



**Tourism Market Insights
United States: 2021**

WESGRO
cape town & western cape
research

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1. Overview of the United States

Where is the United States?

The USA, also referred to as the US or the United States, is located in North America, and shares its northern border with Canada and its southern border with Mexico. It has Atlantic, Pacific, Gulf and Arctic coastlines.

Population (millions)

331 million (2020)

Time Difference

Between six and nine hours behind South African time.

Language

The main language in the United States is English. Spanish is the second most common language and is spoken by around 35-million people.

Economy

- The United States annual real GDP decreased by 3.7% in 2020, largely attributed to the COVID-19 pandemic.
- A from 2018, international trade has been decreasing, as the country faces growing tension in US-China trade relations.
- Investments were hit hard in 2020, as businesses grappled with the uncertainty created by the pandemic.
- As the pandemic withdraws in 2021, the US economy is expected to bounce back. In the long term, the economy is projected to average around 2.3% real GDP growth per year, considerably higher than in Eurozone and in Japan.

Formal Greeting

'Hello' or 'hi'

United States Etiquette

- Americans are usually generous tippers, tipping up to 15-20%. In the US, the tip is sometimes included in the bill, so you may have to mention it if this is not the case in your establishment.
- Often, Americans are accustomed to having a large amount of personal space when interacting with others.
- In the United States it is usually considered proper not to phone someone after 9.30pm.
- Many Americans consider it rude to ask questions about how much they earn and how much more expensive items cost.
- It is also usually best to avoid topics such as politics, religion, homosexuality, racism, abortion, criticism of the government, and criticism of an individual's patriotism when speaking to Americans.
- Always be aware that treating men and women differently is unacceptable when interacting with Americans.

2. Overview of the American Travel Market

Largest Cities by Population (2021 estimate)	1. New York: 8,175,133
	2. Los Angeles: 3,971,883
	3. Chicago: 2,720,546
	4. Brooklyn: 2,300,664
	5. Houston: 2,296,224

Disposable income USD million (2020)	15,945
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Savings As % of disposable income (2020)	15.1%
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Average Age (2020)	38.6 years
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Paid Holidays (2020)	14.0
Public Holidays (2020)	10.0
Annual Leave (2020)	24.0

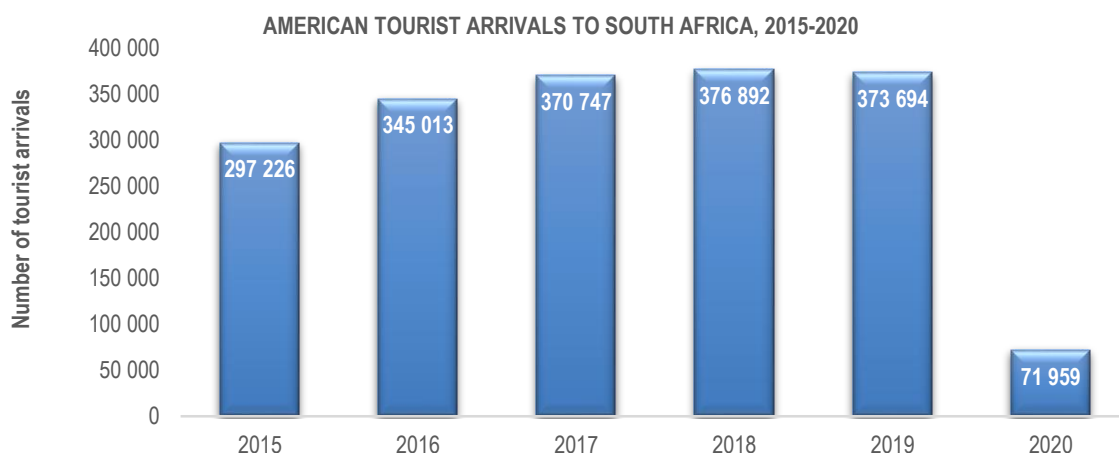
Outbound Departures ('000 trips)	2016: 103,421
	2017: 112,423
	2018: 119,669
	2019: 127,634
	2020: 40,040

Outbound trips by mode of transport (‘000 trips, 2020)	1. Air: 24,993
	2. Land: 14,603
	3. Rail: 60,9
	4. Water: 383,6

Type of Outbound Trips (2020)	Leisure: 82.1%
	Business: 17.9%

Top 10 Outbound Destinations (‘000 trips)	'000 trips	2016	2017	2018	2019	2020
	Mexico	27,768.5	31,051.1	33,505.9	36,822.5	21,729.2
	Canada	13,864.9	14,230.6	14,440.4	15,065.2	1,928.8
	Puerto Rico	3,241.8	3,048.4	2,667.4	2,838.0	1,322.6
	France	4,188.0	4,403.5	4,487.9	4,590.2	935.0
	Germany	2,558.5	2,808.3	2,969.2	3,057.4	937.5
	Dominican Republic	2,134.2	2,146.4	2,335.0	2,186.7	612.4
	Bahamas	1,182.5	1,145.1	1,304.3	1,473.0	362.6
	Italy	2,928.1	3,361.2	3,694.0	4,013.8	521.0
	Jamaica	1,406.1	1,510.0	1,628.4	1,838.9	637.6
Costa Rica	1,233.3	1,199.2	1,257.3	1,334.8	434.8	

3. The American Traveller to South Africa



Top 3 reasons for visiting South Africa (2020)	Holiday: 52,5% Visiting friends & family: 19,9% Business Traveller: 7,8% MICE: 6,0%
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Average length of stay in South Africa (Number of nights)	2018: 15,7 2019: 16,1 2020: 17,2
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Age profile (2020)	18-24 years: 11,8% 25-34 years: 24,7% 35-44 years: 16,2% 45-54 years: 15,7% 55-64 years: 15,0% 65+ years: 16,6%
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Repeater Rate of United States Travellers (2020)	First time: 66,2% 2-3 times: 16,1% 4-5 times: 8,0% 6-9 times: 5,4% 10 or more times: 4,3%
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Accommodation Usage (2019)	Hotels: 1,543,653 Friends & Family: 1,535,960 Game lodges: 527,771
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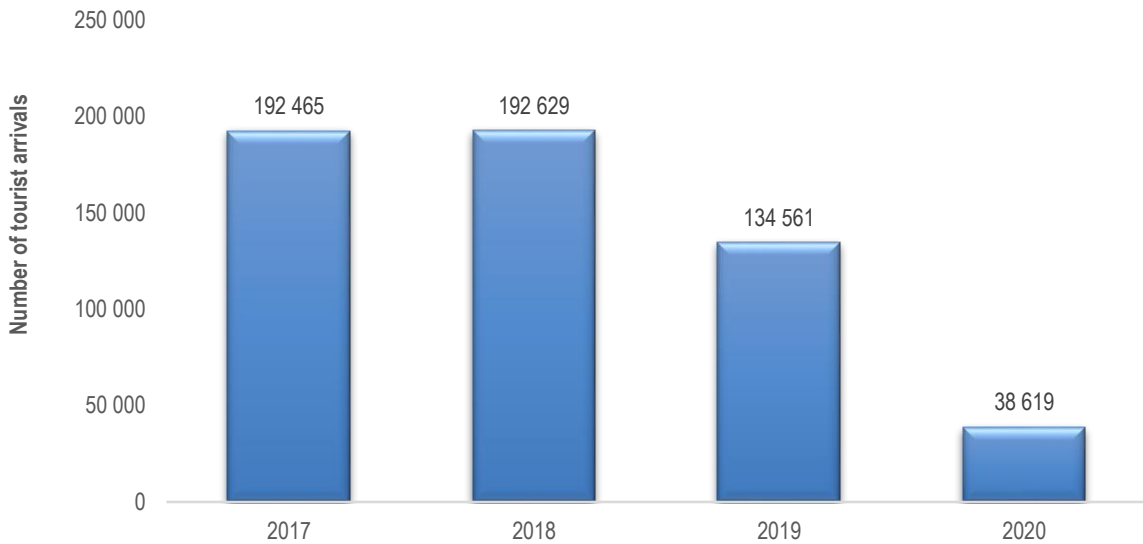
Total Foreign Direct Spend in South Africa: (R in billions)	2018: R7,9 2019: R7,9 2020: R1,5
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Average Spend in South Africa	2018: R23,400 2019: R22,900 2020: R23,300
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Top activities undertaken in South Africa (2020)	Hunting (43,1%) Wildlife (14,4%) Adventure (13,6%) Visiting natural attractions (12,4%) Culture/heritage (10,2%)
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4. The American Traveller to the Western Cape

AMERICAN TOURIST ARRIVALS TO THE WESTERN CAPE, 2017-2020

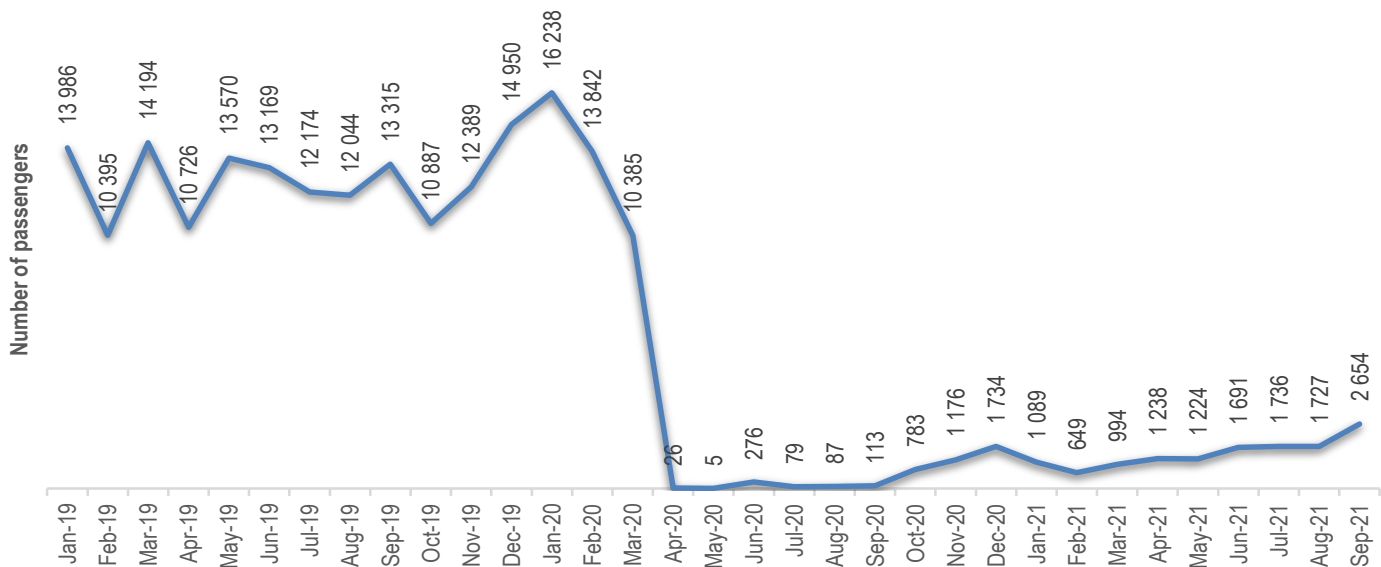


Source: SA Tourism, 2021

4.1 American passengers through the Cape Town International Airport

During the challenging nationwide lockdown which commenced on the 27th March 2020, the tourism and hospitality sectors have been the hardest hit throughout Africa. American passenger movement grew from a total of 5 in May 2020 to 276 in June 2020, largely attributed to the start of business travel which commenced in June 2020. Over a 1,000 passengers were welcomed between November 2020 and January 2021, followed by a decline between February and March 2021. American passenger movement reached its peak in September 2021, reflecting a total of 2,654 passengers for the month.

AMERICAN PASSENGERS THROUGH THE CAPE TOWN INTERNATIONAL AIRPORT, JAN 2019-SEPTEMBER 2021



Source: OAG Traffic Analyser, 2021

6. Key Findings

- According to the September 2021 edition of the Euromonitor Tourism Flows report for the US, inbound receipts and outbound expenditure started showing signs of recovery in 2021, but still have a long road to full recovery to pre-pandemic levels.
 - However, since the discovery of the new Omicron Covid-19 variant between November and December 2021, global travel restrictions and flight bans have been reinstated across over 40 countries globally. The impact of these travel restrictions will be felt once again worldwide and particularly in the travel sector.
 - Given the extensive and ongoing restrictions on outbound travel throughout 2020 and into 2021, American travellers have increasingly chosen to take domestic trips instead.
 - Lower airfares, reduced lodging prices and the irregular lockdown policies of individual US states made it possible for domestic trips throughout 2020, although at much lower levels than in 2019. This trend can evidently be seen in the smaller decline seen in domestic travel compared to international trips in 2020, and has also helped domestic travel to reach near full recovery in 2021.
 - Even though domestic trips and spending will linger below pre-pandemic levels throughout 2021, full recovery of domestic travel is anticipated to transpire before the full recovery for international travel.
 - Despite the potential for another wave of COVID-19 infections, particularly through the spread of yet another emerging variant, US travellers are as optimistic about their domestic travel plans as they have been since the start of the pandemic.
 - On a national level, South Africa similarly felt the impact of the global travel restrictions which resulted in a 80.7% decline in American tourist arrivals in 2020. Only 71,959 tourists were recorded in 2020, compared to 373,694 in 2019.
 - Holiday (52,5%) remained the top motivation for travel to South Africa in 2020, while 19,9% visited friends and family. 7.8% specifically travelled for business and 6,0% for MICE (Meetings, Incentives, Conferences and Exhibitions).
 - 66,2% Americans travelled to South Africa for the first time in 2020, while 33,8% were return visitors.
 - In the same year, Americans primarily enjoyed hunting, wildlife, adventure, visiting natural attractions and cultural experiences in South Africa. A clear shift can be seen in the choice of activities undertaken, moving towards more open spaces and outdoor experiences in an effort to adhere to COVID-19 safety regulations.
 - The Western Cape equally experienced the effects of the pandemic and lost 71,3% of its American tourists in 2020, recording a total of 38,619 tourists for the year.
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7. Sources

1. South African Tourism (SAT)
2. Euromonitor International
3. OAG Airline Passenger Traffic Analyser
4. <https://worldpopulationreview.com/countries/cities/united-states>

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