

# SA tourism market analyses for May 2019



By [Martin Jansen van Vuuren](#)

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Welcome to the #BizTourismReport for South Africa. This is a monthly series of articles to provide market intelligence on the tourism industry in South Africa. It provides the latest available tourism data and historical data can be found in previous articles.

The information included below was the latest available on 10 May 2019.



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## Arrivals:

The latest available data from Statistics South Africa is for January and February 2019.

Current period change over same period last year

	Current period	Change over same period last year
UK	96 758	-2.70%
Germany	68 193	-10.50%
USA	48 060	-1.70%
India	13 519	-7.80%
China	17 910	1.50%
Overseas Tourists	479 266	-4.90%
African Tourists	1 383 846	-1.20%
Total Foreign Tourists	1 865 371	-2.10%

*Please note that African tourists plus overseas tourists do not add to total foreign tourists due to the exclusion of unspecified tourists which could not be allocated to either African or overseas.*

The latest available data from Statistics South Africa highlights the continued decline in the main source markets for foreign tourist to South Africa. The impact of Brexit on the UK market led to a decline of 2.7% during the first two months of 2019 as UK tourists either cancelled or delayed their travel plans due to the uncertainty.

There was a significant decline of 10.5% in the German market as Germans tightened their belts as the German economy declined in the third and fourth quarter of 2018.

Following tempered growth in the USA market during 2018, tourists from the US declined slightly during the first two months of 2019. It is not apparent why this market has declined with some speculating that the US market is looking at other destinations such as East Africa for their wildlife experiences.

The Indian market continues to struggle with problems in obtaining visas and limited direct flights. These issues led to a decline of 7.8%. The Chinese market showed some growth.

Overseas tourists declined by 4.9% during the first two months of 2019. During this period, the only overseas region that showed growth was Asia at 1.9%.

Growth from the region was influenced by the two largest contributors, China, which recorded growth, and India, which recorded a decline. Except for India and Thailand, all other countries grouped in the Asia region recorded growth in 2019. South Africa is benefiting from the growth in the Asian outbound tourism market and an increase in more direct flights between Asia and Africa.

## Hotel statistics

The hotel statistics are supplied by [STR Global](#) which has analysed and reported on data from 63,000 hotels, representing 8.4 million rooms in 180 countries.

The latest available data from STR is for January to March 2019:

Current period	Average room occupancy (ARO)	Average room rate (ARR)	Revenue per Available room (RevPAR)
All Hotels in SA	62.70%	1 373	861
All 5-star hotels in SA	68.60%	2 569	1 764
All 4-star hotels in SA	64.70%	1 264	818
All 3-star hotels in SA	60.50%	988	598
Change over same period last year			
All Hotels in SA	-0.20%	0.80%	0.50%
All 5-star hotels in SA	-0.60%	-0.20%	-0.80%
All 4-star hotels in SA	-0.70%	0.50%	-0.20%
All 3-star hotels in SA	1.50%	1.70%	3.30%

Source: [STR Global](#)

The latest available data from STR shows that the decline recorded during 2018 has been slowed during the first quarter of 2019. Hotels continue to suffer from the decline in foreign tourism and the pressure that the sluggish South African

economy is putting on domestic tourism.

Three-star hotels have managed to grow their average room occupancy and rate which may be due to tourists downscaling from four and five-star hotels. A contributing factor may be that new hotel supply has entered the four and five-star market rather than the three-star market providing more competition in the four and five-star market relative to the three-star market.

## Airport Arrival

ACSA has not issued new data since the last article and the latest available data from ACSA is for January to February 2019:

Change over same period last year	Passengers arriving on International Flights	Passengers arriving on Regional Flights	Passengers arriving on Domestic Flights
OR Tambo International	-2.20%	2.40%	2.80%
Cape Town International	0.50%	-10.80%	0.60%
King Shaka International	13.90%	-9.30%	5.70%

*Please note that passengers arriving on international flights may be South African's returning from an international trip. Similarly, passengers arriving on a domestic flight might be foreign tourists travelling on a domestic airline between domestic destinations.*

Passengers arriving on international flights to Cape Town International and King Shaka International have been boosted by additional flights to these airports, while the decline by OR Tambo International is reflective of the decline in foreign tourism.

The growth in passengers arriving on domestic flights to all three airports are encouraging and indicates that the domestic tourism industry is still ticking over, although it might be ticking slowly.

## Conclusion

The data for the first three months of 2019 continues the declining trend of 2018. There are, however, encouraging signs for domestic tourism as indicated by the ACSA data.

Some industry experts believe that foreign tourists to South Africa may decline by up to 25% in 2019 due to, amongst other things, competition from other African destinations.

As stated in the previous article, in my humble opinion, growth in foreign tourism will be sedated for the next couple of months while Brexit is being sorted and growth in the source market economies slowly recover. I do not believe that foreign tourism will decline by as much as 25%, but I also do not believe that we should be expecting much, if any, growth in foreign tourism from our key source markets.

I am hopeful that the economy will begin its slow recovery after the elections and that domestic tourism will track this recovery.

## ABOUT MARTIN JANSEN VAN VUUREN

Martin Jansen van Vuuren is co-founder and director of I and MFutureneer Advisors Pty Ltd. He is a number cruncher, provider of market intelligence, strategist, economist, futureneer and advisor.

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