

Tourism industry must focus on long-term outlook

There is much to be hopeful about when looking past the recent storm clouds created by the new regulations that require visitors to South Africa to apply in person for a visa.



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Gerrie van Biljon, executive director at BUSINESS/PARTNERS, says that these new barriers are a setback to the tourism industry. "These effectively require many prospective visitors from countries, such as China and India, to travel hundreds of kilometers in their own countries to one of the isolated offices that handle South African visa applications."

The impact on the industry is clear in the latest figures. International Air Transport Association (IATA) showed a 21% year-on-year decline in air ticket revenue for tickets purchase to South Africa this July. It is also estimated that South Africa will receive 100,000 fewer overseas tourists this year.

A research report by Tourism Business Council of South Africa suggests that the lower tourist numbers could result in as many as 9,300 jobs losses in the tourism industry and a total net loss to the South African GDP of approximately R4.1bn in 2015.

Take immediate action

Van Biljon says that for local businesses connected to international tourism to remain hopeful under such conditions, entrepreneurs need to do what they do best: take a long-term view of things and swing into action immediately.

He explains that the long-term view isn't as gloomy. "It appears that government is not unified over the new visa rules, with

the deputy president now tasked with heading up an inter-ministerial committee on visa regulations to examine concerns about the country's amended visa regulations which might lead to a rethink.

"The rand also finds itself at a level that tourism businesses have been dreaming about for a long time. South Africa is now truly one of the best value-for-money destinations in the world."

He adds that South Africa's reputation for successfully hosting events remains intact and that this is set to grow given the recent awarding of the 2022 Commonwealth Games. "Durban alone is expected to attract 200,000 visitors as a result of this event."

Business travellers

The long-term outlook for the conferencing and exhibition industry, boosted by three world-class conference centres in Johannesburg, Cape Town and Durban, is another positive. "Business travellers spend more than holiday tourists, and tend to add some leisure travel before or after a conference or business trip. Research shows that as many as two in five business travellers return later on holiday."

When analysing the industry, Van Biljon says that there is still plenty of room to develop our tourism offering as most local tourism businesses have only scratched the surface. "Many offer 'stereotypical' services, such as standard safaris, tours and overnight stays. Experiences based on cycling, for example, are still scarce in South Africa when compared to other parts of the world. The industry is wide open for entrepreneurs to develop unique experiences."

He urges tourism enterprises to tackle the difficult time ahead with immediate action. "Tourism businesses that had been focusing on international tourists need to work on providing enticing packages for the local market to fill as many beds and seats as possible if the international tourists aren't coming in the numbers that they used to."

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