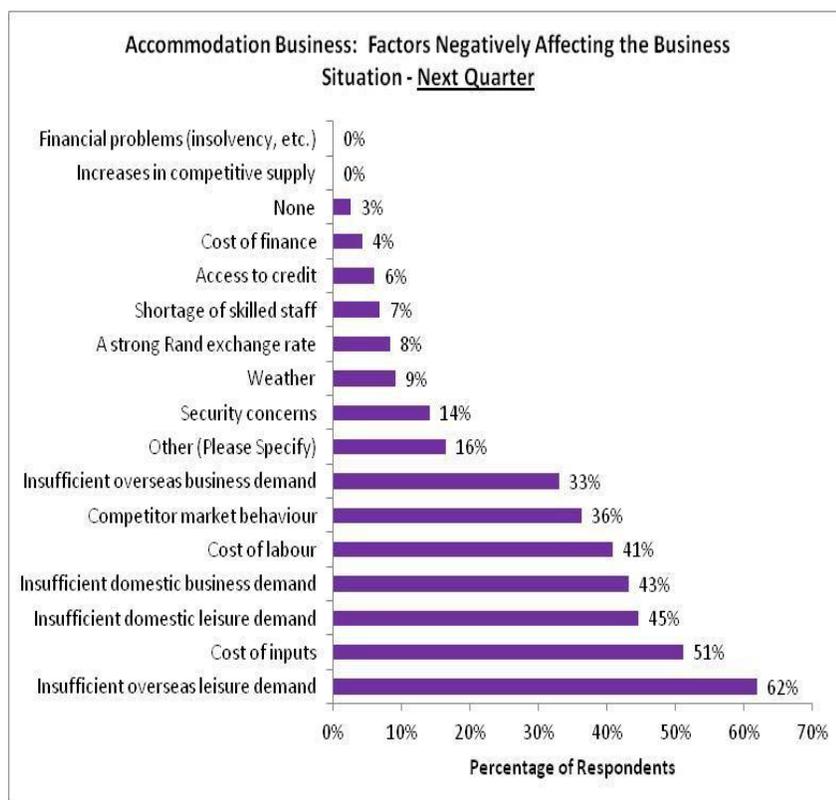
Insufficient overseas leisure demand was expected by 46% (actual 50%) of respondents in the last edition to have a negative impact on the second quarter of 2012, while 27% (actual 31%) expected overseas business demand to have a negative impact. This indicates that the political and economical unrest in Europe could have had a slightly more negative impact on the other tourism industry operators during the second quarter of 2012 than anticipated.

Cost of labour, security concerns and a strong Rand exchange rate (24%, 14% and 10%) were also perceived by many as impacting factors during the second quarter of 2012. The factors which were indicated as least impacting on these businesses were: weather (mentioned by none of the respondents), financial problems (mentioned by 4%), cost of finance (mentioned by 6% of the respondents) and access to credit (mentioned by 8%) As with the accommodation sector, only 6% of the respondents in the other tourism businesses felt that no specific factor had a negative impact on their business during the second quarter of 2012.

Only 2% of the other business operators felt that the shortage of skilled staff negatively affected their business operations during the second quarter of 2012. This factor had decreased slightly from the 7% of the other tourism business respondents reporting the shortage of skilled staff as a negatively impacting factor in the previous edition.

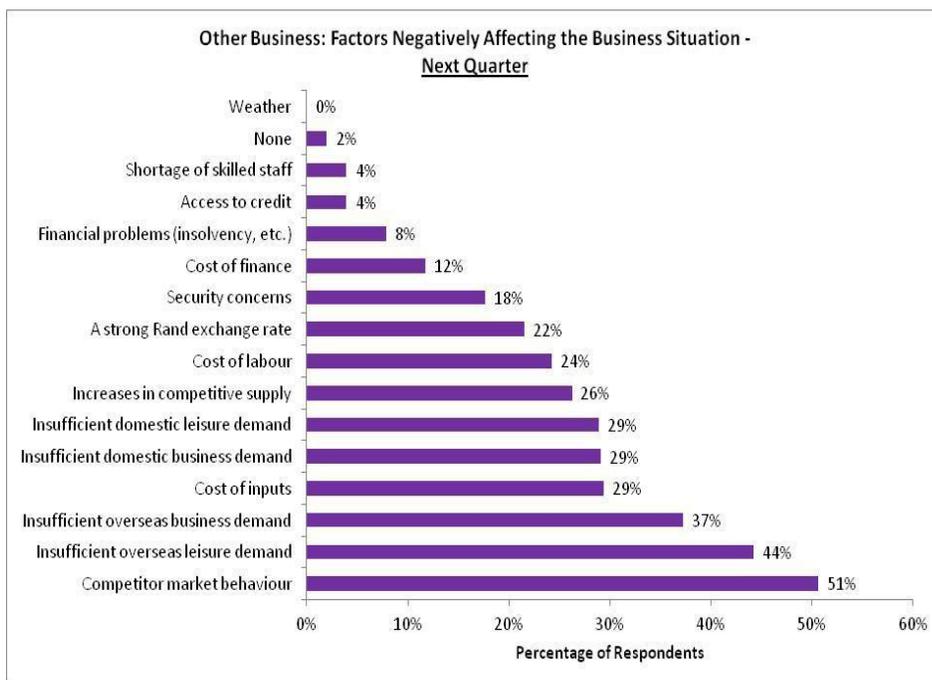
Some of the other negative factors cited to have impacted on other tourism businesses' performance during the last quarter include: the increases in fuel prices and municipal tariffs, the perception that South Africa is too expensive a destination for the now budget conscious European travellers, the high costs of effective overseas marketing and a decrease in the domestic leisure market's disposable income.

Negative Factors - Next Quarter



Insufficient overseas leisure demand is expected by 62% of the respondents to have a negative impact on the third quarter of 2012. Cost of inputs (51%), insufficient domestic leisure and business demand (45% and 43% respectively), cost of labour (41%) and competitor market behaviour (36%) are all important expected negative impacting factors. Insufficient overseas business demand is expected to have a greater impact during the next quarter (cited by 33% of respondents as an expected negative impacting factor for the next quarter) than compared to the second quarter of 2012 (cited by 30% of respondents). Only 3% of the respondents felt that no specific factor will have a negative impact on their business operations during the next quarter.

The shortage of skilled staff is expected to have less of an impact on the third quarter of 2012 than in the second quarter (7% of the respondents cited this factor as a expected negative factor for the next quarter, compared to 9% who stated that the factor had a negative impact on the second quarter of 2012). Increases in fuel costs and municipal tariffs, as well the continued issue of insufficient electricity supply during peak periods were mentioned by a few of the respondents as specific negative factors expected to have an impact on the accommodation sector during the next quarter.



For other tourism businesses, competitor market behaviour (51%) and insufficient overseas leisure demand (44%) are seen by many respondents as negative impacting factors for the next quarter. Insufficient overseas business demand (37%), cost of inputs (29%), insufficient domestic leisure and business demand (29%) and increase in competitive supply (26%) are some of the other important negative impacting factors.

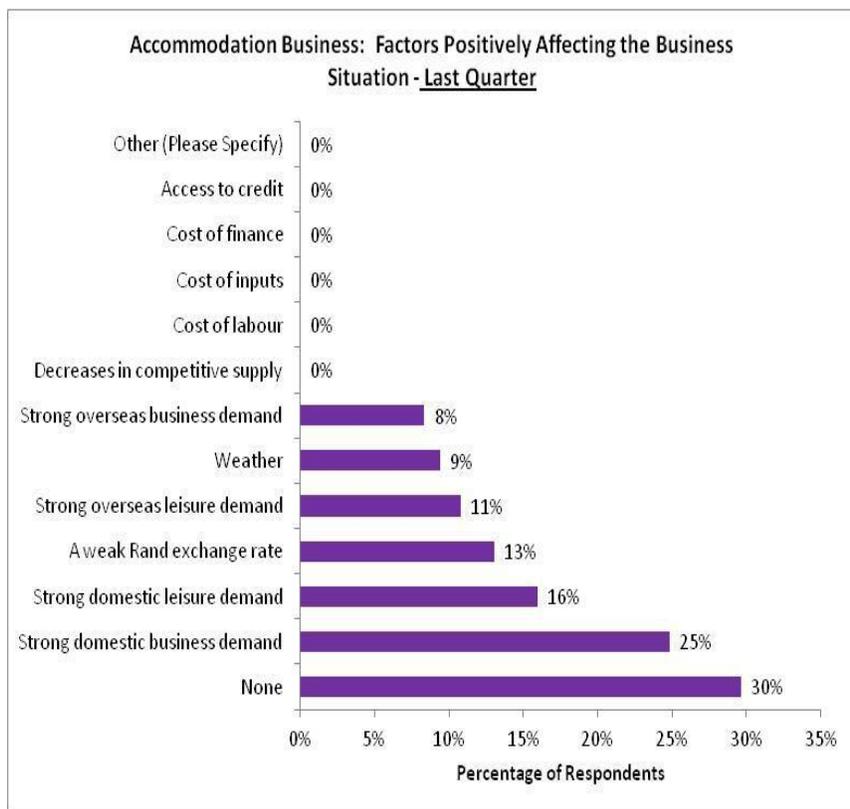
Weather, access to credit, financial problems and cost of finance are the least mentioned negative impacting factors expected for the third quarter of 2012. Only 2% of the respondents expect no specific factor to have a negative impact on their businesses during the next quarter. Shortage of skilled staff is expected by 4% of the respondents, compared to 8% who expected this factor to have a negative impact in the last edition. Security concerns have however increased from the 9% who predicted this as a negative impacting factor during the previous edition to 18% who feel this factor will have a negative impact on their business during the third quarter of 2012. Cost of labour is expected to be an impacting factor by 24% of the respondents, compared to 22% who expected it to have a negative impact in the last edition.

The economic down turn in Europe, the high fuel prices and municipal tariffs, the high costs involved with effectively marketing overseas as well as the increases in airline tickets to South Africa have all been cited as expected major negative impacting factors for the next quarter.

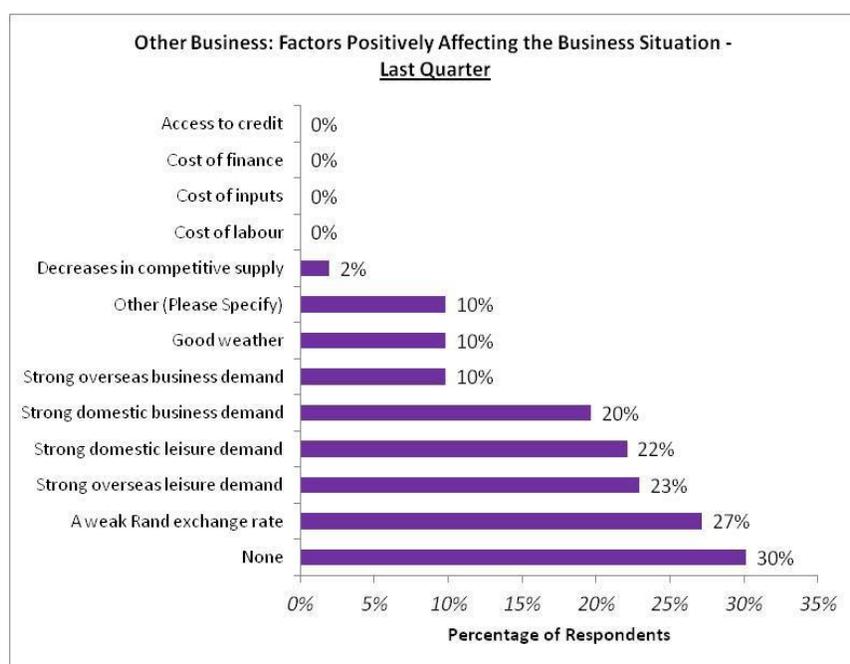
An overall concern is that though still at relatively low levels, the overall increases in actual and expected impacts of security concerns across the industry is an area which may require attention and intervention to prevent it from worsening further.

Positive Factors - Last Quarter

In this edition, the accommodation sector indicated fewer positive impacting factors during the second quarter of 2012 than in the last edition, again indicating the reasons behind the better first quarter compared to a poorer 2nd quarter.



A smaller portion of the respondents though, (30% compared to 39% last quarter) felt that no specific factor had a positive impact on their business during the second quarter of 2012. Strong domestic business and leisure demand, a weak rand exchange rate, the weather and overseas leisure and business demand were important positive impact factors for a few of the respondents (25%-8%) in the second quarter of 2012. Domestic business demand strength increased from 21% (Q1) to 25% (Q2) of respondents and led as the highest positive impacting factor for both quarters. Decreases in competitive supply, cost of labour, cost of inputs, cost of finance and access to credit were not relevant as positive impacting factors, as was the case in the previous edition.

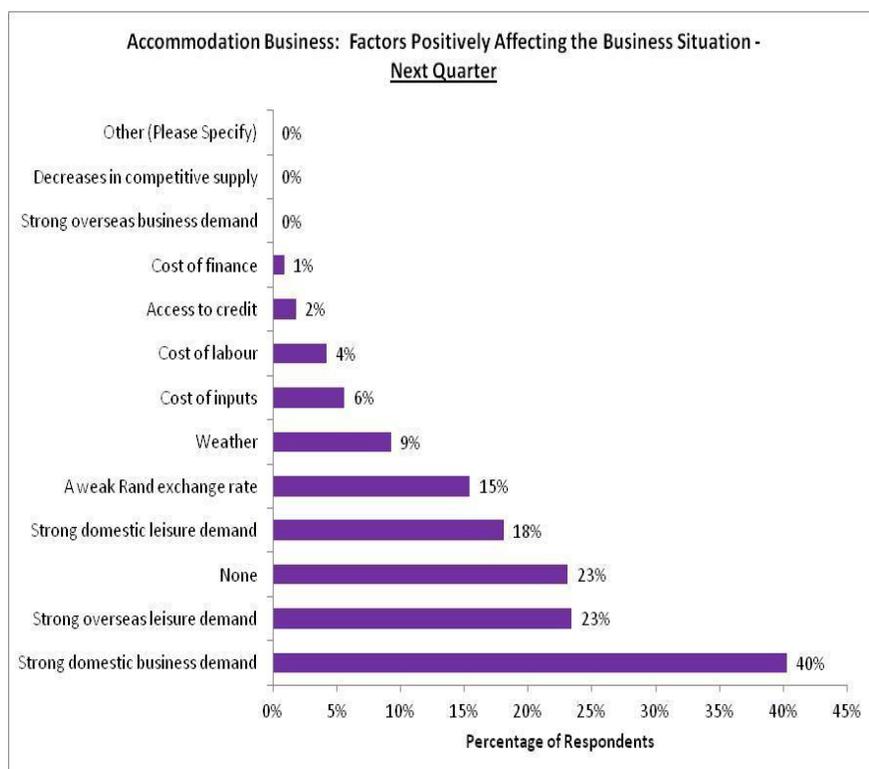


A large portion of the operators in the other tourism sector (30% compared to 25% last quarter) felt that there was no specific factor which had a positive impact on their business during the second quarter of 2012.. A weak rand exchange rate, strong overseas leisure demand, strong domestic leisure demand and strong domestic business demand is felt by some of the respondents to have had a positive impact on their business operations during the first quarter of 2012 (27%-20%).

Strong overseas business demand (10%), good weather (10%) and decreases in competitive supply (2%) were the only other noted factors selected by some respondents as positive impacting factors.

As in the case of the accommodation sector, the cost of labour, the cost of inputs, cost of finance and access to credit were not relevant as positive impacting factors during the second quarter of 2012.

Positive Factors – Next Quarter



For the third quarter of 2012, the accommodation operators expect more positive impacting factors on their business than during the previous quarter. A large portion of the accommodation operators (40%) expect strong domestic business demand to have a positive impact on their business operations, compared to 33% who expected this factor to have an impact during the previous edition. Strong overseas and domestic leisure demand and a weak rand exchange rate are expected by some of the respondents (23%-15%) to have a positive impact on their business operations in the next quarter. Weather was only mentioned by a few respondents (9%) as a positive impacting factor for the next quarter.

Decrease in competitive supply, strong overseas business demand, cost of finance, cost of labour, access to credit and cost of inputs are all expected to have no or limited impact in the next quarter, as was the case in the previous edition.

Looking at the other tourism businesses, 36% expect a weak rand exchange rate to have a positive impact on their business performance in the next quarter (compared to 28% who cited this as a positive impacting factor during the last edition). Strong overseas leisure demand and strong domestic business and leisure demand (31%-24% of the respondents) are also expected to have a positive impact.

Noteworthy is that 21% (as was the case in the last quarter) of the operators expect no specific factor will have a positive impact on their business during the next quarter.

20% Of the operators within the other sector of the tourism industry cited other factors as important positive impacting factors for the next quarter and these include: reduced rates and special offers, reducing staff numbers and other cost saving initiatives, and positive referrals by previous customers.

Once again cost of finance, cost of labour, cost of inputs, access to credit and decrease in competitive supply were not cited by many of the respondents as factors expected to have a positive impact on the next quarter's business performance. Good weather was only cited by 14% of the respondents as a positive impacting factor during this edition, in comparison to the 11% who expected this factor to have a positive impact in the previous edition.

General Business Indicators

The Quarterly RMB/BER Business Confidence Index ("BCI") from 2010 to the first quarter of 2012 is illustrated in the table below.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2010	43	36	47	44
2011	55	48	39	38
2012	52	41		

Source: BER

As 50 indicates neutral levels of confidence, the index has largely been in negative territory since 2010 with exceptions in the first quarters of 2011 and 2012.

After a marked increase in the first quarter of 2012 (to a level of 52), the index fell by 11 index points to a level of 41 in the second quarter of 2012, lower than the index level recorded during the second quarter of 2011 (48). Business confidence declined in four of the five sectors making up the RMB/BER BCI during the second quarter of 2012.

The tourism business index, similarly to the RMB BER index in the first quarter of 2012, also reached positive territory, for the first time in a year for the BER, and in almost 2 years for the TBI, with tourism at 101,9 above 100, compared to 52 above 50 for the BER. Likewise, both indices have decreased in the second quarter, indicating decreased business confidence. The TBI recorded a performance index of 88,2 against 100, while the BCI recorded 41 against a normal of 100 in the second quarter of 2012, indicating that the TBI is largely mirroring the RMB/BER BCI this year.

The RMB/BER is a business tendency survey based on OECD methodology as is the TBCSA FNB TBI.

The SACCI Business Confidence Index ("BCI") is a composite indicator, as oppose to a tendency survey. The BCI is a market-related index that reflects not what business is saying, but what it is doing and experiencing. It is therefore not an opinion/perception-based index. It is likely that in any one month the business mood will be influenced both positively and negatively by various developments in the economy. The BCI seeks to reflect the net results of these influences. Even though the BCI is not a tendency survey like the TBI, it is another regular and timeous indicator of economic activity to which the TBI can be compared.

The index is based on the average economic activity for 2005 being a base of 100. The index rose above 100 in 2006 reaching 119 at its highest level and stayed above 100 in the early part of 2007 and thereafter declined. The index average for 2009 was 97,7. The index average rose only slightly in 2010 with 2,3 index points to 100. The average index for 2011 was 100,4 (only a marginal increase from the 2010 index average).

The SACCI BCI for 2011 and 2012 is presented in the below table.

2011											
Jan	Feb	March	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
103,1	101,9	104,2	102,5	101,2	102,4	99,0	98,6	98,4	97.5	97.4	99.1
2012											
Jan	Feb	March	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
97.1	99.5	95.7	94.3	92.8	94.9						

Over the last three quarters, the SACCI BCI has been reducing slightly from a quarterly average of 98 for the last quarter of 2011, compared to the quarterly average of 97,4 for the first quarter of 2012 to a quarterly average of 94 for the second quarter of 2012. This compares to a quarterly average of 102 for the second quarter of 2011.

Even though the two methodologies are not the same, it would appear that there is a general downward tendency in business performance as is also reflected by the TBI for the second quarter of 2012.

Respondents

For this edition of the TBI we received 107 responses, which are broken up into 65 within the accommodation sector and 42 responses from the other tourism business. Listed below are the businesses who participated in this quarter's survey.

3 Melrose Road - Executive Accommodation	<u>Pledge Respondents</u>
5 Third Avenue Guesthouse	National Zoological Gardens of South Africa
AA Holidays / AA Travel	Ocean View Bed and Breakfast
Africa 2000 Tours	Queensburgh Caravan Resort
Avis Rent A Car	Sandton Convention Centre
Baz Bus	Signature Life Hotels
Blue Jay Lodge	South African National Parks
Bohlaie Safari & Golf Tours	South of Africa
Bosavern Guest House	Southern Sun Hotel Interests (Pty) Ltd
City Lodge Hotels Limited	Southern Sun Resorts
Coffee Shack Backpackers	Spier Resort Management (Pty) Ltd
Cresco Tours	Springbok Atlas Luxury Charter
Dolphins View Guest House	Sun International Ltd
EQuanimity Holiday Bookings	The Colonial on Arundel
Europcar SA	The Inside Edge
Grande Roche Hotel	The Manderson Hotel and Conference Centre
Grootbos Nature Reserve	Tigers Eye (a division of Tourvest)
Group Sports Travel SA	Top Notch Car Rental
Hide-Away Guest House	Tourdafrique
Holiday Inn Express	Tourvest
Hotel Numbi & Garden Suites	Tourvest Travel Services
Johannesburg Zoo	Two Oceans Aquarium
Journey Into Africa Tours & Safaris	Value South Africa
Kievits Kroon Country Estate	Westin Cape Town
Legacy Hotels & Resorts	White Elephant Safari Lodge
Linkside Lodge	Wow Cape Town Tours
Maropeng Visitor Centre and Hotel	Zinkwazi Lagoon Lodge
Mfafa Safaris	Zuider Zee Guest House
	<u>Ad Hoc Respondents</u>
12 Apostles Hotel & Spa	Lekkerbly Guest House
Abangane Guest Lodge	Lily Guesthouse
Accor	Liz at Lancaster
African Outposts	Magalies Manor
African Sky Hotels	MalaMala Game Reserve
AmaSun B&B	Motswari Private Game Reserve
At Whale-Phin Guest House	Oysterbox Hotel
Auberge Hollandaise Guesthouse	Paradise Found
Bay Language Institute	Pecanwood Wedding and Conference Centre
Bill Harrop's "Original" Balloon Safaris	Protea Hotels
Boundless Africa Safaris	Roseland House
Bulungula Lodge	Royal Hotel
Carlson Rezidor Hotel Group	SA Express
CMH Car Hire t/a First Car Rental	Sasendle Adventure Tours CC
Crooked Tree Cottage	Shamrock Arms Guest Lodge
Cuckoo Ridge B & B	Signature Tours
Dragonfly Africa	Summerstrand Hotel
ERM Tours	Tanda Tula Safari Camp
Graton Guest House	Tantivwey Country Guest House
Gunner's Lodge	The Kelway Hotel
Guvon Hotels & Spas	The Royal Hotel, Durban
Hertz Car Rental	Umbhaha Lodge
Hilton Bed 'n Breakfast	Vodacom NMMU Indoor Sport Centre
iKhaya Backpackers Stellenbosch	Voortrekker Monument and Nature Reserve
Legend Lodges Hotels & Resorts	Wailana Beach Lodge