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## **South Africa**

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## South Africa

### Tourism in the economy

Tourism's direct contribution to South Africa's GDP grew from ZAR 80.2 billion in 2010 to an estimated ZAR 84.3 billion in 2011 (approximately 5%). However, the percentage contribution of tourism to GDP remained relatively stable (3% and 2.9% respectively) over the period. Tourism directly supported 598 432 jobs in 2011, or some 4.5% of total employment – up from 567 378 in 2010.

Despite the depressed global economic climate, South Africa has continued to record growth in international inbound tourism. In 2012, international tourist arrivals rose by 10.2% to 9.2 million. Similarly, inbound tourism receipts were up 7.6%, from ZAR 71.7 billion in 2011 to an estimated ZAR 76.4 billion in 2012.

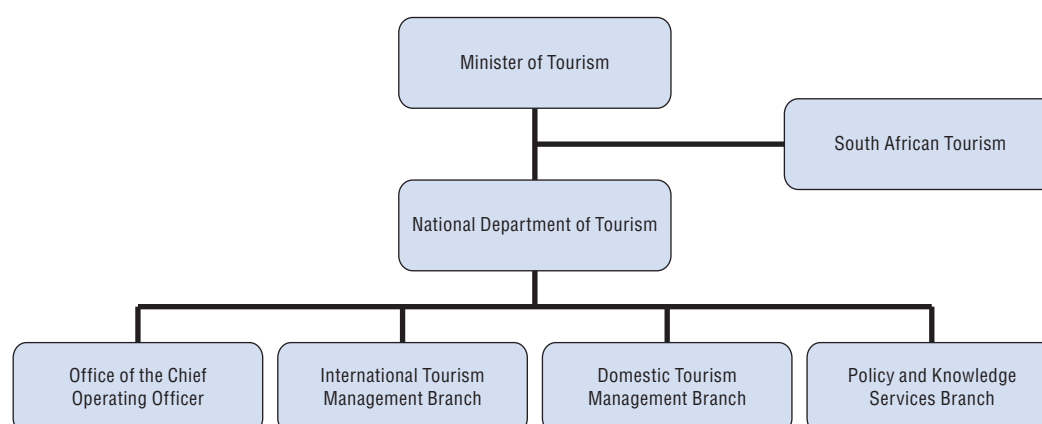
Direct domestic travel receipts increased to ZAR 21.8 billion in 2012 from ZAR 20.2 billion in 2011 – up 7.9% year on year – and domestic bed nights rose 5.6% to 121.2 million (from 114.8 million) over the same period. Despite the growth, both receipts and nights remain below their peak 2007 levels.

### Tourism organisation and governance

Over the past two years, there have been no significant changes in the administrative and territorial organisation of South Africa's tourism sector (Figure 1). The Ministry of Tourism is a full-time portfolio, with the Minister responsible for the National Department of Tourism (NDT), whose chief operating officer is charged with providing strategic corporate and governance support for the department. The department's main offices/branches cover: Policy and Knowledge Services – supporting policy development and evaluation, research and knowledge management, promotion of sector transformation and responsible tourism; International Tourism Management – providing political and policy direction for the development of South Africa's tourism potential throughout the various regions of the world; and Domestic Tourism Management – providing political, policy and strategic direction for the development and growth of sustainable tourism throughout South Africa.

South African Tourism, the national destination marketing organisation, is responsible for marketing South Africa as a tourism destination both domestically and internationally.

The governance of tourism in South Africa is a concurrent competence, i.e. at national, provincial and local/municipal levels, with a ministry/department at national level, and nine members of executive councils (MECs) at provincial level. Similarly, to complement the activities of South African Tourism, each province has a provincial tourism marketing organisation.

Figure 1. **South Africa: Organisational chart of tourism bodies**

Source: OECD, adapted from the Ministry of Tourism, 2014.

Alignment and co-ordination between the national and provincial levels are achieved through the MINMEC and Miptech structures:

- The MINMEC is a forum of the minister and the MECs responsible for tourism. Co-operative governance is provided for in the constitution and relevant supporting legislation.
- At a more technical level, MipTech is a forum of officials chaired by the Director-General of the National Department of Tourism, with participation from provincial departments and tourism marketing organisations. Local government is represented by nominees of the South African Local Government Association (SALGA) in both structures.

South Africa also has a highly organised tourism industry. For example, the Tourism Business Council of South Africa (TBCSA) is a membership-based organisation engaging with government primarily as a voice of tourism businesses in South Africa. Various sub-sectoral associations are affiliated with the TBCSA, representing: tour operators; travel agents; vehicle rental; airlines; hospitality (accommodation and restaurants); and the Meetings, Incentives, Conferencing and Events (MICE) sector.

## Tourism budgets

The budget of the National Department of Tourism for fiscal 2013/14\* is ZAR 1.50 billion, of which ZAR 754 929 million is directed to South African Tourism.

The National Department of Tourism co-funds the Tourism Enterprise Partnership, which supports small and medium-sized enterprises with training, market access and capacity development. The current contribution is ZAR 25 million.

The National Department of Tourism also has a Social Responsibility Implementation Fund of ZAR 305 million, which is set aside for skills development and community-based programmes, and to assist tourism development initiatives at municipal level. This initiative is part of government's broader Extended Public Works programme, aimed at generating jobs and stimulating local economic development.

\* South Africa's fiscal year starts on 1 April and ends on 31 March.

The Industrial Development Corporation is a government entity with a Tourism Strategic Business Unit, which focuses on asset-based finance, and with the bulk of its portfolio invested in the accommodation sector. It plans to diversify its portfolio into other sub-sectors such as niche sports markets, adventure tourism and business tourism.

## Tourism policies and programmes

Following the establishment of the National Department of Tourism in 2009, the sector was confronted with various challenges, including the fragmentation of tourism planning across the three spheres of government, lack of branding and marketing alignment between provinces and cities, a lack of skills in the sector, and a lack of incentives for tourism product diversification, new investment and enterprise development.

The National Tourism Sector Strategy (NTSS) was developed under the leadership of the Minister of Tourism, but is a sector-owned response to the challenges. The NTSS clusters strategic development in four areas:

- Policy, strategy, regulations, governance and monitoring and evaluation.
- Tourism growth and development (focusing on both supply and demand issues).
- People development.
- Enablers of growth.

By way of example, a Domestic Tourism Growth Strategy was developed in response to an historical dependence on international arrivals (especially since the 2010 Fifa World Cup), and the lack of a travel culture among South Africans identified in the NTSS. The objectives of the strategy are to increase domestic tourism revenue and volume, to improve measures and efforts aimed at addressing seasonality and equitable geographical spread, and to promote a culture of travel among South Africans.

The Minister of Tourism has introduced a tourism bill into parliament (Bill B44B of 2012), which is currently before the National Council of Provinces, a second house of parliament with provincial representation. It has already been passed by the National Assembly. Once promulgated, the bill will repeal the current Tourism Act (Act No. 72 of 1993).

The Bill makes provision for, *inter alia*, the:

- Development and promotion of sustainable tourism for the benefit of the republic and its residents, as well as for enjoyment by its visitors.
- Development of a National Tourism Sector Strategy.
- Determination of norms and standards for, among others, responsible tourism, service excellence, and indicators to measure compliance.
- Continued existence of the South African Tourism Board.
- Establishment of the Tourism Quality Assurance mechanism.
- Regulation of the tourist guide profession.
- Establishment of mechanisms or arrangements to resolve tourism-related complaints.
- Recognition of mechanisms for self-regulation of the industry.

The National Department of Tourism has signed a memorandum of understanding (MoU) with the Department of Home Affairs. The MoU identifies and outlines areas of co-operation such as: matters pertaining to visa issuance; providing tourism awareness training to immigration officials to improve market penetration in less developed markets;

designating direct liaison persons to facilitate the resolution of queries; and supporting organised group travel and mega events, etc., particularly at South Africa missions abroad. The MoU makes provision for the NDT, together with representatives from the sector, to engage Home Affairs on immigration-related issues on a regular basis.

Other initiatives to enhance trade in tourism services and facilitate travel include the following:

- The NDT is evaluating the potential benefits of eVisas, in order to prepare a position paper to inform engagement within government.
- It works with the Department of Transport and other stakeholders on the implementation of the country's airlift strategy, with a view to ensuring adequate capacity provision for tourism and other markets.
- It is developing a new approach to the utilisation of South African Tourism (SAT) offices abroad, with established offices to be used as hubs to enable market penetration efforts in outlying markets.
- The NDT is also conducting a study to investigate ways of harmonising tourist guiding training standards with those in neighbouring countries.

The NDT is currently conducting a study to determine the relevant indicators to use in assessing the levels of the country's competitiveness as a tourism destination, and to inform actions in this regard. The study is being conducted with the University of Pretoria, which is one of five universities with which the department has research and skills development collaborations.

The South African National Minimum Standard for Responsible Tourism (SANS 1162), launched in September 2011, is a detailed set of requirements aimed at establishing a common understanding about responsible tourism, and a basis for the harmonisation of tourism sustainability certification in South Africa. It is also a comprehensive and integrated National Responsible Tourism Strategy to guide and harmonise the implementation of responsible tourism initiatives across the country. On the tourism growth and development supply side, the National Tourism Sector Strategy (NTSS) identifies a lack of skills in the sector as a key strategic gap. The department is engaged in a skills development programme for youth. Since 2011, 1 230 trainee chefs and 163 sommeliers have completed training under the programme. A further 800 trainees will be enrolled later in 2013.

The NDT is also in partnership with the Ubuntu Institution on international placements. The initiative resulted in the placement of 500 unemployed youth in Canada and the USA after securing funding from the Development Bank of Southern Africa (DBSA) in 2012/13. It is now seeking to place a further 500 in 2013/14.

In 2010, the NDT established the Tourism and Climate Change Task Team comprising representatives from government, business and NGOs. The main purpose of the task team was to develop the National Tourism and Climate Change Response Programme and Action Plan (2012). This programme and action plan provide a framework for tourism's comprehensive response to climate change.

A voluntary accord for the reduction of greenhouse gases (GHG) within the tourism sector (2012) and the report on *Potential GHG Emissions Management Tools for Tourism Businesses* (2012) were developed by government in consultation with the sector. The accord

proposes a set of commitments for government and the tourism industry as represented by various associations. The main objective of the report is to provide guidance to tourism business on tools they can use to manage their GHG emissions.

The main outputs are South Africa's Tourism Satellite Accounts (TSAs), and range of new tools for evaluation and/or monitoring and to forecast/model the arrivals of tourists and the creation of jobs in the economy.

## Statistical profile

Table 1. **South Africa: Domestic tourism**

	Unit	2008	2009	2010	2011	2012
Total domestic trips		..	..	..	..	..
Overnight visitors (tourists)		..	..	..	..	..
Same-day visitors (excursionists)		..	..	..	..	..
<i>Trips by main purpose of visit</i>						
Business and professional		..	..	..	..	..
Holiday, leisure and recreation		..	..	..	..	..
Nights in all means of accommodation	Thousand	149 000	128 400	130 800	114 800	121 200
Hotels and similar establishments		..	..	..	..	..
Other collective establishments		..	..	..	..	..
Domestic travel receipts	Billion ZAR	26	22	21	20	22

Source: South Africa Tourism, 2006-10 Annual Tourism Report, Domestic Tourism Report Provincial Scorecard 2007-09.


StatLink  <http://dx.doi.org/10.1787/888932991261>

Table 2. **South Africa: Inbound tourism**

	Unit	2008	2009	2010	2011	2012
Total international arrivals	Thousand	9 592	..	..	..	..
Overnight visitors (tourists)	Thousand	..	7 012	8 074	8 339	9 188
Same-day visitors (excursionists)		..	..	..	..	..
<i>Top markets</i>						
Zimbabwe	Thousand	1 227	1 228	1 514	1 553	1 848
Lesotho	Thousand	2 163	1 049	1 276	1 527	1 618
Mozambique	Thousand	1 227	984	1 052	1 077	1 104
Swaziland	Thousand	1 088	628	632	700	769
Botswana	Thousand	805	484	507	478	452
Nights in all means of accommodation	Thousand	66 900	55 800	66 900	66 200	67 500
Hotels and similar establishments		..	..	..	..	..
Other collective establishments		..	..	..	..	..
Total international receipts		..	..	..	..	..
International travel receipts	Billion ZAR	90	59	73	71	76
International passenger transport receipts		..	..	..	..	..

Note: Break in series. Since 2009, excludes same-day visitors.

Source: Department of Tourism, South African Tourism, Statistics South Africa.



StatLink  <http://dx.doi.org/10.1787/888932991280>

Table 3. **South Africa: Outbound tourism**

	Unit	2008	2009	2010	2011	2012
Total international departures		..	..	..	..	..
Overnight visitors (tourists)	Thousand	4 429	4 424	5 165	5 455	5 031
Same-day visitors (excursionists)		..	..	..	..	..
Total international expenditure		..	..	..	..	..
International travel expenditure	Billion ZAR	56	54	59 p	61 p	..
International passenger transport expenditure		..	..	..	..	..


Source: Statistics South Africa, Tourism Satellite Account.

StatLink  <http://dx.doi.org/10.1787/888932991299>

**Table 4. South Africa: Employment in tourism**  
Number of employees

	2008	2009	2010	2011	2012
Total tourism employment (direct)	606 934	553 990	567 378	598 432	..
Tourism industries	..	..	..	..	..
Accommodation services for visitors	..	..	..	..	..
Hotels and similar establishments	..	..	..	..	..
Food and beverage serving industry	..	..	..	..	..
Passenger transport	..	..	..	..	..
Air passenger transport	..	..	..	..	..
Railways passenger transport	..	..	..	..	..
Road passenger transport	..	..	..	..	..
Water passenger transport	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..
Transport equipment rental	..	..	..	..	..
Travel agencies and other reservation services industry	..	..	..	..	..
Cultural industry	..	..	..	..	..
Sports and recreation industry	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..
Other industries	..	..	..	..	..
<i>Gender breakdown</i>					
Male (% of total tourism employment)	..	..	..	..	..
Female (% of total tourism employment)	..	..	..	..	..

Source: Statistics South Africa, Tourism Satellite Account.

StatLink  <http://dx.doi.org/10.1787/888932991318>

**Table 5. South Africa: Internal tourism consumption**  
Million ZAR, 2011

	Domestic tourism consumption	Inbound tourism consumption	Internal tourism consumption
Total	101 297 p	71 747 p	173 044 p
Consumption products	..	..	..
Tourism characteristic products	80 586 p	44 439 p	125 025 p
Accommodation services for visitors	19 253 p	9 888 p	29 141 p
Food and beverage serving services	6 309 p	7 752 p	14 061 p
Passenger transport services	46 028 p	19 136 p	65 164 p
Air passenger transport services	14 007 p	8 924 p	22 931 p
Railways passenger transport services	255 p	101 p	356 p
Road passenger transport services	31 759 p	10 109 p	41 868 p
Water passenger transport services	7 p	2 p	9 p
Passenger transport supporting services	1 922 p	1 088 p	3 010 p
Transport equipment rental services	..	..	..
Travel agencies and other reservation services	4 044 p	1 699 p	5 743 p
Cultural services	129 p	126 p	255 p
Sports and recreation services	2 901 p	4 750 p	7 651 p
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	20 711 p	27 308 p	48 019 p
Tourism connected products	9 493 p	11 628 p	21 121 p
Non-tourism related consumption products	11 218 p	15 680 p	26 898 p
Non-consumption products	..	..	..

Source: Tourism Satellite Account.


StatLink  <http://dx.doi.org/10.1787/888932991337>



Table 6. **South Africa: Key economic indicators**

Percentage

	2008	2009	2010	2011	2012
Tourism GDP (direct) as % of total GDP	3.0	2.9	3.0	2.9	..
Total tourism employment (direct) as % of total employment	4.4	4.1	4.3	4.5	..

Source: Statistics South Africa, Tourism Satellite Account.

StatLink  <http://dx.doi.org/10.1787/888932991356>**For more information**

Department of Tourism, Republic of South Africa  
 South African Tourism  
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