

Western Cape Destination Performance: Q1 2017

1. Global Tourism Performance

- According to the June 2017 addition of the *United Nations World Tourism Barometer*, international tourist arrivals worldwide grew by 6% between January and April 2017.
- Business confidence reached its highest levels in the last decade. Sustained growth in most major destinations and a steady rebound in others drove tourism performance.
- Destinations worldwide received 369 million international tourists (overnight visitors) in the first four months of 2017, rising by 21 million when compared to the same period of 2016.
- The January to April period generally accounts for 28% of the yearly total and covers the winter season of the Northern Hemisphere, the summer season of the Southern Hemisphere as well as the Chinese New Year and Easter holidays, among others.
- International arrivals around the world were positive overall, with very few exceptions. The largest share of 2016's strong performers maintained momentum into 2017, while destinations that struggled in previous years continued to rebound.
- This is particularly reflected in the improved results of the Middle East (+10%), Africa (+8%) and Europe (+6%). Asia and the Pacific (+6%) and the Americas (+4%) continued to enjoy a robust growth.

2. South Africa: National Tourism Performance

- Between January and March 2017, South Africa recorded a total of 7 million international and domestic tourists for the period.
- The domestic market accounted for 4.4 million trips while the international tourists made up 2.6 million of the total tourists.
- When compared to the same quarter of 2016, total tourist arrivals to South Africa recorded an overall decline of 29.8% year-on-year.
- The biggest contributor to the decline is the 39.6% drop in domestic tourism, total trips dropped from 7.3 million to 4.4 million in Q1 2017.
- The decline in domestic trips were largely due to the annual shift in the Easter holidays, which occurred in April 2017 instead of March. Domestic tourism traditionally makes up two-thirds of the overall tourism flow, the change in the Easter holidays had a significant impact on the overall tourism numbers for the quarter.
- During the same period, the African market dropped by 8.1% year on year. With Africa representing the largest proportion of the country's tourism market, the decline had a significant impact on the overall drop in international tourists.
- Due to elections taking place in numerous African countries this year, currency constraints in countries such as Zimbabwe has impacted on travel from those parts of Africa.

National Tourism Indicators	Q1 2016	Q1 2017	Q1 y-o-y % change
International			
Total number of tourist arrivals	2,721,005	2,622,215	-3.6%
Total foreign direct spend (excl capital expenditure) from tourists	R22.5 billion	R19.0 billion	-15.2%
Total number of bed nights spent by tourists	26.2 million	25.8 million	-1.5%
Average length of stay of tourists visiting South Africa	10.0 nights	10.2 nights	-
% of tourists who visited more than one province	16.0%	15.4%	
Domestic			
Total domestic trips	7.3 million	4.4 million	-39.6%
Total Direct Domestic Spend	R8.8 billion	R5.4 billion	-38.9%
Average Nights per Domestic Trip	3.6 nights	3.4 nights	-
Total Annual Domestic Bed nights	26.0 million	14.9 million	-42.5%

Source: SA Tourism, 2017

2 Provincial Tourism Performance

Of all nine provinces, the Western Cape ranked:	Q1 16/17 Y-O-Y GROWTH
TOP province in the number of formal bed nights: 3,295,800	+18.3%
2nd Highest in tourist arrivals: 472,156	+6.0%
2nd Highest in Total Foreign Direct Spend: R5.7 billion	+1.2%
2nd Highest in total bed nights: 5.7 million	+21.0%

Source: SA Tourism, 2017

PROVINCIAL TOURISM PERFORMANCE, Q1 2017				
Province	Arrivals	Spend (millions)	Length of stay	Bed nights
Gauteng	1,043,754	R7,446	9.4	9,427,000
Western Cape	472,156	R5,718	12.5	5,687,000
Limpopo	453,713	R2,142	3.7	1,624,000
Mpumalanga	368,070	R1,126	8.0	2,834,000
Free State	356,167	R275	7.8	2,689,000
KwaZulu-Natal	194,959	R1,113	7.8	1,464,000
North West	179,404	R365	5.9	1,015,000
Eastern Cape	103,625	R727	7.2	723,000
Northern Cape	23,876	R132	15.2	350,000

Source: SA Tourism, 2017

3 Western Cape Tourism Performance

The Western Cape accounted for 18.0% of all South African tourist arrivals and received 30.0% of South Africa's tourist's spend. In addition, the Western Cape held 22.1% of South Africa's bed nights recorded during the period.

The Western Cape held the following share of South African tourists during Q1 2017:

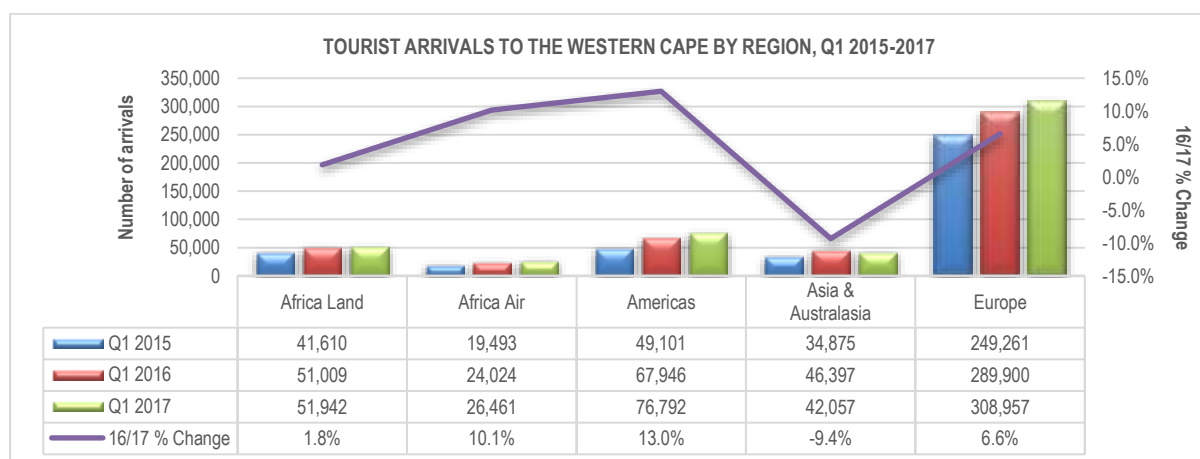
- Western Cape's share of **Africa land** tourists visiting South Africa 2.9%
- Western Cape's share of **Africa air** tourists visiting South Africa 35.3%
- Western Cape's share of **Americas** tourists visiting South Africa 60.0%
- Western Cape's share of **Asia & Australasia** tourists visiting South Africa 39.7%
- Western Cape's share of **European** tourists visiting South Africa 61.7%

Western Cape Performance Indicators	Q1 2015	Q1 2016	Q1 2017	16/17 % Change
International				
Total number of tourist arrivals	371,324	445,266	472,156	6.0%
Total foreign direct spend (excl capital expenditure) from tourists	R4.1 billion	R5.6 billion	R5.7 billion	1.2%
Total number of bed nights spent by tourists	4,262,200	4,698,700	5,686,500	21.0%
Domestic				
Total domestic trips	-	730,000	528,000	-27.7%

Source: SA Tourism, 2017

4.1 Tourist Arrivals to the Western Cape

- The Western Cape maintained a strong demand from the European region, recording over 300,000 tourist arrivals between January and March 2017. The province not only welcomed a solid influx from this region, but also portrayed a consecutive year-on-year growth since 2015.
- According to a survey conducted by *Expedia Media Solutions* between March and April 2017, trends indicated that the majority of Europeans travel outside their country when going on holiday. While the European region ranks as the largest contributor to the Western Cape's tourism market share, the province are able to attract an even greater share of travellers who prefer long-haul destinations.
- The same set of respondents indicated that their top considerations for choosing a destination would include the type of activities they will be doing on the trip, a once in a lifetime experience as well as a unique cultural experience. Trends of this nature is extremely important to Western Cape marketers to effectively align their tourism offerings.
- The Western Cape's tourism offering is well established to cater to the demand and unique leisure needs for each market. These trends will not only provide an indication of potential opportunities; but also allows the province to sustain the strong markets while attracting emerging countries.
- The Western Cape welcomed its second largest share of tourist arrivals from the Americas. As a whole, the region accounted for 76,792 tourist arrivals, rising by 13.0% year-on-year.
- The United States (44,885) ranked as the biggest contributor to volume from the Americas region. However, while at a smaller base, key emerging markets such as Chile (+201.6%), Brazil (+147.8%) and Argentina (+91.4%) largely attributed to the solid year-on-year increase recorded for the region as a whole.



Source: SA Tourism, 2017

4.2 Performance of Top 10 Source Markets

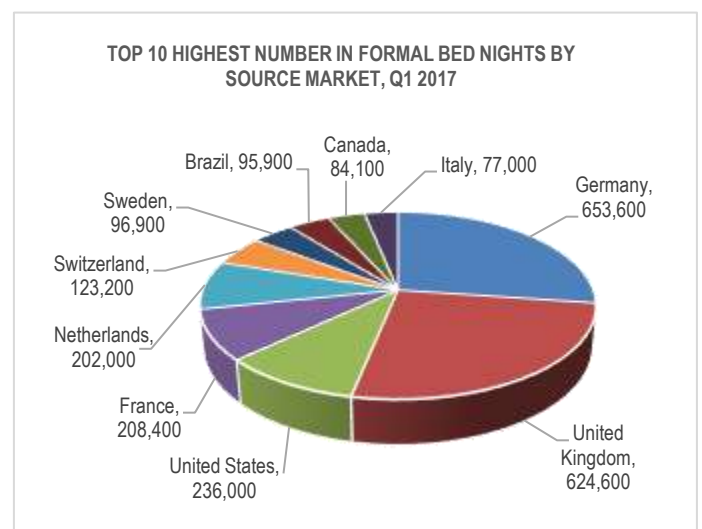
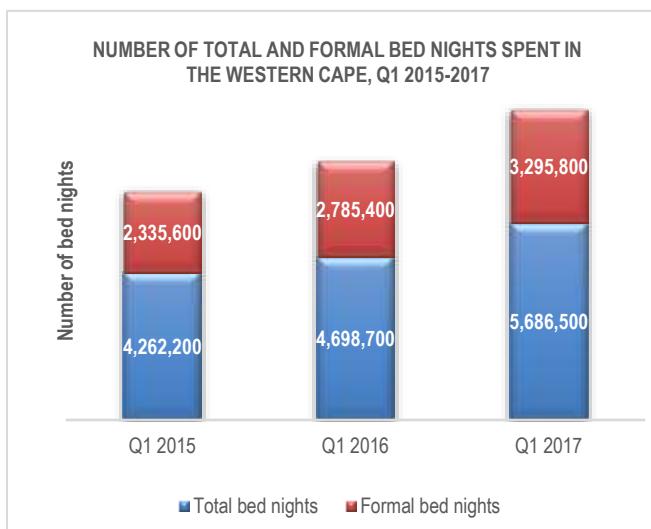
- **HIGHEST GROWTH** amongst the top 10 source markets were attained from **Brazil: +147.8%**.
- **TOP 10 highest markets in formal bed nights** spent in the Western Cape included **Italy with 77,000** ranking in the 10th position, despite not ranking in the Western Cape's top 10 source markets with respect to tourism volume (arrivals).

PERFORMING INDICATORS BY TOP SOURCE MARKET, Q1 2017						
Ranking	Source Market	Q1 2016 Arrivals	Q1 2017 Arrivals	16/17 % Change	Total Bed nights	Formal bed nights
1	UK	94,422	87,607	-7.2%	1,091,300	624,600
2	Germany	68,270	73,190	7.2%	968,400	653,600
3	USA	46,531	44,885	-3.5%	430,300	236,000
4	France	24,216	34,131	40.9%	328,000	208,400
5	Netherlands	22,196	26,750	20.5%	284,700	202,000
6	Namibia	26,220	24,684	-5.9%	228,500	62,500
7	Switzerland	12,557	13,398	6.7%	178,100	123,200
8	Sweden	10,032	12,564	25.2%	131,800	96,900
9	Canada	11,470	12,548	9.4%	121,500	84,100
10	Brazil	4,728	11,714	147.8%	128,200	95,900

Source: SA Tourism, 2017

4.3 Accommodation trends

- The Western Cape recorded over 5 million bed nights between January and March 2017, of which 60% were spent in formal accommodation.
- During the same period, the Western Cape ranked as the top province in formal bed nights, underlining the strength of the Western Cape's accommodation sector overall.
- When compared to the same period of 2016, the number of formal bed nights spent in the province increased by 18.3%.
- Travellers from Europe and the Americas ranked as the largest contributors to the formal accommodation sector.
- The top source markets with respect to formal bed nights included Germany (653,600), the United Kingdom (624,600), the United States (236,000), France (208,400) and Netherlands (202,000).
- Nationally, trends indicate that most tourists (65%) do not stay in formal accommodation, but stay with friends and relatives when they travel to South Africa.
- With 40% of bed nights in the Western Cape spent in either the informal accommodation sector or with friends and family, it provides opportunities to entice potential tourists with more affordable accommodates rates or reasonably priced holiday packages.



Source: SA Tourism, 2017

*Formal bed nights: Includes hotels, B&Bs, guesthouses, self-catering, game lodges and backpackers.

Appendix: Tourist arrivals to the Western Cape by source market

TOURIST ARRIVALS TO THE WESTERN CAPE BY SOURCE MARKET, Q1 2016-2017			
	Q1 2016	Q1 2017	16/17 % Change
AFRICA LAND	51,009	51,942	1.8%
Botswana	828	1,886	127.8%
Lesotho	9,844	5,895	-40.1%
Malawi	1,260	2,588	105.4%
Mozambique	2,534	3,700	46.0%
Namibia	26,220	24,684	-5.9%
Swaziland	838	996	18.9%
Zambia	1,529	940	-38.5%
Zimbabwe	7,960	11,258	41.4%
AFRICA AIR	24,024	26,461	10.1%
Angola	3,026	4,217	39.4%
Democratic Republic of Congo	1,139	1,099	-3.5%
Ethiopia	203	447	120.2%
Ghana	511	842	64.8%
Kenya	1,144	1,022	-10.7%
Nigeria	1,679	2,835	68.9%

TOURIST ARRIVALS TO THE WESTERN CAPE BY SOURCE MARKET, Q1 2016-2017			
	Q1 2016	Q1 2017	16/17 % Change
Tanzania	1,356	1,528	12.7%
Turkey	512	777	51.8%
Uganda	1,714	1,951	13.8%
UAE	1,875	2,079	10.9%
Other Africa and Middle East	10,054	10,054	0.0%
AMERICAS	67,946	76,792	13.0%
Argentina	1,972	3,775	91.4%
Brazil	4,728	11,714	147.8%
Canada	11,470	12,548	9.4%
Chile	490	1,478	201.6%
USA	46,531	44,885	-3.5%
Other Americas	3,226	2,470	-23.4%
ASIA & AUSTRALASIA	46,397	42,057	-9.4%
Australia	11,226	9,735	-13.3%
China including Hong Kong	15,838	11,517	-27.3%
India	5,970	6,662	11.6%
Japan	2,301	2,733	18.8%
Malaysia	644	509	-21.0%
New Zealand	2,760	1,783	-35.4%
Singapore	650	720	10.8%
South Korea	3,578	3,863	8.0%
Other Asia and Australasia	4,345	6,374	46.7%
EUROPE	289,900	308,957	6.6%
Austria	5,386	5,686	5.6%
Belgium	6,392	7,482	17.1%
Denmark	5,496	5,668	3.1%
Finland	1,921	1,958	1.9%
France	24,216	34,131	40.9%
Germany	68,270	73,190	7.2%
Ireland	5,102	5,582	9.4%
Italy	6,871	7,794	13.4%
Netherlands	22,196	26,750	20.5%
Norway	5,075	4,305	-15.2%
Portugal	4,989	3,720	-25.4%
Russian Fed	1,170	915	-21.8%
Spain	4,204	3,662	-12.9%
Sweden	10,032	12,564	25.2%
Switzerland	12,557	13,398	6.7%
UK	94,422	87,607	-7.2%
Other Europe	9,868	13,877	40.6%
ALL FOREIGN TOURISTS	445,266	472,156	6.0%

Source: SA Tourism, 2017

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