

Western Cape Destination Performance: Q2 2017

1. Global Tourism Performance

- According to the August 2017 addition of the *United Nations World Tourism Barometer (UNWTO)*, international tourist arrivals globally grew by 6% between January and June 2017.
- Destinations worldwide welcomed 598 million international tourists into the first half of 2017, an additional 36 million more when compared to the same period of 2016.
- The global growth was well above the trends of recent years, making the January to June 2017 period the strongest half-year performance since 2010.
- According to the UNWTO regions, growth was strongest in the Middle East (+9%), Europe (+8%) and Africa (+8%), followed by Asia & the Pacific (+6%) and the Americas (+3%).
- The Mediterranean destinations reported strong growth in the first half of 2017, as reflected in the results for Southern and Mediterranean Europe (+12%), North Africa (+16%) and the Middle East (+9%).
- The positive trend was driven by the continued strength in many destinations in the area, coupled with a solid rebound in destinations that suffered declines in previous years, such as Turkey, Egypt and Tunisia.
- During the same period, Canada, China, France, the Republic of Korea, Spain, the United Kingdom and the United States continued to report solid growth in outbound expenditure. The first half of 2017 also saw a strong recovery in demand from Brazil and the Russian Federation, following a few years of declines with respect to expenditure abroad.

2. South Africa: National Tourism Performance

- A total of 7.2 million domestic and international tourism trips were taken between April and June 2017. Despite the year-on-year decline in the combined number of trips, the economic contribution (23.9 billion) increased by 2.8% when compared to Q2 2016.
- Domestic tourism is the strength of South Africa's tourism economy and makes up two-thirds of the country's overall tourism trips. The biggest challenge facing the South African tourism sector is how to grow and sustain the domestic tourism market, given the tough economic environment. The majority of domestic travellers surveyed by South African Tourism indicated that affordability is the main reason for not taking a trip during this time.
- On the positive side, the number of domestic holiday trips increased by 16.1%, suggesting that South African Tourism marketing efforts to promote a culture of leisure travel has gained traction.
- The Easter holidays fell in the second quarter of 2017, this period definitely had an impact on travel patterns from South Africa's neighbouring countries.
- February's Dineo tropical cyclone affected the travel patterns of Mozambicans. Despite the marginal increase in the Zimbabwean arrivals, the country is suffering from cash shortages, prompting authorities to issue bond notes and enforce limits on withdrawals. These regulatory changes affected Zimbabweans ability to travel to South Africa for shopping purposes.

National Tourism Indicators	Q2 2016	Q2 2017	Q2 y-o-y % change
International			
Total number of tourist arrivals	2.2 million	2.4 million	6.5%
Total foreign direct spend (excl capital expenditure) from tourists	R16.8 billion	R17.6 billion	4.4%
Total number of bed nights spent by tourists	19.7 million	28.9 million	46.4%
Average length of stay of tourists visiting South Africa	9.1 nights	12.5 nights	-
% of tourists who visited more than one province	13.7%	14.1%	
Domestic			
Total domestic trips	5.4 million	4.8 million	-12.1%
Total Direct Domestic Spend	R6.4 billion	R6.4 billion	-1.5%
Average Nights per Domestic Trip	3.6 nights	3.7 nights	-
Total Annual Domestic Bed nights	19.8 million	17.5 million	-11.7%

Source: SA Tourism, 2017

2 Provincial Tourism Performance

PROVINCIAL TOURISM PERFORMANCE, Q2 2017							
Province	Arrivals	Spend (millions)	Average Spend	Length of stay	Bed nights	Top 3 markets	Top 3 Markets-Air only
Gauteng	965,365	R6,557	R7,100	11.8	11,014,600	Mozambique Zimbabwe Lesotho	United States United Kingdom India
Limpopo	417,992	R2,271	R5,600	4.2	1,685,700	Zimbabwe Botswana United States	United States United Kingdom France
Mpumalanga	360,326	R1,131	R3,300	9.1	3,180,400	Mozambique Swaziland United States	United States Germany United Kingdom
Western Cape	336,146	R4,243	R13,600	14.6	4,759,900	United States United Kingdom Germany	United States United Kingdom Germany
Free State	285,985	R828	R3,200	12.9	3,569,800	Lesotho Mozambique Swaziland	United States United Kingdom Germany
North West	195,575	R322	R1,800	6.5	1,221,200	Botswana Lesotho Zimbabwe	India United Kingdom United States
KwaZulu-Natal	183,492	R1,320	R7,600	11.0	1,954,500	Swaziland Lesotho United States	United States United Kingdom Germany
Eastern Cape	76,070	R725	R10,200	15.1	1,111,000	Germany United States United Kingdom	Germany United States United Kingdom
Northern Cape	29,765	R177	R6,300	12.6	363,100	Namibia Lesotho United States	United States United Kingdom Germany

Source: SA Tourism, 2017

3 Western Cape Tourism Performance

The Western Cape accounted for 14.0% of all South African tourist arrivals and received 23.9% of South Africa's tourist's spend. In addition, the Western Cape held 16.6% of South Africa's bed nights recorded during the period.

The Western Cape held the following share of South African tourists during Q2 2017:

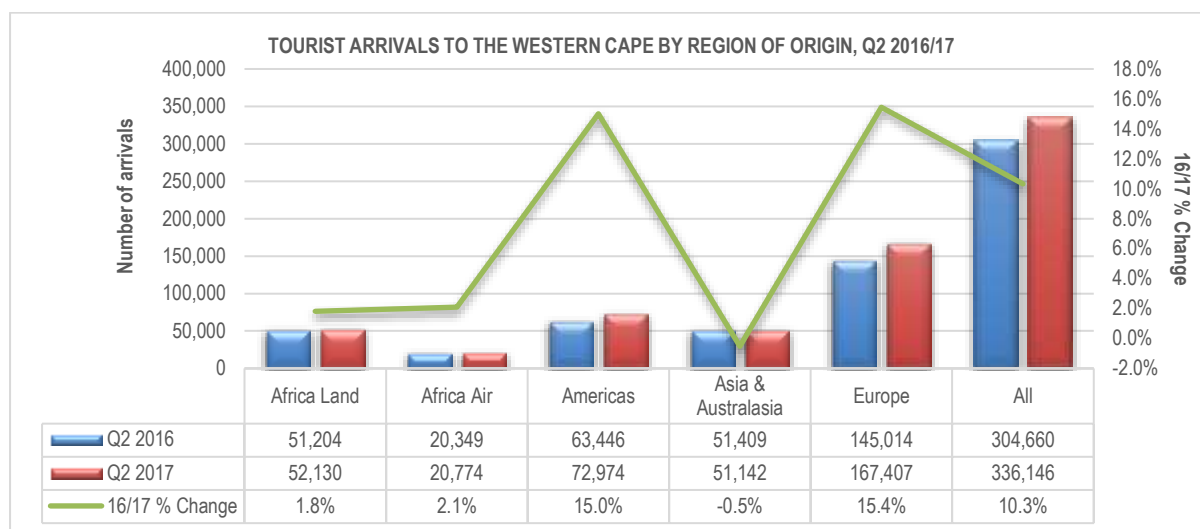
- Western Cape's share of **Africa land** tourists visiting South Africa 2.9%
- Western Cape's share of **Africa air** tourists visiting South Africa 29.1%
- Western Cape's share of **Americas** tourists visiting South Africa 53.2%
- Western Cape's share of **Asia & Australasia** tourists visiting South Africa 44.6%
- Western Cape's share of **European** tourists visiting South Africa 59.1%

Western Cape Performance Indicators	Q2 2015	Q2 2016	Q2 2017	16/17 % Change
International				
Total number of tourist arrivals	262,938	304,660	336,146	10.3%
Total foreign direct spend (excl capital expenditure) from tourists	R3.2 billion	R3.5 billion	R4.2 billion	21.9%
Total number of bed nights spent by tourists	3,751,000	3,458,700	4,759,900	37.6%

Source: SA Tourism, 2017

4.1 Tourist Arrivals to the Western Cape

- Between April and June 2017, the Western Cape attracted 336,146 tourists to its shores and recorded over R4.2 billion in foreign spend. Despite the quarter under review forming part of the traditional off-peak season, tourist arrivals grew by 10.3% year-on-year.
- Total Foreign Direct Spend increased by a remarkable 21.9% year-on year. Tourists not only spent more in the province, they also stayed longer in the province, recording an average of 14.6 nights in Q2 2017, compared to the 11.7 nights spent during Q2 2016.
- Europe maintained its position as the Western Cape largest contributor to tourist arrivals, recording a total of 167,407 tourists and rising by 15.4% year-on-year.



Source: SA Tourism, 2017

4.2 Performance of Top 10 Source Markets

- **HIGHEST GROWTH** amongst the top 10 source markets were attained from **Brazil: 165.9%**.
- **LONGEST** length of stay amongst the top 10 markets were from **France: 19.9 nights**.
- **HIGHEST NUMBER** in formal bed nights were attained from **Germany: 312,700**.

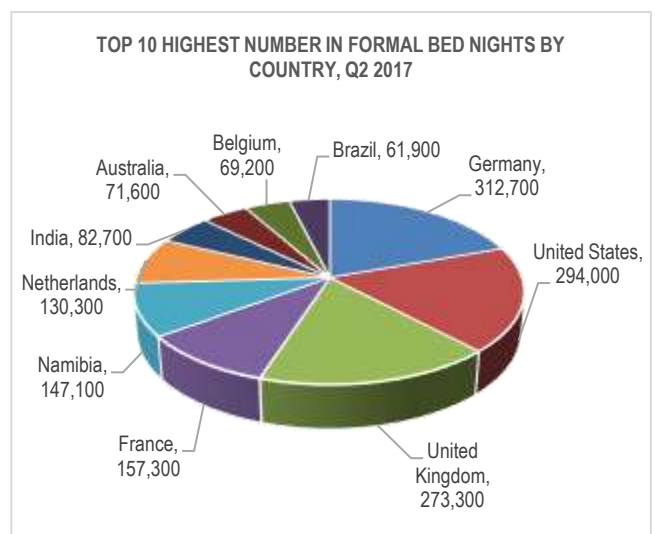
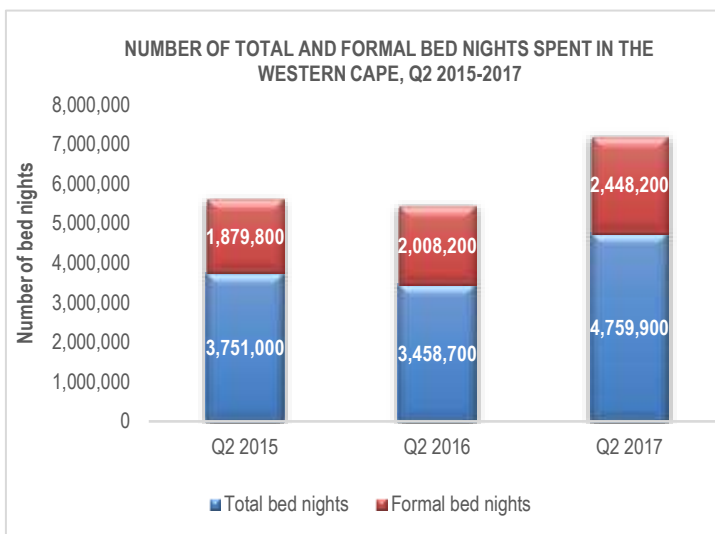
PERFORMING INDICATORS BY TOP SOURCE MARKET, Q2 2017							
Ranking	Source Market	Q2 2016 Arrivals	Q2 2017 Arrivals	16/17 % Change	Total Bed nights	Formal bed nights	Length of stay
1	United States	48,042	49,838	3.7%	473,900	294,000	10.3
2	United Kingdom	43,276	47,966	10.8%	529,300	273,300	12.1
3	Germany	26,185	32,580	24.4%	511,300	312,700	18.2
4	Namibia	28,614	27,120	-5.2%	482,800	147,100	17.8
5	France	15,800	20,608	30.4%	323,700	157,300	19.9
6	Netherlands	15,184	15,259	0.5%	203,500	130,300	16.4
7	Australia	11,059	15,208	37.5%	129,600	71,600	9.3
8	India	10,423	14,548	39.6%	102,500	82,700	7.7
9	Zimbabwe	9,840	9,399	-4.5%	167,600	51,900	17.8
10	Brazil	3,507	9,325	165.9%	79,200	61,900	9.1

Source: SA Tourism, 2017

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

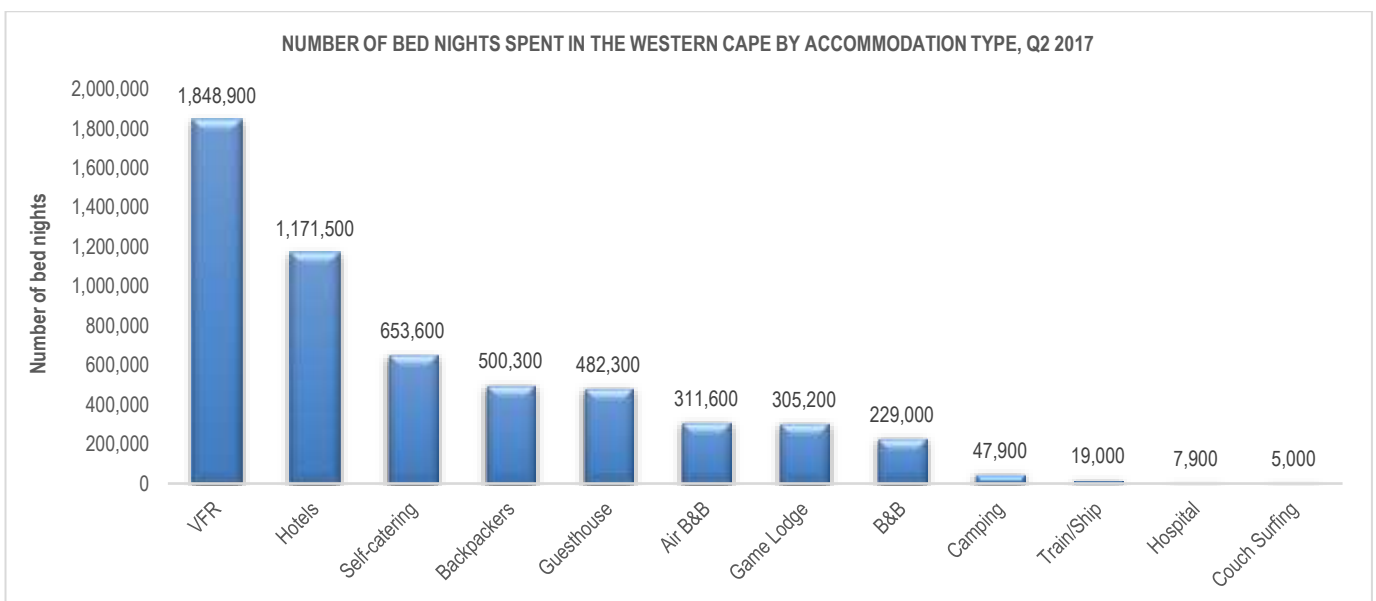
4.3 Accommodation trends

- The Western Cape recorded over 4 million bed nights between April and June 2017. 51% of the total bed nights were spent in the formal accommodation sector (hotels, B&Bs, guesthouses, self-catering, game lodges and backpackers).
- When compared to the same period of 2016, the number in total bed nights spent in the Western Cape increased by 37.6%, followed by an equally robust growth in the number of nights spent in formal accommodation, rising by 21.9% year-on-year.
- Travellers from Europe (1.3 million) and the Americas (429,700) ranked as the largest contributors to the formal accommodation sector.
- The top 5 source markets with respect to formal bed nights included Germany (312,700), United States (294,000), United Kingdom (273,300), France (157,300) and Namibia (147,100).
- Staying with friends and relatives (VFR) held the highest number in bed nights during the period, reaching 1.8 million. However, within the formal accommodation sector, hotels (1.2 million) recorded the second highest number in bed nights, followed by self-catering (653,600).
- With the exception of VFR, Airbnb ranked amongst the top 5 accommodation categories with the highest number in bed nights. This comes as no surprise given the level of popularity the Airbnb segment has gained since its inception.



Source: SA Tourism, 2017

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



Source: SA Tourism, 2017

*VFR- Visiting friends and relatives

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

TOURIST ARRIVALS TO THE WESTERN CAPE BY SOURCE MARKET, Q2 2016-2017			
	Q2 2016	Q2 2017	16/17 % Change
AFRICA LAND	51,204	52,130	1.8%
Botswana	1,105	2,823	155.5%
Lesotho	5,881	6,128	4.2%
Malawi	187	1,983	960.4%
Mozambique	4,006	2,219	-44.6%
Namibia	28,614	27,120	-5.2%
Swaziland	639	1,271	98.9%
Zambia	936	1,107	18.3%
Zimbabwe	9,840	9,399	-4.5%
AFRICA AIR	20,349	20,774	2.1%
Angola	2,474	2,719	9.9%
Democratic Republic of Congo	1,196	565	-52.8%
Ethiopia	464	448	-3.4%
Ghana	672	922	37.2%
Kenya	1,198	1,746	45.7%
Nigeria	1,942	2,503	28.9%
Tanzania	970	1,196	23.3%
Turkey	403	316	-21.6%
Uganda	2,114	1,824	-13.7%
UAE	340	373	9.7%
Other Africa and Middle East	8,062	7,634	-5.3%
AMERICAS	63,446	72,974	15.0%
Argentina	1,034	1,804	74.5%
Brazil	3,507	9,325	165.9%
Canada	8,372	8,881	6.1%
Chile	285	608	113.3%
USA	48,042	49,838	3.7%
Other Americas	2,369	2,498	5.4%
ASIA & AUSTRALASIA	51,409	51,142	-0.5%
Australia	11,059	15,208	37.5%
China including Hong Kong	14,681	5,349	-63.6%
India	10,423	14,548	39.6%
Japan	3,350	2,295	-31.5%
Malaysia	1,359	1,517	11.6%
New Zealand	2,423	2,011	-17.0%
Singapore	1,763	2,870	62.8%
South Korea	1,571	1,892	20.4%
Other Asia and Australasia	4,153	5,334	28.4%
EUROPE	145,014	167,407	15.4%
Austria	1,836	2,320	26.4%
Belgium	4,241	5,432	28.1%
Denmark	1,929	2,091	8.4%
Finland	905	858	-5.2%
France	15,800	20,608	30.4%
Germany	26,185	32,580	24.4%
Ireland	3,607	3,511	-2.7%
Italy	6,192	6,154	-0.6%
Netherlands	15,184	15,259	0.5%
Norway	1,662	2,289	37.7%
Portugal	5,253	4,728	-10.0%
Russian Fed	684	1,175	71.8%
Spain	2,802	4,919	75.6%
Sweden	3,334	3,508	5.2%
Switzerland	5,416	6,571	21.3%
UK	43,276	47,966	10.8%
Other Europe	6,228	6,750	8.4%
ALL FOREIGN TOURISTS	304,660	336,146	10.3%

Source: SA Tourism, 2017

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