

## Western Cape Destination Performance Report: Annual 2016

### 1. Global Tourism Performance

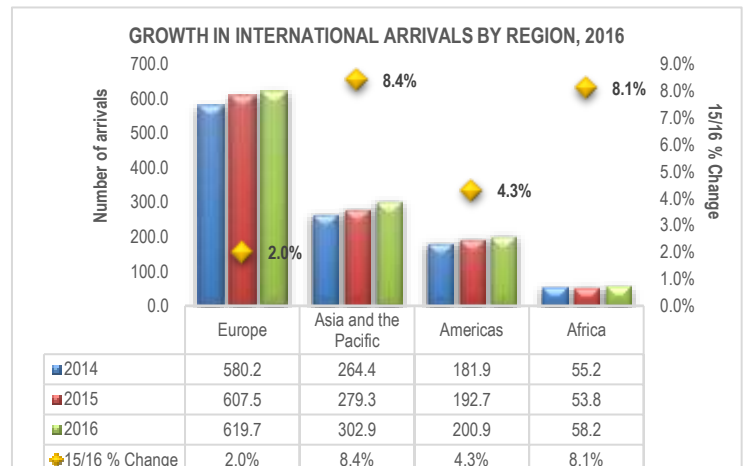
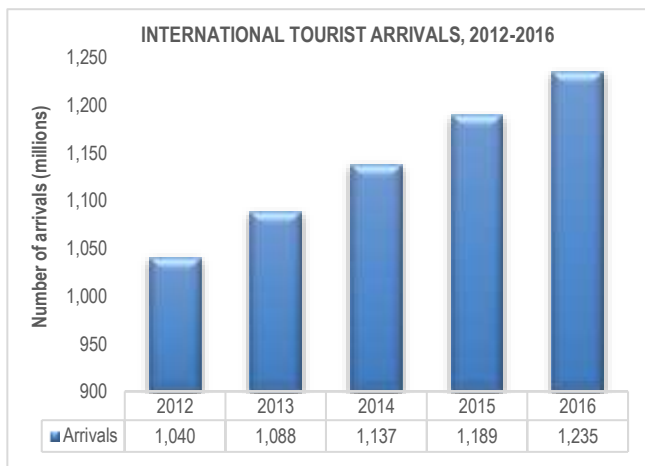
Tourism has shown extraordinary strength and resilience in recent years, despite many challenges particularly related to safety and security. In the face of the challenges, demand for international tourism remained robust. International arrivals grew by 3.9% to reach a total of 1,235 million in 2016. Since the 2009 global economic and financial crisis, 2016 marks the 7<sup>th</sup> consecutive year of sustained growth in international tourism.

Asia and the Pacific (+8%) led growth in international tourist arrivals in 2016. 24 million more international tourist arrivals were recorded in 2016 to total 303 million. Growth was strong across all four sub-regions, with Oceania receiving 10% more arrivals, South-Asia 9% more and North-East Asia and South-East Asia both 8% more.

In the Americas (+4%) a positive momentum continued. International tourist arrivals increased by 8 million to reach 201 million. Growth was somewhat stronger in South America and Central America (both +6%), while the Caribbean and North America recorded around 4% more in arrivals.

Europe (+2%) portrayed mixed results, with double digit growth in some destinations, while others reflected decreases. The varied outcomes were largely due to many destinations being affected by safety and security challenges.

Africa (+8%), enjoyed a strong rebound following two weaker years. An additional 4 million arrivals were recorded in 2016, reaching a total of 58 million, led by strong growth in Sub-Saharan Africa (+11%).



Source: United Nations World Tourism Organisation, 2017

#### 1.1 Global Outbound Tourism Trends:

- In spite of the many challenges of recent years, growth in international tourist arrivals to 1,235 million in 2016 underlines the sustained appetite for travel. 2016 results on expenditure from major outbound markets portrayed an increasing demand for international tourism across the world.
- With a 12% rise in expenditure, China continued to lead international outbound tourism, followed by the United States, Germany, United Kingdom and France ranking as the top five global spenders.
- 2016 portrayed another strong performance for outbound tourism from China, the world's leading outbound market. International tourism expenditure for China grew by US\$ 11 billion to reach US\$261 billion in 2016, increasing by 12% when compared to 2015 (US\$249.8 billion).

- The number of outbound travellers from China increased by 6% to 135 million in 2016. The rapid momentum in growth confirms China's position as the top global source market since 2012, following a trend of double-digit growth in tourism expenditure every year since 2004.
- The positive growth in outbound travel from China benefited many destinations in Asia and the Pacific, most notably Japan, the Republic of Korea and Thailand, but also long-haul destinations such as the United States and several countries in Europe.
- United States, the world's second largest source market increased by 8% in 2016 to reach US\$ 122 billion, up by US\$ 9 billion from 2015. For the third consecutive year, solid outbound demand was fuelled by a robust US dollar and economy.
- Germany, United Kingdom, France and Italy ranked as the top four European markets in the top ten, with all markets reporting growth in outbound demand in the last year.
- Germany, the world's third largest market registered 5% growth in international tourism spending in 2016, rebounding from weaker figures in 2015 and reaching US\$ 81 billion.
- Ranking in fourth position, demand from the United Kingdom remained sound despite the significant depreciation of the British pound in 2016. United Kingdom visits abroad were up by 5 million (+7%) in 2016, reaching 70 million, in addition to expenditure levels close to US\$ 64 billion. France reported a 7% growth in tourism expenditure to reach US\$ 41 billion in 2016.

INTERNATIONAL TOURISM EXPENDITURE, 2016			
Ranking	World's Top Tourism Spenders	Expenditure (US\$ billion)	15/16 % Growth in expenditure
1	China	261.1	+11.5%
2	United States	121.5	+7.7%
3	Germany	81.1	+4.9%
4	United Kingdom	63.6	+13.8%
5	France	40.9	+6.7%

Source: United Nations World Tourism Organisation, 2017

## 2. South Africa: National Tourism Performance

### 2.1 International Trends

- Foreign tourist arrivals reached 10.0 million in 2016. Tourist arrivals have fully recovered from the 2015 decline and grew by 12.8% year-on-year.
- Growth in international tourist arrivals to South Africa were driven by the increase in arrivals across all regions, with Central and South America, Middle East and Asia growing by over 30% respectively.
- Visiting friends and relatives emerged as the leading motivation for international travel to South Africa. This market grew by 24.1% to reach 3.3 million tourists. Holiday tourists increased by 9.3% while MICE (Meetings, Incentives, Conferences and Exhibitions) declined by -7.3%.
- In the MICE segment, declines were specifically recorded in tourists travelling for conventions (-18.6%) and exhibitions (-3.1%), while meetings and incentive groups recorded an annual increase.

International Tourism Indicators	2015	2016	y-o-y % change
Total number of tourist arrivals	8,903,773	10,044,163	12.8%
Total foreign direct spend (excl capital expenditure) from tourists	R68.2 billion	R75.5 billion	10.8%
Total number of bed nights spent by tourists	81.3 million	88.8 million	9.2%
Average spend in South Africa per foreign tourist	R8,100	R8,100	-
Average spend in South Africa per foreign tourist per day	R830	R850	
Average length of stay of tourists visiting South Africa	9.5 nights	9.2 nights	
% of tourists who visited more than one province	13.0%	15.2%	

Source: SA Tourism, 2017

## 2.2 Domestic Trends

- Despite unfavourable economic conditions, the domestic tourism market is still by far the biggest contributor to tourism volume, reaching a total of 24.3 million trips in 2016.
- Revenue attained from the domestic market reached a total of R26.5 billion in 2016, increasing by 12.3% from the R23.6 billion in 2015. The increase in domestic revenue was driven by tourists spending R20 more per day than before, resulting in an additional R2.7 billion.
- When taking a trip, domestic travellers tend to travel around 4 days, while international tourists tend to stay up to 9 nights per trip. In 2016, domestic length of stay grew by 1.6% to 4.3 nights.
- Domestic bed nights increased at a slower pace (0.9%), reaching 103.4 million in 2016.

Domestic Tourism Indicators	2015	2016
Total Domestic Trips	24.5 million	23.4 million
Total Direct Domestic Spend	R23.6 billion	R26.5 billion
Average Spend per Domestic Trip	R960	R1,090
Average Nights per Domestic Trip	4.2 nights	4.2 nights
Total Annual Domestic Bednights	102.5 million	103.4 million

Source: SA Tourism, 2017

## 3 Provincial Tourism Performance

Of all nine provinces, the Western Cape ranked:

- **TOP** in the number of paid bed nights : 10.2 million
- **TOP** in the average length of stay: 11.1 nights
- **TOP** in the share of "First Timer" travellers: 61.2%
- **TOP** province for "Holiday": 55.9%
- **2<sup>nd</sup> Highest** in tourist arrivals: 1.6 million
- **2<sup>nd</sup> Highest** in Total Foreign Direct Spend: R18.1 billion
- **2<sup>nd</sup> Highest** in bed nights: 16.7 million

PROVINCIAL TOURISM PERFORMANCE, 2016						
Province	Arrivals	Spend (billions)	Length of stay	Bed nights	Paid Bed nights	Average spend
Gauteng	4,305,634	R34.3	8.4	34,586,133	8,289,927	R8,500
<b>Western Cape</b>	<b>1,568,357</b>	<b>R18.1</b>	<b>11.1</b>	<b>16,744,578</b>	<b>10,167,669</b>	<b>R12,200</b>
Eastern Cape	324,560	R2.8	9.1	2,763,220	1,529,287	R9,100
Kwa Zulu Natal	753,617	R4.4	7.6	5,486,847	1,803,044	R6,300
Mpumalanga	1,427,795	R4.7	8.1	8,511,600	2,198,920	R4,600
Limpopo	1,541,120	R7.6	4.0	5,876,470	1,508,404	R5,200
North West	893,318	R1.8	8.1	4,906,041	563,797	R3,000
Northern Cape	98,214	R0.6	8.3	768,148	238,757	R6,800
Free State	1,223,631	R1.1	9.7	9,176,032	415,872	R1,100

Source: SA Tourism, 2017

## 4 Western Cape Tourism Performance

The Western Cape accounted for 15.6% of all South African tourist arrivals and received 23.9% of South Africa's tourist's spend. In addition, the Western Cape held 18.9% of South Africa's bed nights recorded during the period.

The Western Cape held the following share of South African tourists during 2016:

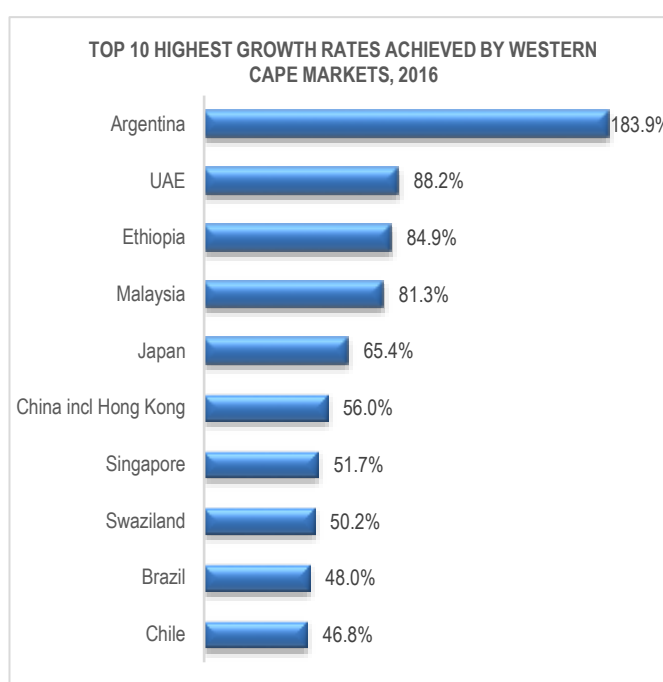
- Western Cape's share of **Africa land** tourists visiting South Africa 2.8%
- Western Cape's share of **Africa air** tourists visiting South Africa 23.9%
- Western Cape's share of **Americas** tourists visiting South Africa 56.8%
- Western Cape's share of **Asia & Australasia** tourists visiting South Africa 43.7%
- Western Cape's share of **European** tourists visiting South Africa 60.9%

Western Cape Performance Indicators	2014	2015	2016	15/16 % Change
<b>International</b>				
Total number of tourist arrivals	1,386,100	1,323,283	1,568,357	18.5%
% Share of South Africa's arrivals	14.50%	14.90%	15.60%	-
Total foreign direct spend (excl capital expenditure) from tourists	R14.5 billion	R14.9 billion	R18.1 billion	21.6%
% Share of South Africa's spend	22.60%	21.80%	23.90%	-
Total number of bed nights spent by tourists	16,483,252	15,625,036	16,744,578	7.2%
% Share of South Africa's bed nights				-
Length of stay	12.4 nights	12.2 nights	11.1 nights	-
<b>Domestic</b>				
Total domestic trips	1,606,000	1,829,000	2,139,000	16.9%
Total direct domestic spend	R2.8 billion	R2.0 billion	R2.5 billion	24.3%
Total annual domestic bed nights	12,086,000	8,316,000	10,393,000	25.0%
Length of stay	7.5 nights	4.8 nights	4.9 nights	-

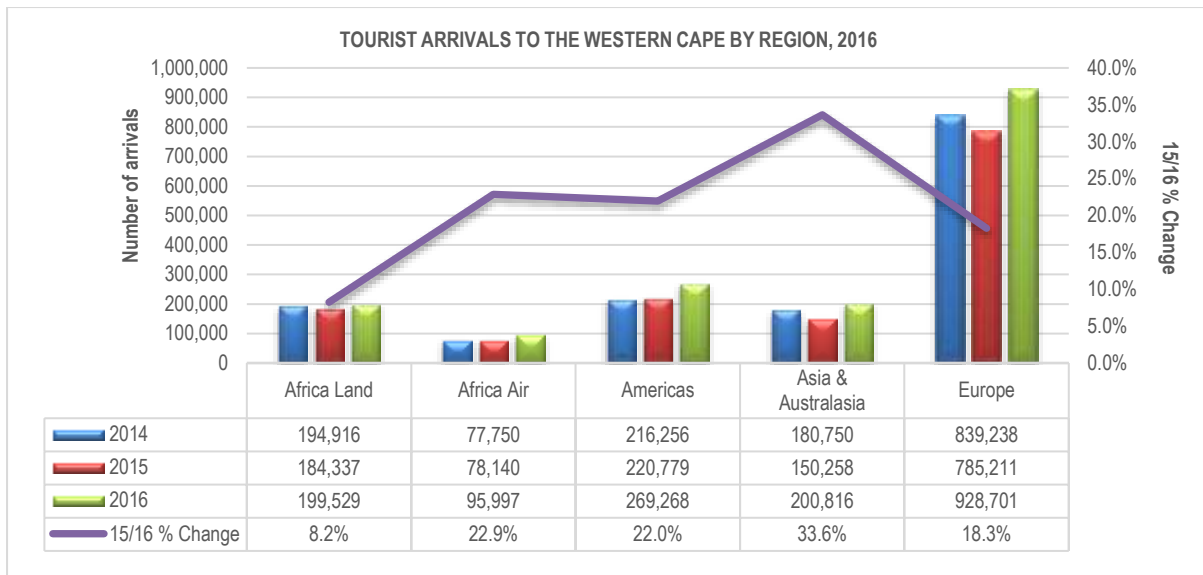
Source: SA Tourism, 2017

### 4.1 Tourist Arrivals

- In 2016, Europe (928,701), the Americas (269,268) and Asia & Australasia (200,816) ranked as the top three regions with respect to volume in tourist arrivals.
- A robust growth rate was recorded across all regions with the highest increase attained from the Asia & Australasia (33.6%) region.
- The United Kingdom, Germany and the United States maintained their positions as the Western Cape's top three source markets, closely followed by Namibia and the Netherlands.
- In terms of growth, the highest year-on-year rise was driven by countries at a smaller base; which included Argentina (183.9%), United Arab Emirates (88.2%), Ethiopia (84.9%), Malaysia (81.3%) and Japan (65.4%).
- These five countries ranked as the Western Cape's top five markets with the highest growth rates.



Source: SA Tourism, 2017



Source: SA Tourism, 2017

#### 4.2 Performance of Top 10 Source Markets

PERFORMING INDICATORS BY TOP SOURCE MARKET, 2016							
Ranking	Source Market	Total Arrivals	15/16 % Change	Total Foreign Direct Spend (R million)	Average Spend	Bed nights	Length of stay
1	UK	270,167	10.4%	R 3,677	R 14,900	2,771,000	11.1
2	Germany	204,015	23.3%	R 2,243	R 12,800	2,162,000	12.1
3	USA	189,867	17.1%	R 2,295	R 13,600	1,816,000	10.5
4	Namibia	114,723	15.9%	R 512	R 4,500	1,159,000	10.1
5	Netherlands	96,797	21.3%	R 1,012	R 13,200	952,000	12.3
6	France	92,439	20.5%	R 811	R 11,000	783,000	10.4
7	China including Hong Kong	60,096	56.0%	R 378	R 6,600	335,000	5.8
8	Australia	47,891	5.0%	R 649	R 15,300	426,000	9.6
9	Switzerland	40,181	26.5%	R 513	R 14,700	368,000	10.3
10	Canada	39,299	16.1%	R 396	R 11,500	323,000	9.3

Source: SA Tourism, 2017

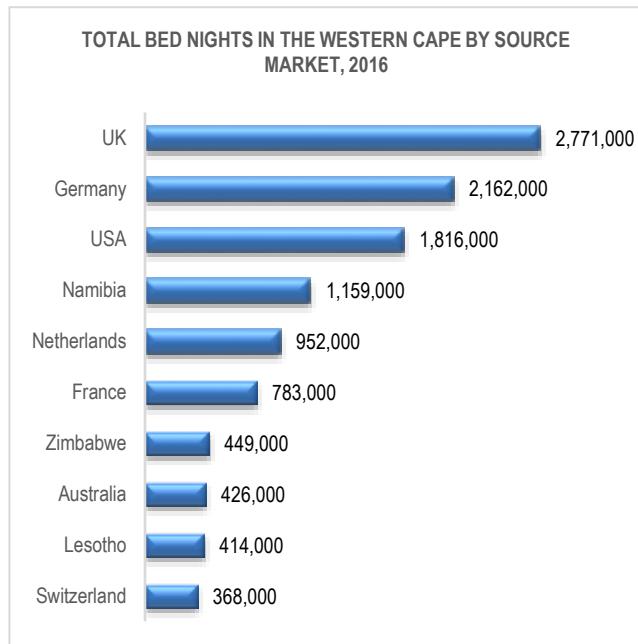
#### 4.3 Accommodation trends and average length of stay

- In 2016, the Western Cape recorded the 2<sup>nd</sup> highest number in total bed nights of all provinces, generating 16.7 million and rising by 7.2% year-on-year.
- By source market, the United Kingdom, Germany, United States, Namibia and the Netherlands ranked as the top five markets for bed nights spent in the Western Cape.
- Amongst the provinces, slightly over 70% of formal bed nights were spent in the Western Cape and Gauteng provinces.
- During 2016, the Western Cape held the highest number in *formal bed nights\** and grew by 11.4% year on year.

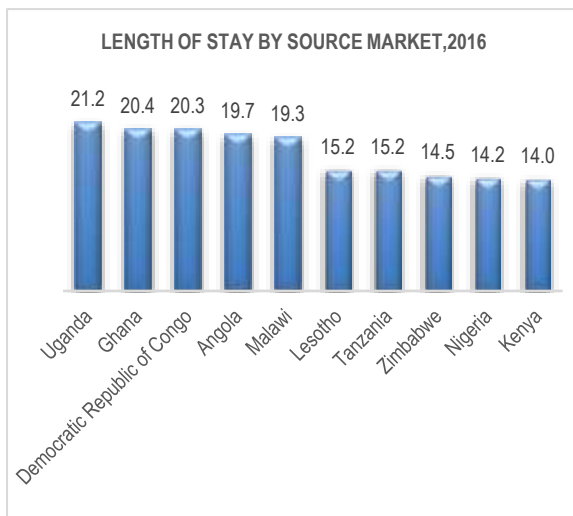
FORMAL BED NIGHTS BY PROVINCE, 2016		
Province	Formal bed nights	y-o-y % change
Gauteng	8,134,375	-3.6%
Western Cape	<b>9,983,052</b>	<b>11.4%</b>
Eastern Cape	1,491,995	1.7%
KwaZulu-Natal	1,737,842	-13.6%
Limpopo	1,281,868	-35.5%
Mpumalanga	1,962,726	-9.0%
North West	538,906	-11.7%
Northern Cape	213,119	-6.6%
Free State	327,573	-5.1%
<b>Total South Africa</b>	<b>25,671,455</b>	<b>-2.0%</b>

Source: SA Tourism, 2017

\*Sum of formal nights spent (Paid nights less hospital, camping & train/ship)



- Visiting friends and family ranked as the top accommodation usage amongst tourists during 2016, followed by hotels and self-catering establishments.
- Visitors who resided at hospitals during their stay in the Western Cape reflected the highest (104.5%) year-on-year growth, underlining the Western Cape's growing medical tourism sector.
- The Africa markets dominated in average length of stay, with travellers from Uganda, Ghana and the Democratic Republic of Congo staying for over 20 nights in the Western Cape.



Source: SA Tourism, 2017

ACCOMMODATION TYPES USED IN THE WESTERN CAPE, 2015/2016			
Accommodation Type	2015	2016	15/16 % Change
Visiting friends & family	5,385,000	5,929,000	10.1%
Hotels	4,313,000	5,616,000	30.2%
Self-catering	2,439,000	2,162,000	-11.4%
Backpackers	1,631,000	1,992,000	22.1%
Guesthouse	2,112,000	1,769,000	-16.2%
Game lodge	818,000	1,242,000	51.8%
Bed and breakfast	1,157,000	1,209,000	4.5%
Camping	201,000	240,000	19.4%
Hospital	22,000	45,000	104.5%
Train or ship	49,000	42,000	-14.3%

#### 4.4 Attractiveness of Western Cape's top tourism icons and activities

- 14 out of the TOP 20 attractions and landmarks visited in South Africa were based in the Western Cape
- 14 out of the TOP 25 natural scenery and game attractions visited in South Africa were based in the Western Cape
- The V&A Waterfront ranked as the TOP mall in the TOP 20 malls and urban attractions visited in South Africa
- Robben Island ranked as the TOP landmark in the TOP 10 culture and heritage attractions visited in South Africa
- Camp's Bay and Clifton ranked as the TOP beaches in the TOP 10 beach front attractions visited in South Africa

ATTRactions AND LANDMARKS VISITED BY TOURISTS IN SOUTH AFRICA, 2014-2016				
Attraction/Landmark	2014	2015	2016	15/16 % Change
V&A Waterfront	918,000	840,000	1,101,000	31.1%
Cape Town Central City	774,000	883,000	1,088,000	23.2%
Cape Point	718,000	664,000	862,000	29.8%
Sandton City/Mandela Square	249,000	61,000	818,000	1241.0%
Table Mountain Cableway	761,000	722,000	786,000	8.9%
Table Mountain (not cableway)			352,000	-
The Winelands	662,000	559,000	669,000	19.7%
Camp's Bay			511,000	-
Kirstenbosch National Botanical Gardens			447,000	-
The Garden Route	325,000	284,000	402,000	41.5%
Clifton Beach			374,000	-
Robben Island	291,000	317,000	337,000	6.3%
Kruger Park	246,000	242,000	294,000	21.5%
Apartheid Museum	227,000	208,000	262,000	26.0%
Tsitsikamma National Park			250,000	-
Eastgate Mall	86,000	17,000	233,000	1270.6%
Mandela House (Soweto)	1,000		227,000	-
Cape Town Ostrich Ranch/Cape Point Ostrich Farms	119,000	144,000	226,000	56.9%
Karoo National Park		101,000	193,000	91.1%
Tour of Soweto	157,000	173,000	212,000	22.5%

Source: SA Tourism, 2017

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#### 4.5 Western Cape Visitor Profile

WESTERN CAPE VISITOR PROFILE, 2016		
Top 3: Age group	25-34 years (29.9%)	
	35-44 years (24.0%)	
	45-54 years (17.1%)	
Top 3: Travel group size	Alone (40.7%)	
	Spouse/Partner (33.8%)	
	5 & more (14.8%)	
Top 3: Whom are you travelling with?	Alone (40.7%)	
	Spouse/Partner (30.7%)	
	Friends (13.3%)	
Top 3: Repeater Rate	First timers (58.4%)	
	2-3 times (17.9%)	
	4-5 times (8.4%)	
Top 5: Cities visited in the Western Cape	Cape Town	
	Stellenbosch	
	Simon's Town	
	Hermanus	
	Hout Bay	
Top 3: Purpose of visit to the Western Cape	<b>Foreign</b>	<b>Domestic</b>
	Holiday (57.3%)	VFR (62.4%)
	VFR (18.0%)	Holiday (30.4%)
	MICE (13.5%)	Business (6.8%)

Source: SA Tourism, 2017

## Appendix: Tourist arrivals to the Western Cape by source market

TOURIST ARRIVALS TO THE WESTERN CAPE BY SOURCE MARKET, 2015-2016			
	2015	2016	15/16 % Change
<b>AFRICA LAND</b>	<b>184,337</b>	<b>199,529</b>	<b>8.2%</b>
Botswana	7,490	4,512	-39.8%
Lesotho	19,936	27,305	37.0%
Malawi	5,819	4,337	-25.5%
Mozambique	10,177	10,672	4.9%
Namibia	99,001	114,723	15.9%
Swaziland	1,518	2,280	50.2%
Zambia	5,341	4,778	-10.5%
Zimbabwe	35,039	30,931	-11.7%
<b>AFRICA AIR</b>	<b>78,140</b>	<b>95,997</b>	<b>22.9%</b>
Angola	12,602	12,067	-4.2%
Democratic Republic of Congo	4,547	4,347	-4.4%
Ethiopia	779	1,441	84.9%
Ghana	2,040	2,768	35.7%
Kenya	4,220	4,336	2.7%
Nigeria	7,799	7,770	-0.4%
Tanzania	3,640	4,607	26.6%
Turkey	7,106	8,928	25.6%
Uganda	1,764	1,535	-13.0%
UAE	1,106	2,081	88.2%
Other Africa and Middle East	31,628	45,134	42.7%
<b>AMERICAS</b>	<b>220,779</b>	<b>269,268</b>	<b>22.0%</b>
Argentina	1,998	5,672	183.9%
Brazil	14,957	22,135	48.0%
Canada	33,839	39,299	16.1%
Chile	1,374	2,017	46.8%
USA	162,170	189,867	17.1%
Other Americas	6,054	11,219	85.3%
<b>ASIA &amp; AUSTRALASIA</b>	<b>150,258</b>	<b>200,816</b>	<b>33.6%</b>
Australia	45,607	47,891	5.0%
China including Hong Kong	38,535	60,096	56.0%
India	23,730	29,169	22.9%
Japan	7,843	12,969	65.4%
Malaysia	2,154	3,905	81.3%
New Zealand	9,470	13,736	45.0%
Singapore	2,463	3,736	51.7%
South Korea	9,282	12,384	33.4%
Other Asia and Australasia	13,357	19,392	45.2%
<b>EUROPE</b>	<b>785,211</b>	<b>928,701</b>	<b>18.3%</b>
Austria	13,480	15,641	16.0%
Belgium	23,534	26,548	12.8%
Denmark	14,033	14,100	0.5%
Finland	4,032	5,778	43.3%
France	76,736	92,439	20.5%
Germany	165,488	204,015	23.3%
Ireland	13,381	17,954	34.2%
Italy	30,007	37,433	24.7%
Netherlands	79,820	96,797	21.3%
Norway	10,800	12,116	12.2%
Portugal	17,151	17,665	3.0%
Russian Fed	3,003	3,429	14.2%
Spain	15,286	18,292	19.7%
Sweden	19,090	27,624	44.7%
Switzerland	31,758	40,181	26.5%
UK	244,782	270,167	10.4%
Other Europe	20,880	26,395	26.4%
<b>ALL FOREIGN TOURISTS</b>	<b>1,323,283</b>	<b>1,568,357</b>	<b>18.5%</b>

Source: SA Tourism, 2017