

## WELCOME RECOVERY OF TOURISM

*By Dr Roelof Botha, Joint Managing Director, GOPA Group SA (20 June 2022)*

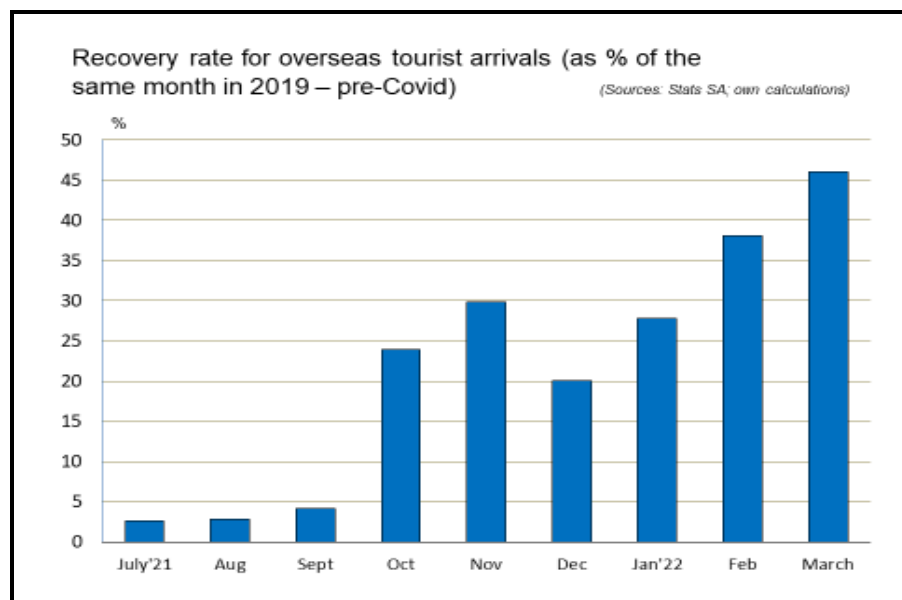
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Few, if any, mainstream economic sectors were hit as hard by Covid-induced restrictions than the global hospitality sector.

Fortunately, the worst seems to be over and the recovery during 2022 has been impressive. According to the United Nations World Tourism Organisation (UNWTO), international tourism recorded an increase of 182% during the first quarter of 2022 (year-on-year). Worldwide destinations welcomed an estimated 117 million tourist arrivals, compared to only 41 million during the first quarter of 2021. The fact that 40% of the first quarter arrivals were recorded in March is a clear sign that the recovery is gathering pace.

Although international tourism remains at around 60% less than pre-Covid levels (in 2019), the recovery is expected to continue throughout 2022, especially in the wake of further easing or lifting of restrictions on travel and attendance of sporting events.

Fortunately, South Africa is no exception, with a fairly dramatic reversal of fortunes for tourist arrivals having taken place since the end of last year. In July 2021, only 5,000 overseas tourists visited South Africa, a mere 2.6% of the number that arrived in the same month two years earlier.

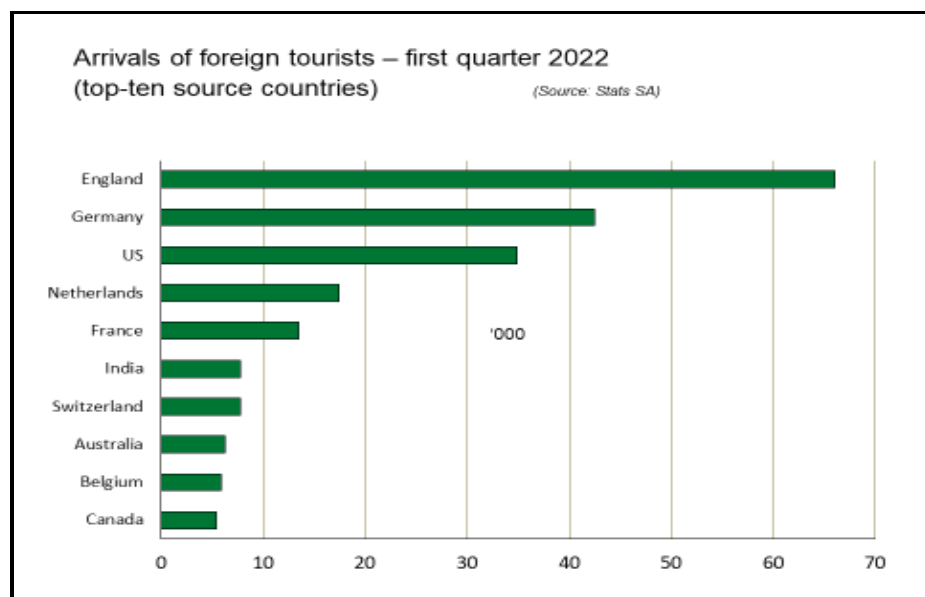


In October last year (when the splendours of spring became visible), the recovery became quite visible, with 60,000 overseas tourists embarking on our shores – almost a quarter of the pre-Covid norm. Since January 2022, the recovery gained further momentum and in March more than 100,000 tourists arrived from overseas – close to a 50% recovery rate and higher than the global recovery benchmark.

Although a traditional drop-off in tourist arrivals is bound to occur during the South African winter (when countries like Spain, Italy and Portugal experience tourism booms), the recovery of the domestic tourism industry should make up more lost ground once spring arrives.

It is interesting to note the existence of a correlation between source countries for overseas tourist arrivals and for foreign direct investment. None of the countries that are favoured by the South African government from an ideological perspective feature in the latter two indicators, which are critically important to the further economic growth and development of South Africa.

When voting on key international issues takes place in the United Nations, it remains a point of concern (and embarrassment) that South Africa has a distinct bias towards a voting bloc that often includes the likes of Iran, Venezuela, Cuba and China – countries that have shameful human rights records.



A further indication of the welcome recovery of the tourism sector can be found in the latest data on income earned by the hospitality sector. According to Statistics SA, the turnover from accommodation by hotels and guest houses amounted to R3.8 billion during the first quarter of 2022 – more than double the figure for the same quarter last year.

The resumption in September of the bi-annual Africa Air & Defence (AAD) exhibition at Waterkloof Air Force Base in Pretoria is bound to provide a boost to the tourism industry. According to the Commercial Aviation Association of Southern Africa (CAASA), delegates from 62 different countries have already confirmed their attendance at the 2022 AAD exhibition.

The hospitality industry incorporates a broad spectrum of professional services, including commercial aviation, car rentals, accommodation, communication, restaurants, hotels, sports events and music festivals. When tourists visit destinations in South Africa, a catalytic effect is unleashed on the latter industries, as well as retail trade. Few, if any, international tourists depart from South Africa without some memorabilia, including T-shirts (probably with a lion or leopard emblazoned on them), various types of artefacts and ornaments, jewellery and often some good wine.

From a policy perspective, the significance of growth in tourism activity lies in the industry's expanded supply chain, its relatively unregulated nature and high employment multiplier effects.

A pro-active tourism strategy should include the relaxation of visa requirements, particularly for residents from key trading partners and much improved training for public sector & airport officials who are intimately involved with the arrival & departure of foreign travellers, particularly at OR Tambo international airport.

First impressions count and it would be very useful to ensure that first-time visitors to South Africa feel welcome upon arrival and are not subjected to unfriendly attitudes and lengthy delays at passport control.