

# IDC launches domestic tourism campaign to stimulate economy

The Industrial Development Corporation (IDC) in partnership with South African Tourism and the Tourism Business Council of South Africa, have brought together select establishments, airlines, and tour operators to launch a travel campaign aimed at stimulating economic recovery and activity in the tourism sector.



Source: [123RF](#)

The campaign comes on the back of Covid-19, whose impact is estimated to have cost the sector R54.2bn in income between mid-March 2020 and the end of May 2021. For the year 2020, the sector faced a 75% revenue reduction impacting more than 438,000 jobs.

Prior to the global pandemic, inbound tourism generated approximately R82.5 billion in direct foreign spend (R126.7bn total), contributing an equivalent of 9.2% of GDP. This positioned tourism as the second most important export sector in the economy in 2018. Domestic tourist activity contributed a further R9.49bn in direct expenditure.

"We recognise the importance of this sector to the country's economic recovery and job creation prospects. Prior to the onset of the Covid-19 pandemic, the numbers confirm the importance of the sector in relation to GDP contribution. The subsequent economic lockdowns significantly disrupted the growth momentum in the sector," says Tshokolo Petrus Nchocho, IDC CEO.

## Encouraging South Africans to explore

As part of the campaign, travellers have an opportunity to secure holiday and leisure travel at a significantly discounted rate of up 35% to selected destinations spread across the country. "We are delighted to present South Africans with an opportunity to explore the many tourism products that our country has to offer, and this is more important especially as we emerge from economic lockdowns and travel bans imposed at the height of the pandemic from May 2020 up to August last year. We are hopeful that this campaign will also help the sector recover some of the jobs lost during lockdowns."

Nchocho reiterated IDC's commitment to the sector saying that the Corporation will continue with its initiatives to support the domestic tourism industry through various but structured interventions. Soon after Covid hit our shores, the IDC unveiled a funding package through which it ringfenced R250m from the Covid Relief fund in support of IDC investee companies in the sector.

"As the economy opens up, we anticipate an increase in local travel across South Africa. Our investment in this initiative demonstrates our confidence in the tourism sector as a key contributor to South Africa's economy, he added".

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