

Business tourism holds the fort as leisure travel slows down

By [Nick Hedley](#)

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Business tourism has been leading the recovery of SA's hospitality industry, although the sector is under pressure as organisations look to cut travel and accommodation costs, according to experts.

SA has become a popular destination for events, meetings, conferences and exhibitions. Earlier this year Tourism Minister Marthinus van Schalkwyk said the country had already secured more than 200 international conferences over the next five years.

SA was looking to aggressively pursue a bigger share of the global business tourism market, and the planned 200 conferences would attract about 300,000 delegates providing an economic boost of more than R1.6bn, said Van Schalkwyk.

Tourism Business Council of SA CEO Mmatsatsi Marobe said last week leisure tourism was still in a "tough space". This came amid improvements in business travel and as foreigners were realising that SA was "a place they can do business" .

The 2010 Fifa World Cup had done a lot to polish SA's image as a business destination, Marobe said.

However, business tourism was also under pressure, as companies were looking to cut costs and were now more reluctant to send employees on long and expensive trips. Conferences were becoming smaller and travellers often did not stay overnight, Marobe said.

Leading the recovery in tourism would be an improvement in the economic conditions of SA's traditional markets, including the UK and Germany, she said.

Gooderson Leisure sales and marketing GM Gail McCann Westphal said the company had spent a lot of money on its conferencing operations, and the group was upgrading its properties in preparation for a more substantial recovery in the industry.

"We are finding that conferencing is slower - people are tending to day-conference more than overnight," McCann Westphal said.

Protea Hospitality CEO Arthur Gillis said earlier this month that foreigners were booking rooms at Protea Hotels, thanks in part to a weaker rand.

He said business guests were the most important international visitors for the company as they were less affected by price and weather conditions since they did not travel for their own leisure, and tended to stay in better quality hotels.

SA was "seen as a safe place" and an organised country, although it was far from traditional markets, he said.

Trading conditions were improving "to some extent", because of a recovery in business and trade. However, the challenge was that SA's traditional tourist markets were "taking strain".

Tsogo Sun CEO Marcel von Aulock said last month hotels in Durban had "benefited substantially" from the COP 17 climate change conference last year.

Cullinan Holdings chairman and acting CEO Michael Tollman said last week the group, whose brands include Thompsons Holidays and Pentravel, was "quite positive about tourism at the moment, and in fact we've really since the World Cup been positive about it.

"We've been investing in our companies and our infrastructure and we continue to do so," Tollman said.

Source: *Business Day*

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