

# Western cape research

an inspiring place to know

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# 1. Overview of Tanzania

About Tanzania		
Where is Tanzania?	The United Republic of Tanzania is an East African country bordering the Indian Ocean. Its neighbours are Kenya and Uganda, to the north, Rwanda, Burundi and Democratic Republic of the Congo, to the west, and Zambia, Malawi and Mozambique to the south. The country includes the island of Zanzibar.	
Population (millions)	59,7 million (2020)	
Time Difference	Tanzania is 1 hour ahead of South Africa.	
Language	Swahili and English are the official languages	
Formal Greeting	Hujambo (Hello)	
General Overview	Tanzania has fared relatively well compared to its regional peers, but economic growth has slowed significantly.  Pandemic-induced shocks slowed Tanzania's GDP growth rate from 5.8 percent in 2019 to an estimated 2.0 percent in 2020, as shocks to export-oriented sectors such as tourism, manufacturing, and related services diminished business revenue and labor income, which adversely affected domestically oriented firms of all sizes across all sectors.  Tourism, a major contributor to GDP growth, declined significantly in 2020: The number of visitors plummeted by 60 percent and the revenues fell by 72 percent. Private sector credit growth plunged to 3 percent in December 2020 from 11.1 percent a year earlier.  Year on year decline in other indicators (electricity generation, import of capital goods, government expenditures and taxes) also point to a lower growth in 2020.  High-frequency indicators from 2021 present mixed signals and suggest that the global pandemic continues to take a toll on Tanzania's economy and recovery remains fragile.  Tanzania's macroeconomic framework remains stable, with low inflation and moderate external and fiscal vulnerabilities. Tanzania's risk of external and public debt distress increased to moderate, mainly due to the pandemic's effect on tourism exports. Inflation rate remains among the lowest and least volatile in the East African Community.	

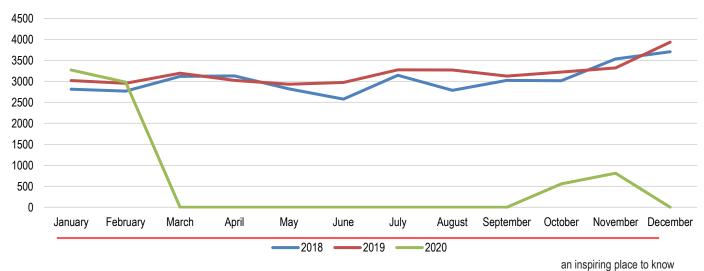
#### 2. Economic Overview of the Tanzanian Travel Market

- According to the Economy, Trade and Trade report published by Euromonitor (2021), Tanzania experienced slower economic growth in 2020, due to the COVID-19 pandemic with disruptions in supply chains. The pandemic containment measures increased unemployment and poverty rates, even though the government provided fiscal support for companies and households. Economic activity is expected to pick up over 2021, supported by efficient fiscal and monetary policies, a stable exchange rate, and an improved business environment.
- The COVID-19 pandemic slowed Tanzania's real annual GDP growth to 2.7% in 2020, a considerably lower rate comparing to the 6.9% real annual economic growth recorded in 2019. Pandemic containment measures resulted in growing unemployment and poverty rates, and ultimately subdued private consumption.
- Investment inflows declined because of the heightened uncertainty globally and domestically, disrupted supply chains, and falling commodity prices.
- The tourism, mining, construction and agriculture sectors endured the highest annual decreases in output in 2020. Economic activity is expected to bounce back in 2021, with a 5.4% increase in real annual terms. In 2022, economic growth is forecast to return to the 2019 output levels and rise by 6.0% in real annual terms.
- Tanzania's productivity increased moderately over the 2014 2020 period, yet it remained lower than the regional average in the Middle East and Africa, mostly due to a technologically underdeveloped agricultural sector, which relies on manual labour and employed 64.9% of the employed population in 2020. Inefficiency, accompanied with supply chain disruptions, a decline in consumer demand and drought, significantly lowered productivity of the agricultural sector and the overall economy, as the sector accounted for 29.4% of gross value added (GVA) in 2020.

## 3. The Tanzanian traveller to South Africa

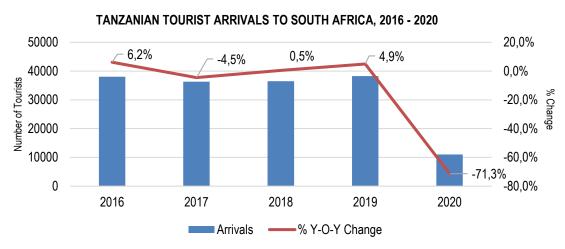
Tanzanian Travel Market	
Number of Arrivals	2016: 38 032 2017: 36 306 2018: 36 473 2019: 38 277 2020: 10 977
Purpose of visit to South Africa (2020)	VFR (23,2%) MICE (22,3%) Holiday (12,4%)
Average length of stay in South Africa (Number of nights)	2018: 19 2019: 22,5 2020: 18,9
Age profile (2020)	25 – 34yrs (33,9%) 35 – 44yrs (35,0%) 45 – 54yrs (19,3%)
Repeater Rate of Tanzania Travellers (2020)	1. First Time: (24,8%) 2. 2 – 3 times: (21,8%)
Accommodation Usage (2019)	Friends & Family     Self Catering     Hotels
Total Foreign Direct Spend in South Africa (R in millions)	2018: R305 2019: R329 2020: R111
Average Spend in South Africa	2018: R13 800 2019: R18 200 2020: R19 000

# SEASONALITY PATTERNS: TANZANIAN TRAVELERS TO SOUTH AFRICA BY MONTH, JAN - DEC 2018 - 2020



#### 3. The Tanzania traveller to South Africa

#### 3.1. Visitor Arrivals to South Africa



#### 3.2. Purpose of visit to South Africa

Travelers from Tanzania to South Africa are predominantly visiting for friends and family, business travel which include (MICE: Meetings, Incentives, Conferences & Events) as well as for holidays.

In 2020, Tanzanian travelers stayed in South Africa for an average of 18,9 nights.

Top reasons for travel to SA	
VFR (23,2)	
MICE (22,3%)	
Holiday (12,4%)	
Average length of stay (2020)	18,9 nights

#### 3.3. Activities in South Africa

Top activities undertaken	
1. Business	
2. Education	
3. Culture & Heritage	
4. Theme Parks	
5. Shopping	

Tanzanian tourists mostly travel and stay with friends and family, in self catering establishments or hotels.

The leading activities enjoyed by this market are business and education based. These are followed by those who want to explore the rich culture and heritage of South Africa.

While others enjoy the theme parks and the accessible shopping offered.

# 4. The Tanzanian traveller to the Western Cape

#### 4.1. Visitor Arrivals to the Western Cape

Over the 5 year period tabulated on the right, the highest share of Tanzanian Tourists was seen in 2016, increasing by 26,6% as compared to it's 2015 figures of 3640 tourists.

A decline of -32,1% was recorded the following year however numbers were positive from 2018 and 2019.

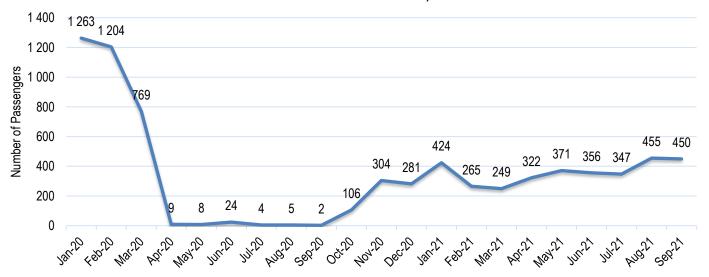
In 2020 only 644 tourists were recorded in the country, measuring a decline of -81,8% as compared to 2019 arrivals.

Period	Tourist Arrivals	Y-O-Y % Change
2016	4607	26,6%
2017	3127	-32,1%
2018	3 310	5,9%
2019	3 532	6,7%
2020	644	-81,8%

#### 4.2. Passenger Traffic through Cape Town International Airport

In 2020 passengers into Cape Town International Airport from Tanzania were highest over the period January and February. However, due to travel restrictions brought on by the COVID-19 pandemic, passenger arrivals decreased dramatically throughout 2020 and have remained low into 2021.

# TANZANIAN PASSENGER MOVEMENT THROUGH CAPE TOWN INTERNATIONAL AIRPORT, (JAN 2020 - SEPT 2021)



### 5. Key Findings

- According to the Tourism, 2020 report released by Statistics South Africa, foreign arrivals dropped by 71% from just over 15, 8million in 2019 to less than 5 million in 2020. It is evident that the COVID-19 pandemic impacted the tourism industry quite hard around the world and in South Africa, mainly due to the lockdown and travel restrictions that were imposed (Statistics South Africa, 2021).
- In 2020 Africa received 18 million arrivals, a decline of (-75%) when compared to 2019 arrivals. South Africa on the other hand received a total of 2,8 million foreign arrivals in 2020, of which 10 977 were recorded as arriving from Tanzania. Be that as it may, African continues to be the largest source continent in South Africa with 76.3% of all tourist arrivals.
- Cape Town International Airport welcomed 3288 travelers from Tanzania between January September 2020 as compared to 3239 over the same period in 2021.
- Tanzanian nationals travelling to South Africa indicated visiting friends & relatives (23,2%), (MICE)
  Meetings, Incentives, Conferences & Events (22,3%) and holidays (12,4%) as the top reason for
  them coming to the country..
- On average travelers from Tanzania stay in South Africa for more than two weeks. In 2018 these
  tourists stayed for 19 days as compared to 22,5 in 2019. With their average length of stay being
  recorded at 18,9 nights in 2020.
- Travelers were typically between the ages of 35-44 (35.0%). Closely followed by those between the ages of 25-34 years old (33,9%) and (19,3%) between the ages 45-54 years old.
- 2019 saw the Tanzanian market contributing R329 million to the Western Cape's economy. R24 million above the spend received in in 2018. However, 2020 saw a -66,3% decline to South Afriac's economy with only R111 million received from total foreign direct spend (TFDS).

## 6. List of sources

- 1. South African Tourism
- 2. Statistics South Africa
- 3. Euromonitor International
- 4. OAG Airline Passenger Traffic Analyser
- 5. World Bank

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