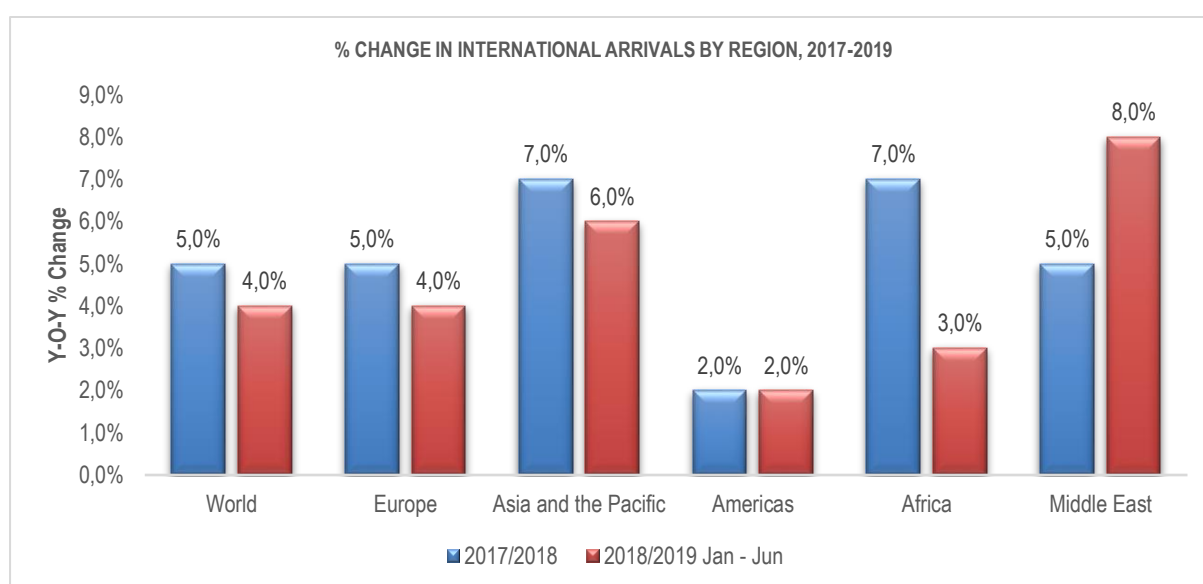


Western Cape Destination Performance Report: Q2 2019

1. Global Tourism Performance

- According to the September 2019 addition of the *United Nations World Tourism Barometer (UNWTO)*, international tourist arrivals grew by 4% into the first six months of 2019.
- UNWTO estimated that destinations worldwide welcomed a total of 671 million international tourist arrivals between January and June 2019, recording 29 million more than in the same period of 2018. Results reflected a continuation of the growth seen in 2018 (+5%) in line with the annual average of 4% over the last ten years.
- By region, Middle East and Asia and the Pacific led growth over the six months, with arrivals increasing by 8% and 6%, respectively. Europe (+4%) grew in line with the world average and moderate growth was recorded for Africa (+3%) and the Americas (+2%).



Source: United Nations World Tourism Organisation, 2019

2. South Africa: National Tourism Performance

2.1 International Trends

- Foreign tourist arrivals reached 2.4 million in the second quarter of 2019 and accounted for 39% of total tourism trips to South Africa. International arrivals to South Africa increased by 1.2% when compared to the same period of 2018.
- Africa remains the leading source region for South Africa, with approximately 1.9 million international tourist arrivals coming from this region. Marketing initiatives and the easing of visa requirements in markets such as Kenya and Uganda resulted in growth of 11% and 6.2% respectively, when compared to the same period in 2018.
- The leading purpose of visiting South Africa was to visit friends and relatives (VFR) and this market increased to 41.5% during Q2 2019. Other reasons for travelling to South Africa was for holiday and shopping. The key reason for holiday travel was to experience a different country, diversity of attractions and a warm climate.
- 16.4% of the international market that visited South Africa were first time visitors, while 83.6% were repeat visitors. Around 57.6% of international tourists that visited South Africa during Q2 2019 were younger than 35 years (Millennials).

International Tourism Indicators	Q2 2016	Q2 2017	Q2 2018	Q2 2019	18/19 y-o-y % change
Total number of tourist arrivals	2.2 million	2.4 million	2.4 million	2.4 million	1.2%
Total foreign direct spend (excl capital expenditure) from tourists	R16.7 billion	R17.6 billion	R17.9 billion	R17.5 billion	-2.4%
Total number of bed nights spent by tourists	19.7 million	28.8 million	27.0 million	27.9 million	3.3%
Average spend in South Africa per foreign tourist	R7,900	R7,800	R7,800	R7,600	-2.6%
Average length of stay of tourists visiting South Africa	9.1 nights	12.5 nights	11.6 nights	12.1 nights	3.6%

Source: SA Tourism, 2019

2.2 Domestic Trends

- During Q2 2019, 3.8 million domestic trips were taken in South Africa, declining by 7.4% from the same period in 2018. Domestic tourism has been on the decline for the last few years.
- Despite South African Tourism's growth strategy to encourage more travel amongst South Africans, the biggest challenge is to inspire travel in a tough economic environment. According to Statistics South Africa's Quarterly Labour Force Survey Q2 2019, the number of unemployed South Africans increased by 455 000, bringing the unemployment rate to 29.0%.
- Visiting friends and relatives (VFR) ranked as the top reason for domestic travel to South Africa and accounted for 70.1% of total domestic trips taken in Q2 2019. Gauteng ranked as the top source province from where domestic trips were taken, this can largely be attributed to the population distribution as Gauteng is the most populous province in South Africa. Around 1.5 million trips taken during the period were to Kwazulu Natal, making it the most preferred province for domestic travel. Domestic trips to the Western Cape reached 221,379 during Q2 2019 and declined by 65.3% quarter-on-quarter.
- The duration of domestic trips were on average 3.9 nights, resulting in a total of 14.5 million bed nights. The total revenue generated by the domestic market reached R6.2 billion and grew by 12.7% from the same period in 2018. Domestic tourists average spend also increased to R1,640, compared to the R1,350 spent during the same period in 2018.

Domestic Tourism Indicators	Q2 2016	Q2 2017	Q2 2018	Q2 2019	18/19 y-o-y % change
Total Domestic Trips	5.4 million	4.8 million	4.1 million	3.8 million	-7.4%
Total Domestic Spend	R6.4 billion	R6.4 billion	R5.5 billion	R6.2 billion	12.7%
Average Spend per Domestic Tourist	R1,180	R1,330	R1,350	R1,640	21.5%
Average Nights per Domestic Trip	3.6 nights	3.7 nights	3.3 nights	3.9 nights	16.3%
Total Annual Domestic Bednights	19.8 million	17.5 million	13.5 million	14.5 million	7.4%

Source: SA Tourism, 2019

3 Provincial Tourism Performance

PROVINCIAL TOURISM PERFORMANCE, Q2 2019				
Province	International Tourist Arrivals	Total Foreign Direct Spend (billions)	Bed nights (millions)	Length of stay (nights)
Gauteng	821,600	R6.1	9.7	12.2
Limpopo	546,700	R1.3	2.0	3.8
Western Cape	341,100	R2.8	4.5	13.6
Mpumalanga	388,900	R2.5	4.0	10.7
Free State	241,600	R2.0	3.2	13.8
KwaZulu-Natal	201,100	R1.3	2.1	11.0
North West	148,100	R0.5	0.8	6.0
Eastern Cape	78,100	R0.7	1.1	14.8
Northern Cape	26,500	R0.2	0.3	10.9

Source: SA Tourism, 2019

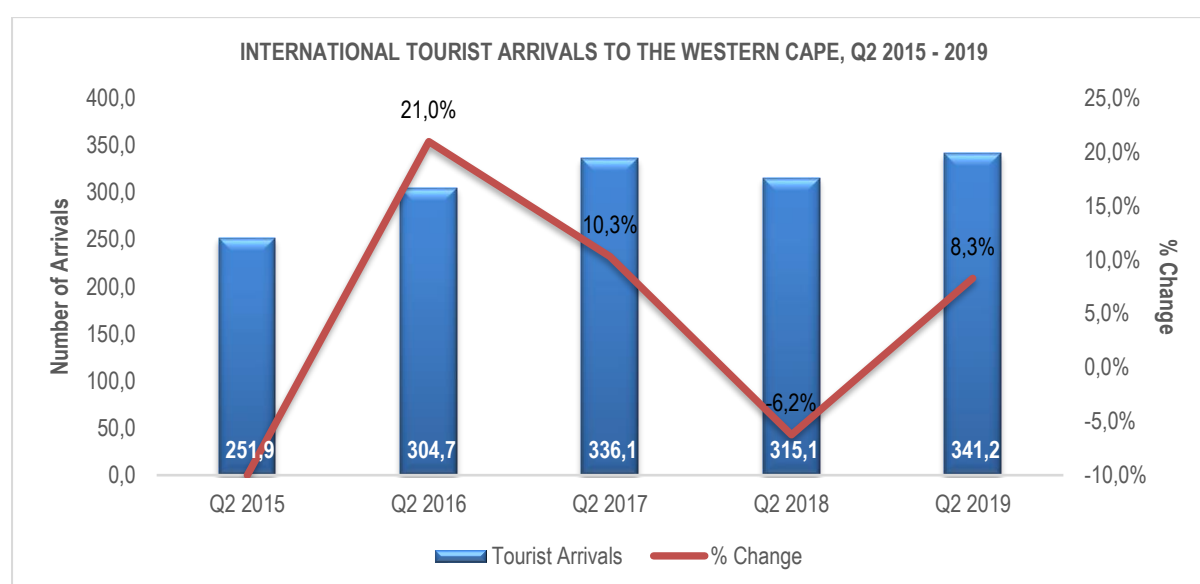
4 Western Cape Tourism Performance

The Western Cape accounted for 12.2% of all international tourist arrivals to South Africa and received 16.1% of South Africa's tourist's spend. In addition, the Western Cape held 16.2% of South Africa's bed nights recorded during the period.

The Western Cape held the following share of South African tourists during Q2 2019:

- Western Cape's share of **Africa** tourists visiting South Africa 3.8%
- Western Cape's share of **Middle East** tourists visiting South Africa 44.2%
- Western Cape's share of **Central & South America** tourists visiting South Africa 44.1%
- Western Cape's share of **North America** tourists visiting South Africa 51.3%
- Western Cape's share of **Asia** tourists visiting South Africa 40.6%
- Western Cape's share of **Australasia** tourists visiting South Africa 46.4%
- Western Cape's share of **European** tourists visiting South Africa 54.5%

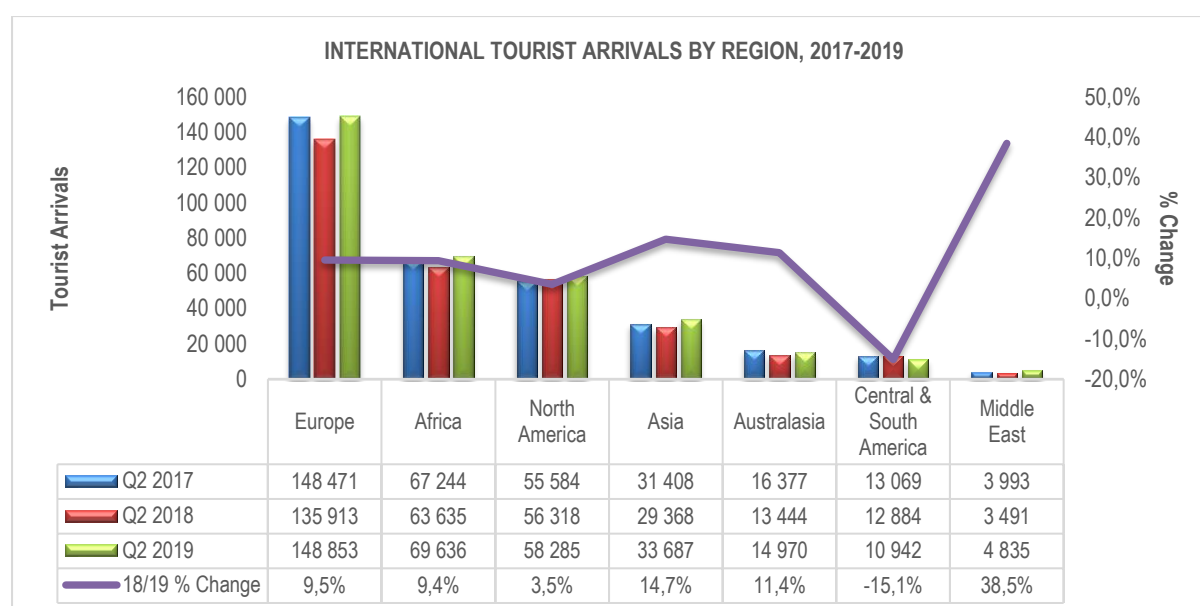
3



Source: SA Tourism, 2019

4.1 Tourist Arrivals

- Europe maintained its position as the Western Cape's top region with respect to tourism volume, reaching a total of 148,853 tourists during Q2 2019. Four out of the top ten source markets to the Western Cape originated from Europe. The United Kingdom and Germany consecutively ranked as the top European source markets over the last three years. Tourist arrivals from both the United Kingdom (19.5%) and Germany (9.9%) grew significantly when compared to the same period in 2018.
- Africa ranked as the second largest contributor to tourism volume in the Western Cape. Namibia led as the top source market from the African region, ranking in 46th position amongst the top 10 source markets to the Western Cape. Lesotho recorded the highest growth in tourist arrivals with a 128.6% increase in tourist arrivals compared to the same period in 2018.
- The United States led travel from North America, accounting for over 50,900 tourists and ranking as the Western Cape's top international market. Asian markets such as India and China saw robust growth, increasing by 10.7% and 8.0% respectively, when compared to the same period in 2018.



Source: SA Tourism, 2019

4.2 Top 10 Source Markets

TOP 10 SOURCE MARKETS TO THE WESTERN CAPE, Q2 2018-2019				
Ranking	Markets	Q2 2018	Q2 2019	Q2 18/19 % Change
1	United States	49,364	50,900	3.1%
2	United Kingdom	39,146	46,778	19.5%
3	Germany	24,712	27,163	9.9%
4	Namibia	26,502	22,028	-16.9%
5	France	19,059	16,549	-13.2%
6	Australia	12,067	13,010	7.8%
7	Lesotho	5,652	12,920	128.6%
8	India	10,881	12,046	10.7%
9	Netherlands	11,338	11,239	-0.9%
10	China (incl. Hong Kong)	8,567	9,249	8.0%

Source: SA Tourism, 2019