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City of Cape Town

Research on the Monitoring of Trends in Economic Value of Tourism in Cape Town

National Tourism Data Projection for 2013 and Tourism Enterprise Survey Projection for 2013

30 June 2014

Contents

1. Introduction

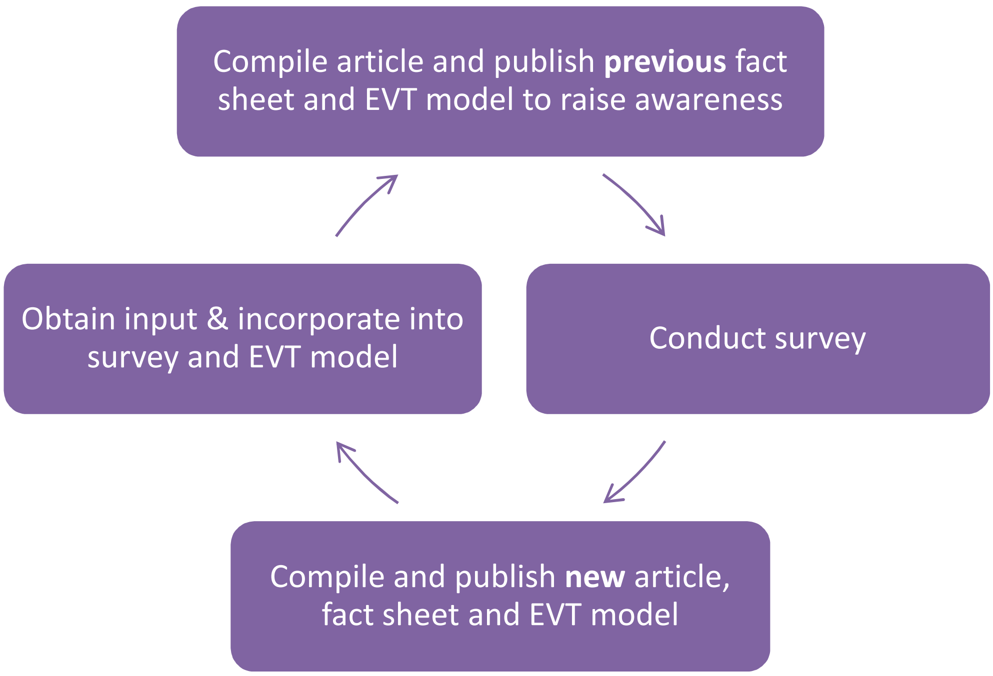
1.1 Background

The City of Cape Town ("**the Client**") started to monitor the economic value of tourism in Cape Town in 2008. The purpose of the monitoring was to create baseline data on the economic value of tourism ("**EVT**") as well as to elicit comment and inputs from relevant stakeholders.

The City of Cape Town has now commissioned Grant Thornton to update the baseline report that was conducted. Grant Thornton has been appointed for a three year period to compile the economic value of tourism report for 2011 to 2015.

1.2 Approach and Methodology

Our methodology is based on a circular process approach as indicated in the diagram below.



During the three year process we will develop the economic value of tourism model from its current approach utilising primary and secondary data to add a **simulated tourism satellite account** which will quantify the contribution of the tourism industry to the economy of Cape Town by utilising the economic sector data for Cape Town.

Our methodology is detailed below:

Phase 1: Project Initiation

At the start of the project, we will:

- Meet with the Client to confirm and detail the project scope and constraints;

- Together with the client or designated officials, agree on the project management approach to this assignment, including:
  - The number, dates and location of meetings;
  - Confirmation of the Client and consultant's project managers;
  - Confirm the composition and formation of a working committee/panel of experts;
  - Confirm relevant stakeholder to consult;
  - Agreement on all reporting formats;
  - Agreement on report frequency (i.e. monthly progress reports); etc.

- Prepare and submit a detailed project plan (in MS-Excel) to the Client, including the proposed work plan and agreed upon deliverables and time frames; and

- Finalise all contractual arrangements and quality control procedures.

Phase 2: Obtain Input on the Methodology

Following the project initiation phase, we will:

- Convene a meetings with the client, working committee, panel of experts and relevant stakeholders to obtain input on the previous study to verify the methodology and survey questionnaire design;

- Present the methodology for the compilation of the simulated tourism satellite account for Cape Town;

- Update and modify the methodology as required;

Phase 3: Raise Awareness by Publishing Article and Previous Study

Following methodology update phase, we will:

- Compile an article on the purpose and process of the intended survey;

- Obtain approval from the client on the contents of the article;

- Publish the article through the various channels of the City of Cape Town, Cape Town Tourism, online media and associations such as Satsa, Fedhasa, Saaci, etc;

Phase 4: Conduct the Survey

Following the raising of awareness phase, we will:

- Conduct the primary research through a web based questionnaire. The exact extent for the primary research is difficult to determine, however, a broad methodology for primary research is outlined below.

  - In order to determine the direct tourism spend we will need to survey a statistically relevant sample of tourism product owners such as tour operators, restaurants, attractions and accommodation owners.
  - A statistically relevant sample size for primary research will be determined based on databases available from Cape Town Tourism and any other available source. The sample for the detailed survey should be from a variety of business types and sizes as well as being spread across different areas of the city.
  - Based on a survey conducted by the University of Stellenbosch in 2007 there are an estimated 2 240 attractions, accommodation establishments and restaurants in the Cape Town area. We propose that a relevant statistical sample, to a 95% confidence level with a 50% degree of variability and a confidence interval of +-7% be a sample of 190-200[1].

- Collate and analyse all relevant national, provincial and municipal tourism data to assess the direct spend by visitors to Cape Town;

- Collate and analyse the municipal economic sector data produced by economic consultancies such as Quantec.

Phase 5: Update the Economic Value of Tourism

Following survey phase, we will:

- Update the economic value of tourism report, fact sheet and model based on the primary and secondary data obtained;

- Compile a draft simulated tourism satellite account for Cape Town. Our methodology for the compilation of the draft simulated tourism satellite account include:
  - Analysis the economic sector data for Cape Town produced by economic consultancies such as Quantec;
  - Projecting the share of these economic sector data that are related to tourism utilising methodologies from the United Nations World Tourism Organisation ("**UNWTO**") and World Tourism and Travel Council ("**WTTC**").

The above research will enable us to:

- Project the number of direct jobs created by tourism in the Cape Town area;

- Project the direct economic value of the tourism industry in the Cape Town area; and

- Use multipliers to project the indirect and induced impact Cape Town has on the wider Regional and National economy.

Phase 6: Presentation and Consultation of the Economic Value of Tourism

Following compilation of the economic value of tourism we will present the results and obtain input from the client, working committee and general stakeholders.

The process will then bring us back to the raising of awareness phase.

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[1] The proposed statistical sample was not achieved. Please see the detail in Section 3

2. Projection of the Direct Tourism Spend in Cape Town utilising National Data

2.1 Introduction

This report includes the projection of the direct tourism spend in Cape Town in 2013 based on information obtained from SA Tourism and projections by Grant Thornton. Revision of the 2011 and 2012 projection has also been made following the further analysis of data published by SA Tourism.

Please note that, prior to the SA Tourism report in 2010, SA Tourism could only report on foreign visitor arrivals as there was no way of separating out day visitors from the overall arrivals. In 2009, Statistics SA for the first time was able to make the distinction between tourists and day visitors and started a data series for tourist arrivals that was aligned to the globally accepted definition of a tourist. SA Tourism could only utilise this information for the first time in its 2010 reports. As a result of this change, the weighting methodology of SA Tourism has been revised and the results in reports prior to 2010 are not comparable to reports post 2010.

Grant Thornton has utilised information contained in the 2010 SA Tourism report to complete the 2009 projection for the direct tourism spend in Cape Town. In addition the 2011 and 2012 SA Tourism annual reports, the first three quarter reports for 2013 were utilised to complete the projection for 2013 and revision of the 2011 and 2012 projection. A revision of the 2011 and 2012 projections were required due to a revision of the SA Tourism data.

Cape Town's share of arrivals, bednights and spend were estimated by utilising data obtained from SA Tourism reports prior to 2009 and the arrivals on international and domestic flights were utilised as proxy for the change in Cape Town's share.

As indicated in previous reports, this approach is flawed as it does not contain recent projections of Cape Town's share of arrivals, bednights and spend but it is the only information that is available at the time of the research and writing of the report. Any input from stakeholders as to a better methodology to use will be welcomed.

2.2 Direct tourism spend in Cape Town based on National Data 2009 - 2013

The direct tourism spend based on the national SA Tourism data projection contains the following information for 2009 to 2013:

- Foreign arrivals to South Africa, the Western Cape and Cape Town;

- Foreign bednights spent in South Africa, the Western Cape and Cape Town;
- Foreign direct spend in South Africa, the Western Cape and Cape Town;
- Domestic tourism trips taken to destinations in South Africa, the Western Cape and to Cape Town;
- Domestic bednights spent in South Africa, the Western Cape and in Cape Town;
- Total spend during domestic trips to destinations in South African, the Western Cape and in the Cape Town.

To project the economic value of foreign and domestic tourists to Cape Town Grant Thornton utilised the number of foreign and domestic to South Africa and the Western Cape as per the data from SA Tourism (see Table 2.1). Based on the share of foreign and domestic bednights spent in Cape Town (see Table 2.2), we projected the share of the foreign and domestic direct spend in Cape Town (See Table 2.3).

Table 2.1: Foreign Arrivals and Domestic Trips

				Revised	Revised	Preliminary
	Source	**2009**	**2010**	**2011**	**2012**	**2013**
Foreign Arrivals						
Total Foreign Arrivals to South Africa	SA Tourism	7 011 865	8 073 552	8 339 354	9 188 368	9 559 552
Share of Foreign Arrivals to the Western Cape	SA Tourism	18.8%	18.6%	16.7%	14.7%	16.0%
Number of Foreign Arrivals to the Western Cape	SA Tourism	1 316 795	1 504 698	1 391 228	1 354 353	1 533 958.92
Share of Foreign Arrivals to Cape Town	Estimate	93%	91%	97%	96%	96%
Number of Foreign Arrivals to Cape Town	**Calculation**	**1 224 619**	**1 374 180**	**1 344 245**	**1 305 998**	**1 477 712**
Domestic Tourism Trips						
Total number of domestic trips taken in South Africa	SA Tourism	30 300 000	29 700 000	26 400 000	25 300 000	26 300 000
Share of domestic trips taken to the Western Cape	Calculation	11.6%	9.1%	9.1%	8.0%	8.0%
Number of domestic trips taken to the Western Cape	SA Tourism	3 500 000	2 700 000	2 400 000	2 024 000	2 104 000
Share of domestic trips taken to Cape Town	Estimate	44%	47%	49%	48%	47%
Number of domestic trips taken to Cape Town	**Calculation**	**1 540 000**	**1 188 000**	**1 166 353**	**978 706**	**996 025**

Source: Grant Thornton

The projected number of foreign arrivals to Cape Town has declined in 2011 and 2012 as the Western Cape's share of foreign arrivals has declined. Even though the actual number of total foreign arrivals to South Africa has increased, the actual number of foreign arrivals has decreased due to the Western Cape losing market share.

The projected number of foreign arrivals to Cape Town in 2013 has been extrapolated from the total number of foreign arrivals to South Africa up to October 2013 and the data contained in the first three quarter reports for 2013 from SA Tourism. Based on this preliminary data the number of foreign arrivals to Cape Town increased by 13.1% to 1.5 million in 2013 due to an increase in the share of foreign arrivals to the Western Cape.

A revision of the 2011 and 2012 projections were required due to a revision of the SA Tourism data. The revised projection of domestic overnight trips to Cape Town indicate a decrease in 2011 and 2012 mainly due to a decrease in the total number of domestic trips taken in South Africa. The projection for 2013 has been based on data published by SA Tourism for the first three quarters of 2013. Based on this preliminary data the domestic overnight trips to Cape Town increased by 1.8% in 2013.

Unfortunately the data to compare the number of foreign arrivals and domestic trips to other major cities are not readily available.

Table 2.2: Foreign and Domestic Bednights

				Revised	Revised	Preliminary
	Source	**2009**	**2010**	**2011**	**2012**	**2013**
Foreign Bednights						
Total Number of Bednights by Foreign Arrivals to SA	SA Tourism	55 802 589	66 852 503	66 153 429	67 466 639	77 178 582
Share of Foreign Bednights in the Western Cape	SA Tourism	28.1%	29.9%	25.6%	24.2%	24.3%
Number of Bednights by Foreign Arrivals to the Western Cape	SA Tourism	15 680 688	19 971 821	16 961 520	16 322 077	18 728 894
Share of Foreign Bednights in Cape Town	Estimate	68%	67%	71%	70%	70%
Number of Bednights by Foreign Arrivals in Cape Town	**Calculation**	**10 656 778**	**13 573 082**	**11 976 302**	**11 501 750**	**13 184 575**
Domestic Bednights						
Total number of domestic bednights in South Africa	SA Tourism	128 400 000	130 800 000	115 200 000	121 200 000	119 800 000
Share of domestic bednights on trips taken to the Western Cape	Calculation	12.0%	11.0%	11.0%	11.0%	11.0%
Number of domestic bednights on trips taken to the Western Cape	SA Tourism	15 408 000	14 388 000	12 672 000	13 332 000	13 178 000
Share of domestic bednights on trips to Cape Town	Estimate	44%	47%	49%	48%	47%
Number of domestic bednights on trips to Cape Town	**Calculation**	**6 779 520**	**6 716 894**	**6 158 344**	**6 446 696**	**6 238 412**

Source: Grant Thornton

The number of foreign bednights spent in Cape Town in 2011 and 2012 has declined as the share of foreign bednights spent in the Western Cape has declined. However, the preliminary projection of the number of foreign bednights spent in Cape Town in 2013 indicate an increase of 14.6%. This increase is attributable to the increase in the total number of foreign bednights spent in South Africa which is projected to have increased by 14.4% in 2013, based on data published by SA Tourism for the first three quarters of 2013.

The number of domestic bednights spent in Cape Town between 2009 and 2012 has fluctuated as the total number of domestic bednights in South Africa has fluctuated. The preliminary projection of the number of domestic bednights on overnight trips to Cape Town in 2013 indicates a decline of 3.2%. The decline is due to a decline in the total number of domestic bednights on trips in South Africa which is projected to have declined by 1.2% in 2013.

Table 2.3: Direct tourism spend based on National Data

				Revised	Revised	Preliminary
	Source	**2009**	**2010**	**2011**	**2012**	**2013**
Foreign Direct Spend (excl capital expenditure)						
Total foreign direct spend in South Africa (R bn)	SA Tourism	59.2	72.6	71.0	76.4	74.2
Share of foreign direct spend in the Western Cape	SA Tourism	28.0%	29.9%	25.6%	24.2%	23.8%
Total foreign direct spend in the Western Cape (R bn)	SA Tourism	16.6	21.7	18.2	18.5	17.7
Share of foreign direct spend in the Cape Town	Estimate	68%	67%	71%	70%	70%
Total foreign direct spend in the Cape Town (R bn)	**Calculation**	**11.3**	**14.5**	**12.9**	**13.0**	**12.4**
Total Domestic Spend						
Total spend by domestic tourists in South Africa (R bn)	SA Tourism	22.4	21.1	20.3	21.8	22.5
Share of total domestic spend in the Western Cape	Calculation	11.6%	15.6%	19.2%	17.9%	17.9%
Total spend by domestic tourists in the Western Cape (R bn)	SA Tourism	2.6	3.3	3.9	3.9	4.0
Share of domestic spend in Cape Town	Estimate	44%	47%	49%	48%	47%
Total spend by domestic tourists in Cape Town (R bn)	**Calculation**	**1.1**	**1.5**	**1.9**	**1.9**	**1.9**
Direct Tourism Spend based on National Data						
Total foreign direct spend in Cape Town (R bn)	Calculation	11.3	14.5	12.9	13.0	12.4
Total spend by domestic tourists in Cape Town (R bn)	Calculation	1.1	1.5	1.9	1.9	1.9
Total direct tourism spend in Cape Town (R bn)	**Calculation**	**12.4**	**16.0**	**14.7**	**14.9**	**14.3**

Source: Grant Thornton

Based on the national information the total direct tourism spend in Cape Town was R12.4 billion in 2009, increasing to R16 billion in 2010, before declining to R14.7 billion in 2011 and increasing to R14.9 billion in 2012. The preliminary projection of the total direct tourism spend in Cape Town in 2013 indicate a decline of 4% (to R14.3 billion). This decline can be attributed to the projected decline in foreign direct tourism spend in South Africa of 5.1%.

An analysis of the average annual compound growth rate between 2009 and 2013 indicate that:

- Total direct tourism spend in Cape Town has increased by 3.6% per annum between 2009 and 2013;
- Foreign arrivals to Cape Town has increased by 4.8% per annum between 2009 and 2013;
- Foreign bednights spent in Cape Town has increased by 5.5% per annum between 2009 and 2013, confirming that the length of stay of foreign tourists in Cape Town has increased. An comparison off the number of foreign arrivals and the foreign bednights indicate that the average length of stay for a foreign visitor has increased from 8.7 nights in 2009 to an estimated 8.9 nights in 2013;
- Foreign direct spend in Cape Town has increased by 2.4% per annum between 2009 and 2013;

- Domestic overnights trips to Cape Town has declined by 10.3% per annum between 2009 and 2013 as the total number of overnight trips in South Africa has declined by 3.5% indicating a loss in domestic market share by Cape Town;

- Domestic bednights spent in Cape Town has declined by 2.1% per annum between 2009 and 2013 confirming the increase in the average length of stay of domestic visitors from 4.4 nights in 2009 to a projected 6.3 nights in 2013;

- Domestic spend in Cape Town has grown by 13.6% per annum between 2009 and 2013. With an assumed inflation rate of around 5%, this represents real growth of 8.6% per annum.

3. Projection of the Direct Tourism Spend in Cape Town utilising a Survey of Tourism Enterprises

3.1 Introduction

The second methodology utilised in the research process on the economic value of tourism in Cape Town is a projection of direct tourism spend based on a survey of tourism enterprises in Cape Town. The section below include the results from the survey conducted between 20 May 2013 and 3 June 2013 and has been updated with the results of the survey conducted between 29 May 2014 and 12 June 2014. The survey will be conducted again during May and June 2015.

3.2 The Survey of Tourism Enterprises

The initial survey of tourism enterprises was conducted between 20 May 2013 and 3 June 2013, with the follow up survey being conducted between 29 May 2014 and 12 June 2014 in order to ensure comparability amongst results. Both surveys were online surveys and an e-mail containing an explanation regarding the significance of the survey and a link to the relevant website were e-mailed to all the members of Cape Town Tourism, Fedhasa, Satsa, Saaci and other tourism associations. The survey was also publicised in a press release which was distributed widely to the media by the City of Cape Town and Grant Thornton.

In addition, Cape Town Tourism kindly offered free membership for a year to two respondents of the survey in order to encourage participation. This encouragement bore fruit as 150 responses were received in 2014 against the 107 received in 2013. Unfortunately the survey results is still lower than the sample of around 200 being required to provide an analysis at a higher confidence level. A comparison of the survey responses is shown in **Annexure A**.

Tourism enterprises that responded to the survey were categorised according to type of enterprise and according to their size. The total number of tourism enterprises per category was then estimated based on listings by Cape Town Tourism as well as a database compiled by the National Department of Tourism.

The next step was to project the average turnover and number of permanent and temporary employees per category by enterprise and size. This projection was based on the survey responses as well as Grant Thornton's knowledge of the tourism industry.

Following the projection of the average turnover and employment it was multiplied with the total number of enterprises per category to estimate the direct tourism spend in Cape Town. The detail estimated projection for both surveys are shown in **Annexure B**.

3.3 Direct tourism spend in Cape Town based on a Survey of Tourism Enterprises

Based on the EVT model using a survey of 150 tourism enterprises in Cape Town it is projected that the direct tourism spend in Cape Town for 2013/14 is R12.2 billion and that there are around 37 500 permanent employees and around 15 100 temporary employees employed in Cape Town's tourism industry.

The direct tourism spend is estimated to have increased by 2.4% while the permanent employment increased by 8.6% and the temporary employment increased by 1.4%. Care should be taken not to draw conclusions from these increases as there are many assumptions required to estimate these figures. For example, the total number of guesthouses or tour operators are estimated.

Table 3.1 indicates that the majority of the employment is in the low level category. This highlights the benefit of tourism of creating employment in the category where unemployment is at its highest.

Table 3.1: Estimated number of Employees in the tourism industry in Cape Town

Employment	Permanent	Temporary
	2012/13	**2012/13**
Low Level (Unskilled or semi-skilled)	19 113	12 256
Medium Level (Skilled & technically or academically qualified – supervisor, junior manager)	8 448	1 991
High Level (Experienced, professionally qualified, mid to senior managers)	7 024	675
Total	**34 584**	**14 922**
	2013/14	**2013/14**
Low Level (Unskilled or semi-skilled)	20 824	12 359
Medium Level (Skilled & technically or academically qualified – supervisor, junior manager)	9 993	2 096
High Level (Experienced, professionally qualified, mid to senior managers)	6 735	675
Total	**37 551**	**15 130**

Source: Grant Thornton

The number of assumptions and the quality of the data, in part, explains the difference in the estimates of the direct tourism spend in Cape Town from the two methodologies used. It is hoped that future surveys will achieve a higher response rate and that the addition of the tourism gross value add calculations will add an additional benchmark for the direct tourism spend in Cape Town.

3.4 The Way Forward

The cycle of described in Section 1 will continue. The results from the disaggregated national data and the survey of tourism enterprises will be disseminated to relevant stakeholders for comment through scheduled workshops.

Specific workshops will be held to obtain input on the methodology used from academic and other stakeholders.

The input obtained will be incorporated in the next estimation of the direct tourism spend which will start with the disaggregation of national data and a repeat of the survey of tourism enterprises in 2015.

A draft gross value add estimation for Cape Town will be compiled during August and September 2014 and disseminated to stakeholders for comment.

Annexure A: Summary of the Survey of Tourism Enterprises

Survey Year	**2013**		**2014**	
Number of Responses	**107**		**150**	
	% or Resp	# of Resp	% or Resp	# of Resp
1.) Accommodation only: Kindly tick the relevant box				
Single Hotel	14.81%	12	22.81%	13
Game/Safari Lodge	0.00%	0	5.26%	3
Caravan/Camping	1.23%	1	0.00%	0
Backpackers	3.70%	3	3.51%	2
Letting Pool	2.47%	2	0.00%	0
Wine Farm	1.23%	1	1.75%	1
Bed & Breakfast	13.58%	11	7.02%	4
Guesthouse	28.40%	23	21.05%	12
Self Catering	25.93%	21	15.79%	9
Other	8.64%	7	22.81%	13
2.) Hotel groups only: Please indicate the following				
The number of hotels within your group		13		10
The total number of rooms/units in your group		13		11
3.)Accommodation only: Kindly tick the relevant option				
1-3 rooms/units	23.08%	15	14.58%	7
4-8 rooms/units	23.08%	15	18.75%	9
9-15 rooms/units	13.85%	9	10.42%	5
16-25 rooms/units	3.08%	2	12.50%	6
26-50 rooms/units	13.85%	9	12.50%	6
51-75 rooms/units	4.62%	3	2.08%	1
76-100 rooms/units	3.08%	2	10.42%	5
101-150 rooms/units	4.62%	3	8.33%	4
151-200 rooms/units	3.08%	2	6.25%	3
201-250 rooms/units	0.00%	0	0.00%	0
251+ rooms/units	7.69%	5	4.17%	2

Survey Year	**2013**		**2014**	
Number of Responses	**107**		**150**	
	% or Resp	# of Resp	% or Resp	# of Resp
4.) Other tourism enterprises: Kindly tick the relavant box				
Attractions/Activities with <250 000 visitors p.a	8.33%	10	9.27%	23
Attractions/Activities with 250 000-500 000 visitors p.a	0.00%	0	0.81%	2
Attractions/Activities with 500 000-1m visitors p.a	0.00%	0	0.00%	0
Attractions/Activities with >1m visitors p.a	0.83%	1	0.81%	2
Business tourism & Events support services	5.83%	7	3.23%	8
Destination Marketing Company	2.50%	3	4.03%	10
Events & Meeting Venue <25 delegates	6.67%	8	0.81%	2
Events & Meeting Venue 26-50 delegates	1.67%	2	1.21%	3
Events & Meeting Venue 51-100 delegates	2.50%	3	0.81%	2
Events & Meeting Venue 101-250 delegates	5.00%	6	2.42%	6
Events & Meeting Venue >251 delegates	5.00%	6	2.82%	7
Film & related companies	0.83%	1	2.02%	5
Language schools			1.61%	4
Professional Conference Organizer	5.00%	6	3.23%	8
Professional & general services	3.33%	4	2.42%	6
Retail travel agent	0.00%	0	1.21%	3
Shop or store	0.83%	1	1.61%	4
Shopping centre <50 shops	0.00%	0	0.40%	1
Shopping centre 51-150 shops	0.83%	1	0.40%	1
Shopping centre >151 shops	0.83%	1	0.40%	1
Spa,health & personal care providers	2.50%	3	1.21%	3
Transport services 1-5 vehicles	4.17%	5	4.03%	10
Transport services 6-10 vehicles	1.67%	2	0.00%	0
Transport services >10 vehicles	0.83%	1	3.63%	9
Tourism services	5.83%	7	7.66%	19
Tourist guide	8.33%	10	12.10%	30
Tour operator 1-5 vehicles	10.83 %	13	13.71%	34
Tour operator 6-10 vehicles	0.00%	0	0.40%	1
Tour operator >10 vehicles	0.00%	0	2.42%	6
Restaurant <25 seats	0.00%	0	0.81%	2
Restaurant 26-50 seats	0.83%	1	0.81%	2
Restaurant 51-100 seats	3.33%	4	1.61%	4
Restaurant >101 seats	3.33%	4	3.23%	8
Other	8.33%	10	8.87%	22

Survey Year	**2013**		**2014**	
Number of Responses	**107**		**150**	
	% or Resp	# of Resp	% or Resp	# of Resp
5.) Restaurants only: Please indicate if you are located within a hotel				
Yes	53.85%	7	46.15%	12
No	46.15%	6	53.85%	14
6.) All respondents: Kindly answer with regards to the number of your employees				
Number of permanent (full time) staff				
Low level (unskilled)		70		112
Medium level (skilled & technically/academically qualified)		66		119
High level (Experienced, professionally qualified)		71		127
Number of seasonal (part time) staff				
Low level (unskilled)		41		88
Medium level (skilled & technically/academically qualified)		35		69
High level (Experienced, professionally qualified)		26		60
7.) All respondents: Please indicate the total cost to company level of your low level employees (per month)				
<R1 400	15.12%	13	10.48%	13
R1 401 - R4 999	46.51%	40	26.61%	33
R5 000 - R9 999	10.47%	9	16.94%	21
R10 000- R14 999	5.81%	5	8.87%	11
R15 000 - R19 999	5.81%	5	8.87%	11
R20 000 - R24 999	1.16%	1	4.84%	6
>R25 000	15.12%	13	23.39%	29
8.) All respondents: Please indicate the total cost to company of you medium level employees (per month)				
<R10 000	46.67%	35	39.53%	51
R10 000- R14 999	16.00%	12	13.18%	17
R15 000 - R19 999	12.00%	9	13.95%	18
R20 000 - R24 999	8.00%	6	6.20%	8
R25 000 - R29 999	2.67%	2	6.20%	8
R30 000 - R34 999	1.33%	1	3.88%	5
R35 000 - R39 999	2.67%	2	1.55%	2
>R40 000	10.67%	8	15.50%	20

Survey Year	**2013**		**2014**	
Number of Responses	**107**		**150**	
	% or Resp	# of Resp	% or Resp	# of Resp
9.)All respondents: Please indicate the total cost to company of your high level employees (per month)				
<R15 000	32.91%	26	20.57%	29
R15 000 - R19 999	8.86%	7	11.35%	16
R20 000 - R24 999	8.85%	7	15.60%	22
R25 000 - R29 999	11.39%	9	6.38%	9
R30 000 - R34 999	8.86%	7	7.09%	10
R35 000 - R39 999	5.06%	4	7.09%	10
R40 000 - R44 999	2.53%	2	4.96%	7
R45 000 - R49 999	2.53%	2	2.84%	4
R50 000 - R54 999	3.80%	3	4.26%	6
R55 000 - R59 999	0.00%	0	1.42%	2
>R60 000	15.19%	12	18.44%	26
9.) All respondents: Kindly indicate what the turnover of your enterprise is for the last 12 months				
<R100 000	12.87%	13	12.84%	19
R100 000 - R249 999	10.89%	11	6.76%	10
R250 000 - R499 999	8.91%	9	8.78%	13
R500 000 - R749 999	5.94%	6	4.73%	7
R750 000 - R999 999	2.97%	3	3.38%	5
R1 000 000 - R1 999 999	9.90%	10	11.49%	17
R2 000 000 - R2 999 999	5.94%	6	5.41%	8
R3 000 000 - R3 999 999	4.95%	5	4.05%	6
R4 000 000 - R4 999 999	3.96%	4	4.73%	7
R5 000 000 - R9 999 999	10.89%	11	9.46%	14
R10 000 000 - R19 999 999	4.95%	5	6.08%	9
R20 000 000 -R49 999 999	3.96%	4	1.35%	2
R50 000 000 - R99 999 999	1.98%	2	4.05%	6
R100 000 000 - R199 999 999	2.97%	3	2.70%	4
R200 000 000 - R299 999 999	0.00%	0	3.38%	5
R300 000 000 - R399 999 999	0.99%	1	0.68%	1
R400 000 000 - R499 999 999	0.00%	0	0.68%	1
>R500 000 000	7.92%	8	9.46%	14

Annexure B: Estimate of Direct Tourism Spend based on Cape Town Tourism Enterprise Survey

Cape Town Economic Value of Tourism Model
Tourism Enterprise Survey May 2013:

Type of Enterprise	Size	Number	Estimated Average Turnover	Average Number of			Average Number of			Estimated Total Turnover	Total Number of Permanent			Total Number of Temporary		
				Low Level	Medium Level	High Level	Low Level	Medium Level	High Level		Low Level	Medium Level	High Level	Low Level	Medium Level	High Level
B&B	Less than 4 rooms	202	250 000	1	0	1	1	0	0	50 500 000	202	-	202	202	-	-
	Between 4 and 8 rooms	81	750 000	2	0	1	1	0	0	60 750 000	162	-	81	81	-	-
	More than 8 rooms	37	2 250 000	4	3	1	2	0	0	83 250 000	148	111	37	74	-	-
Resort, caravan park &	Less than 15 sites/units	2	200 000	1	0	1	2	0	0	400 000	2	-	2	4	-	-
Camping	Between 15 and 25 sites/units	6	750 000	4	1	1	2	0	0	4 500 000	24	6	6	12	-	-
	More than 25 sites/units	9	2 750 000	8	5	3	6	4	0	24 750 000	72	45	27	54	36	-
Guesthouse	Less than 4 rooms	97	250 000	1	0	1	1	0	0	24 250 000	97	-	97	97	-	-
	Between 4 and 8 rooms	875	750 000	2	0	1	1	0	0	656 250 000	1 750	-	875	875	-	-
	More than 8 rooms	155	2 250 000	4	3	1	2	0	0	348 750 000	620	465	155	310	-	-
Backpacker	Less than 10 beds	2	200 000	3	2	2	2	0	0	400 000	6	4	4	4	-	-
	Between 10 and 25 beds	12	550 000	5	5	3	5	2	0	6 600 000	60	60	36	60	24	-
	More than 25 beds	16	2 500 000	10	7	5	10	5	0	40 000 000	160	112	80	160	80	-
Hotel	Less than 50 rooms	105	3 000 000	15	10	1	2	0	0	315 000 000	1 575	1 050	105	210	-	-
	Between 50 and 200 rooms	68	20 000 000	35	15	10	20	0	0	1 360 000 000	2 380	1 020	680	1 360	-	-
	More than 200 rooms	10	60 000 000	55	45	20	15	10	0	600 000 000	550	450	200	150	100	-
Lodge	Less than 4 rooms	26	350 000	1	0	1	1	0	0	9 100 000	26	-	26	26	-	-
	Between 4 and 8 rooms	11	850 000	2	0	1	1	0	0	9 350 000	22	-	11	11	-	-
	More than 8 rooms	33	3 000 000	4	3	1	2	0	0	99 000 000	132	99	33	66	-	-
Self-Catering	Less than 4 units	556	400 000	1	0	1	1	0	0	222 400 000	556	-	556	556	-	-
	Between 4 and 8 units	331	1 200 000	2	0	1	1	0	0	397 200 000	662	-	331	331	-	-
	More than 8 units	88	2 550 000	4	3	1	2	0	0	224 400 000	352	264	88	176	-	-
Confernce Venue	Less than 50 seats	79	1 250 000	3	0	1	2	0	0	99 000 000	238	-	79	158	-	-
	Between 50 and 250 seats	70	4 500 000	10	5	3	8	4	1	316 800 000	704	352	211	563	282	70
	More than 250 seats	21	14 500 000	25	10	5	15	5	3	303 050 000	523	209	105	314	105	63
Transport Operators,	Less than 5 vehicles/boats/planes	122	650 000	0	1	1	0	0	2	79 365 000	-	122	122	-	-	244
Tour Operators &	Between 6 and 10 vehicles/boats/planes	72	1 200 000	2	2	3	0	0	3	85 800 000	143	143	215	-	-	215
Tour Guides	More than 10 vehicles/boats/planes	10	5 500 000	6	4	4	0	2	4	54 450 000	59	40	40	-	20	40
Attraction	Less than 250 000 visitors pa	254	2 250 000	4	2	2	1	0	0	571 500 000	1 016	508	508	254	-	-
	Between 250 000 and 500 000 visitors pa	148	20 000 000	6	4	5	2	1	0	2 960 000 000	888	592	740	296	148	-
	More than 500 000 visitors pa	22	45 000 000	10	25	10	4	2	2	990 000 000	220	550	220	88	44	44
Restaurant	Less than 50 seats	59	800 000	5	1	1	5	1	0	47 520 000	297	59	59	297	59	-
	Between 50 and 100 seats	113	1 800 000	10	4	2	10	2	0	203 940 000	1 133	453	227	1 133	227	-
	More than 100 seats	217	7 500 000	20	8	4	20	4	0	1 625 250 000	4 334	1 734	867	4 334	867	-
Total/Average		3 909	3 037 173	5	2	2	3	1	0	11 873 525 000	19 113	8 448	7 024	12 256	1 991	675

Cape Town Economic Value of Tourism Model

Tourism Enterprise Survey May 2014:

Type of Enterprise	Size	Number	Estimated Average Turnover	Average Number of			Average Number of			Estimated Total Turnover	Total Number of Permanent			Total Number of Temporary		
				Low Level	Medium Level	High Level	Low Level	Medium Level	High Level		Low Level	Medium Level	High Level	Low Level	Medium Level	High Level
B&B	Less than 4 rooms	210	250 000	1	0	1	1	0	0	52 500 000	210	-	210	210	-	-
	Between 4 and 8 rooms	90	750 000	2	0	1	1	0	0	67 500 000	180	-	90	90	-	-
	More than 8 rooms	40	2 250 000	4	3	1	2	0	0	90 000 000	160	120	40	80	-	-
Resort, caravan park &	Less than 15 sites/units	2	200 000	1	0	1	2	0	0	400 000	2	-	2	4	-	-
Camping	Between 15 and 25 sites/units	6	750 000	4	1	1	2	0	0	4 500 000	24	6	6	12	-	-
	More than 25 sites/units	9	2 750 000	8	5	3	6	4	0	24 750 000	72	45	27	54	36	-
Guesthouse	Less than 4 rooms	97	250 000	1	0	1	1	0	0	24 250 000	97	-	97	97	-	-
	Between 4 and 8 rooms	875	750 000	2	0	1	1	0	0	656 250 000	1 750	-	875	875	-	-
	More than 8 rooms	155	2 250 000	4	3	1	2	0	0	348 750 000	620	465	155	310	-	-
Backpacker	Less than 10 beds	2	200 000	3	2	2	2	0	0	400 000	6	4	4	4	-	-
	Between 10 and 25 beds	12	550 000	5	5	3	5	2	0	6 600 000	60	60	36	60	24	-
	More than 25 beds	16	2 500 000	10	7	5	10	5	0	40 000 000	160	112	80	160	80	-
Hotel	Less than 50 rooms	105	5 000 000	10	12	1	6	1	0	525 000 000	1 050	1 260	105	630	105	-
	Between 50 and 200 rooms	68	20 000 000	50	20	4	15	0	0	1 360 000 000	3 400	1 360	272	1 020	-	-
	More than 200 rooms	10	60 000 000	55	45	20	15	10	0	600 000 000	550	450	200	150	100	-
Lodge	Less than 4 rooms	26	350 000	1	0	1	1	0	0	9 100 000	26	-	26	26	-	-
	Between 4 and 8 rooms	11	850 000	2	0	1	1	0	0	9 350 000	22	-	11	11	-	-
	More than 8 rooms	33	3 000 000	6	6	4	2	0	0	99 000 000	198	198	132	66	-	-
Self-Catering	Less than 4 units	556	500 000	3	1	1	1	0	0	278 000 000	1 668	556	556	556	-	-
	Between 4 and 8 units	331	1 200 000	2	1	1	1	0	0	397 200 000	662	331	331	331	-	-
	More than 8 units	88	2 550 000	4	3	1	2	0	0	224 400 000	352	264	88	176	-	-
Confernce Venue	Less than 50 seats	79	1 250 000	3	0	1	2	0	0	99 000 000	238	-	79	158	-	-
	Between 50 and 250 seats	70	4 500 000	10	5	3	8	4	1	316 800 000	704	352	211	563	282	70
	More than 250 seats	21	14 500 000	25	10	5	15	5	3	303 050 000	523	209	105	314	105	63
Transport Operators,	Less than 5 vehicles/boats/planes	122	650 000	0	1	1	0	0	2	79 365 000	-	122	122	-	-	244
Tour Operators &	Between 6 and 10 vehicles/boats/planes	72	1 200 000	2	2	3	0	0	3	85 800 000	143	143	215	-	-	215
Tour Guides	More than 10 vehicles/boats/planes	10	5 500 000	6	4	4	0	2	4	54 450 000	59	40	40	-	20	40
Attraction	Less than 250 000 visitors pa	254	2 250 000	4	2	2	1	0	0	571 500 000	1 016	508	508	254	-	-
	Between 250 000 and 500 000 visitors pa	148	20 000 000	6	4	5	2	1	0	2 960 000 000	888	592	740	296	148	-
	More than 500 000 visitors pa	22	45 000 000	10	25	10	4	2	2	990 000 000	220	550	220	88	44	44
Restaurant	Less than 50 seats	59	800 000	5	1	1	5	1	0	47 520 000	297	59	59	297	59	-
	Between 50 and 100 seats	113	1 800 000	10	4	2	10	2	0	203 940 000	1 133	453	227	1 133	227	-
	More than 100 seats	217	7 500 000	20	8	4	20	4	0	1 625 250 000	4 334	1 734	867	4 334	867	-
Total/Average		3 929	3 093 252	5	3	2	3	1	0	12 154 625 000	20 824	9 993	6 735	12 359	2 096	675

Annexure C: Fact Sheet

Cape Town Economic Value of Tourism Model				Revised	Revised	Preliminary
Fact Sheet	**Source**	**2009**	**2010**	**2011**	**2012**	**2013**
Foreign Direct Spend (excluding capital expenditure)						
Total Foreign Direct Spend in South Africa (R bn)	South African Tourism	59.2	72.6	71.0	76.4	74.2
Share of Foreign Direct Spend in the Western Cape	SA Tourism	28.0%	29.9%	25.6%	24.2%	23.8%
Total Foreign Direct Spend in the Western Cape (R bn)	South African Tourism	16.6	21.7	18.2	18.5	17.7
Share of Foreign Direct Spend in Cape Town	Grant Thornton Estimate	68%	67%	71%	70%	70%
Total Foreign Direct Spend in Cape Town (R bn)	**Calculation**	**11.3**	**14.5**	**12.9**	**13.0**	**12.4**
Total Domestic Direct Spend						
Total spend by domestic tourists in South Africa (R bn)	South African Tourism	22.4	21.1	20.2	21.8	22.5
Share of total domestic spend in the Western Cape	Grant Thornton Estimate	11.6%	15.6%	19.3%	17.9%	17.9%
Total spend by domestic tourists in the Western Cape (R bn)	South African Tourism	2.6	3.3	3.9	3.9	4.0
Share of domestic spend in Cape Town	Grant Thornton Estimate	44%	47%	49%	48%	47%
Total spend by domestic tourists in Cape Town (R bn)	**Calculation**	**1.1**	**1.5**	**1.9**	**1.9**	**1.9**
Tourism Direct Spend: Disaggregated National Data		**2009**	**2010**	**2011**	**2012**	**2013**
Total Foreign Direct Spend in Cape Town (R bn)	Calculation	11.3	14.5	12.9	13.0	12.4
Total spend by domestic tourists in Cape Town (R bn)	Calculation	1.1	1.5	1.9	1.9	1.9
Total Direct Tourism Spend in Cape Town (R bn)	**Calculation**	**12.4**	**16.0**	**14.7**	**14.9**	**14.3**
Direct Tourism Spend: Tourism Enterprise Survey					**2012**	**2013**
Direct Tourism Spend in Cape Town (R bn)	Calculation				**11.9**	**12.2**
Employment: 2012		**Permanent**	**Temporary**			
Low Level	Calculation	19 113	12 256			
Medium Level	Calculation	8 448	1 991			
High Level	Calculation	7 024	675			
Total	**Calculation**	**34 584**	**14 922**			
				Growth 2013 over 2012		
Employment: 2013		**Permanent**	**Temporary**	**Permanent**	**Temporary**	
Low Level	Calculation	20 824	12 359	9.0%	0.8%	
Medium Level	Calculation	9 993	2 096	18.3%	5.3%	
High Level	Calculation	6 735	675	-4.1%	0.0%	
Total	**Calculation**	**37 551**	**15 130**	**8.6%**	**1.4%**	

Annexure D: Tourism in South Africa and the Western Cape

2.1 Introduction

In this section we analyse the available information regarding tourism to South Africa and the Western Cape. Please note that the information available is not consistently published in the various surveys utilised. We have indicated which of the latest data is available and in some cases the information is not available for a particular category of information. For example, the total number of visitors for 2011 and 2012 may be available, but the breakdown of the total visitors per province may not be available for 2012.

2.2 Foreign Tourism in South Africa and the Western Cape

2.2.1 Introduction

In this section we analyse the foreign tourism market to South Africa and the Western Cape. This analysis serves to provide the Client with an overview of the current trends that are being experienced in the market. Our analysis makes use of the following sources of information:

- 2012 SA Tourism Annual Tourism Report;
- WESGRO Western Cape Annual Tourism Report, and
- World Travel & Tourism Council – Economic Impact 2014 South Africa

Tourism is internationally recognised as one of the world's fastest-growing industries. After years of isolation, South Africa has emerged as an attractive tourism destination striving to position itself as a major player in this high-growth, global industry that has been identified in a South African perspective as a pro-poor empowerment asset of our young democracy.

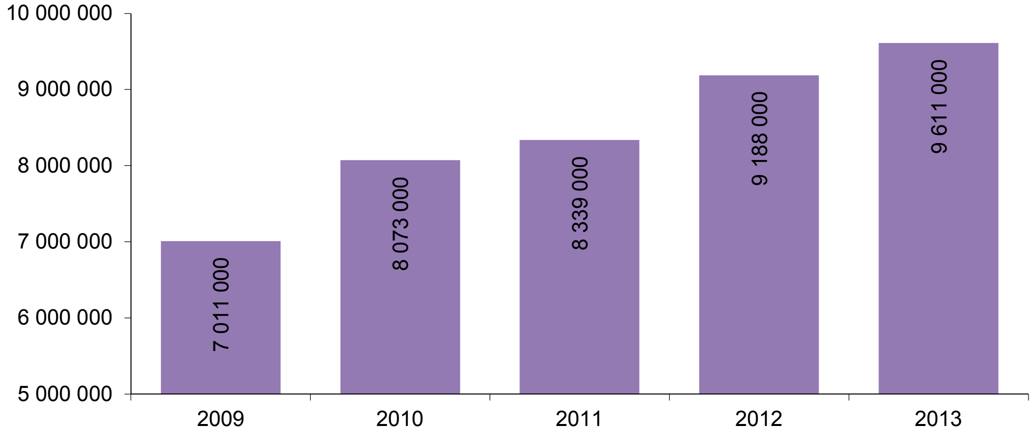
Tourism is also one of South Africa's major foreign exchange earners and job creators. According to the World Travel and Tourism Council, the direct contribution of South Africa's travel and tourism industry to gross domestic product ("**GDP**") in 2013 was R103.2 billion or 3%, while the direct and indirect contribution combined was R323.0 billion or 9,5%. Direct employment in the travel and tourism industry in 2013 was 645 500 (4,6% of total employment) while direct and indirect employment combined was 1 404 000 (10,1% of total employment).

2.2.2 Arrivals

In this section the total number of foreign visitors to South Africa will be discussed which will then be broken into the number of arrivals per province in South Africa as well as the seasonality of visitors to South Africa. Total visitors to the Western Cape per year is discussed to show the annual compound growth rate in the region.

There were 9,6 million foreign visitors to South Africa during 2013, an increase of 10,2% when compared to the 9,18 million arrivals in 2012 (**Figure 2.1**). While there was growth from all markets between 2010 and 2012, African air markets grew the fastest at 10,2%.

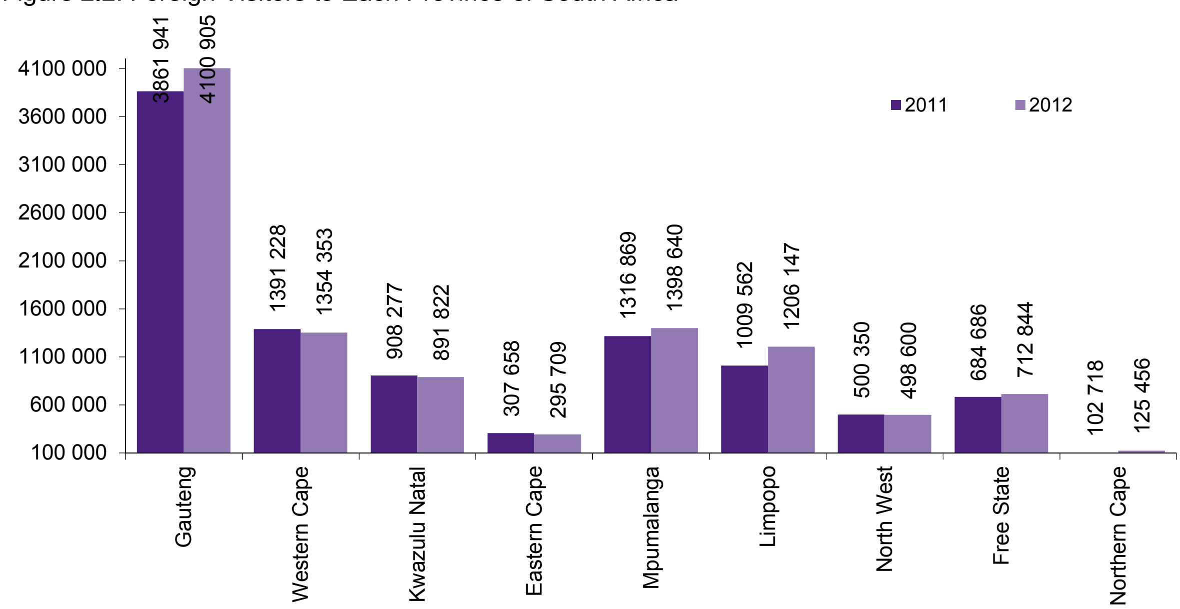
Figure 2.1: Total Foreign Arrivals to South Africa



Source: SA Tourism

Figure 2.2 shows the number of foreign visitors to each of the 9 provinces of South Africa during 2011 and 2012. Gauteng remains the most visited province with around 4.1 million or 44.6% of all foreign tourists in 2012 visiting the area, followed by Mpumalanga with 1.9 million or 15,2% which is closely followed by the Western Cape with 14,7% of all foreign visitors. The least visited province during 2012 was the Northern Cape which only received 125 456 visitors.

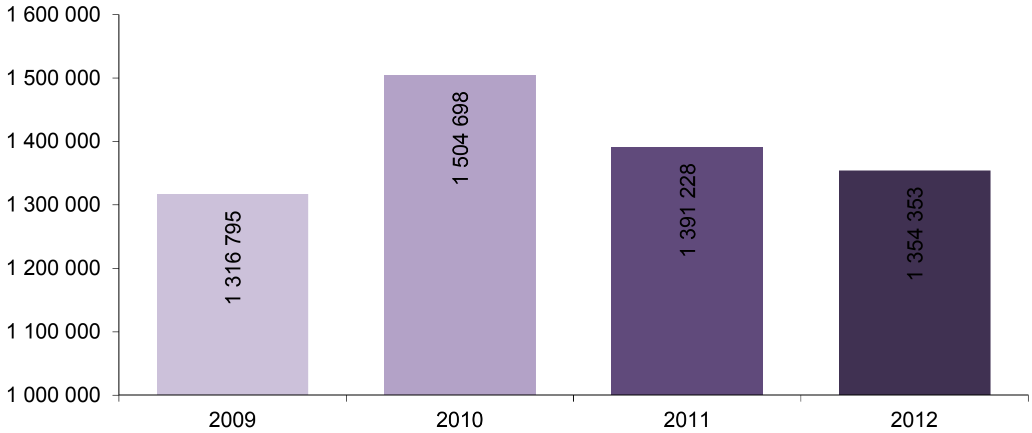
Figure 2.2: Foreign Visitors to Each Province of South Africa



Source: SA Tourism

The Western Cape experienced an annual compound growth rate of 0.94% in foreign visitor numbers between 2009 (1 316 795 foreign visitors) and 2012 (1 354 353 foreign visitors) (**Figure 2.3**).

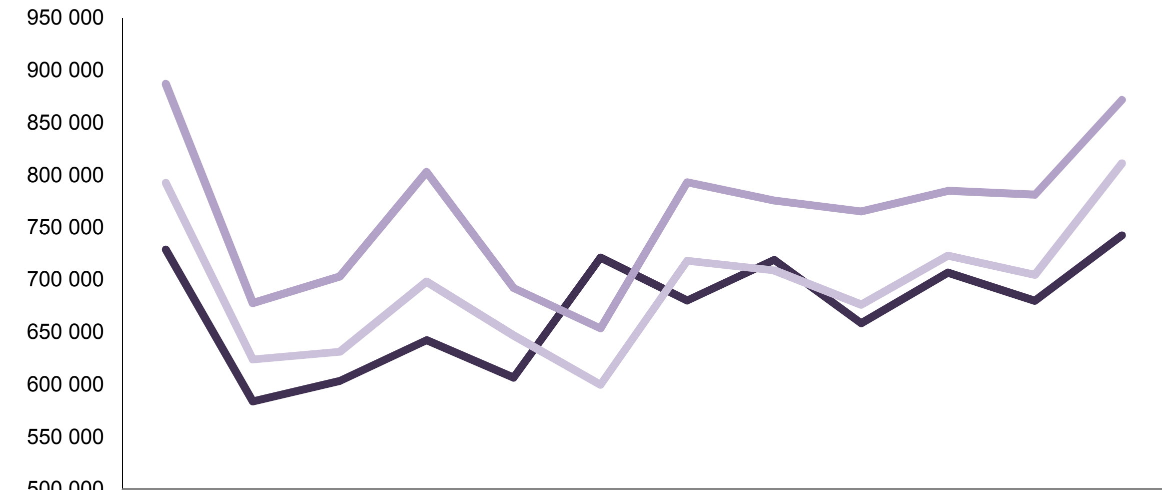
Figure 2.3: Total Foreign Visitors to the Western Cape



Source: SA Tourism

Figure 2.4 provides an indication of the seasonality trends in foreign tourist arrivals from 2010 to 2012. As expected, foreign arrivals to South Africa were at their highest in December and January, and at their lowest in the month of June. As per international holidays, foreign arrivals remain steady between August and November. One can clearly see the increase in foreign arrivals over the 2010 FIFA World Cup as visitor numbers increase by 18,9% from 606 543 to 721 311 before levelling out in the months to follow.

Figure 2.4: Foreign Arrivals to South Africa by Month



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	729056	584009	603479	642171	606543	721311	680414	719020	658565	706839	679904	742241
2011	792526	623899	631351	698399	646785	599800	718195	708882	676433	723247	704732	811104
2012	887066	677674	703067	802834	692046	653686	793245	775620	765395	784862	781096	871774

Source: SA Tourism

2.2.3 Source Markets

Table 2.1 provides a breakdown of the foreign arrivals to South Africa during 2012. Land arrival source markets are defined as those countries where at least 60% of all arrivals are by means of road transport. Arrivals from these countries accounted for 68,6% of the total arrivals, while arrivals from Europe accounted for 15,2%.

Lesotho (17,6%), Zimbabwe (20,1%), Mozambique (12%) and Swaziland (8,4%) were the major source markets of foreign visitors. Of the overseas countries, residents from the United Kingdom (**"UK"**) made up 4,7% of all foreign arrivals, followed by the United States of America (**"USA"**) (3,5%) and Germany (2,8%).

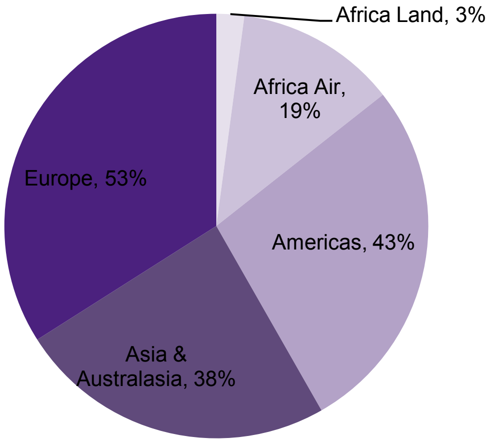
Table 2.1: Source Markets for Foreign Arrivals to South Africa (2012)

Source Markets by Region	
Africa Air	4.4%
Africa Land	68.6%
Americas	5.6%
Asia & Australasia	5.9%
Europe	15.2%
Unspecified	0.3%
Top Source Markets by Country	
Africa	
Lesotho	17.6%
Mozambique	12.0%
Zimbabwe	20.1%
Swaziland	8.4%
Botswana	3.9%
Overseas	
UK	4.7%
USA	3.5%
Germany	2.8%
Netherlands	1.3%
France	1.3%

Source: SA Tourism

The source market profile of foreign visitors to the Western Cape is very different to that of the country as whole. Europeans accounted for 53% of all visitors to the province during 2012, followed closely by North and South Americans (43%). The African Air market makes up the smallest percentage of visitors to the Western Cape with just 3% visiting in 2012.

Figure 2.5: Source Markets of Foreign Visitors to the Western Cape 2012

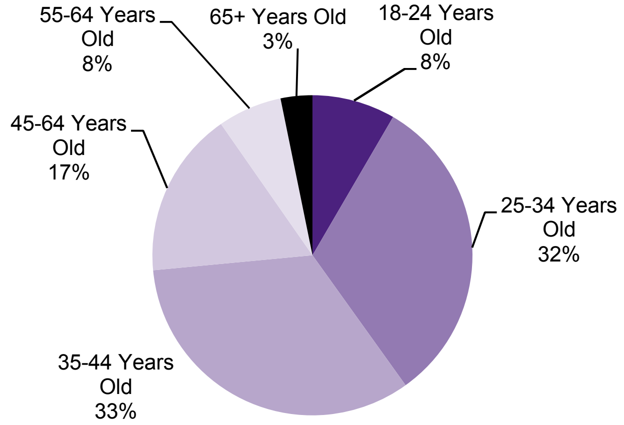


Source: SA Tourism

2.2.4 Visitor Profile

As shown in **Figure 2.6**, more than 60% of foreign visitors to South Africa are between 24 and 44 with the majority (33%) between 24 and 34 years old, while 32% were between 34 and 44 years old. Only 8% of foreign visitors were 24 or younger. South Africa is known as an adventure destination, attracting younger, more active foreign tourist searching for diverse experiences and holidays that are not offered elsewhere.

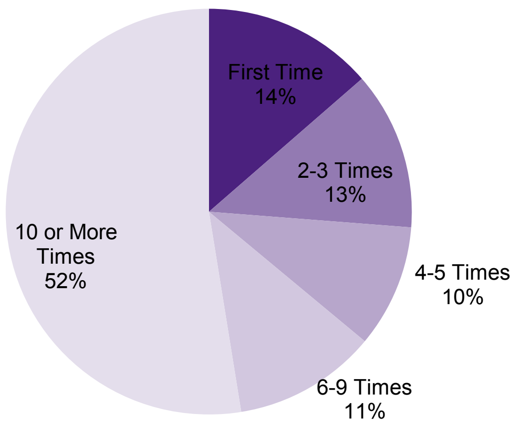
Figure 2.6: Age Profile of Foreign Visitors to South Africa 2012



Source: SA Tourism

52% of all foreign visitors to South Africa in 2012 were visiting for the tenth time or more. These visitors were mostly cross border arrivals from South Africa's neighbouring countries. First time visitors accounted for 14% of foreign arrivals (**Figure 2.7**).

Figure 2.7: Repeater Rate of Foreign Visitors 2012

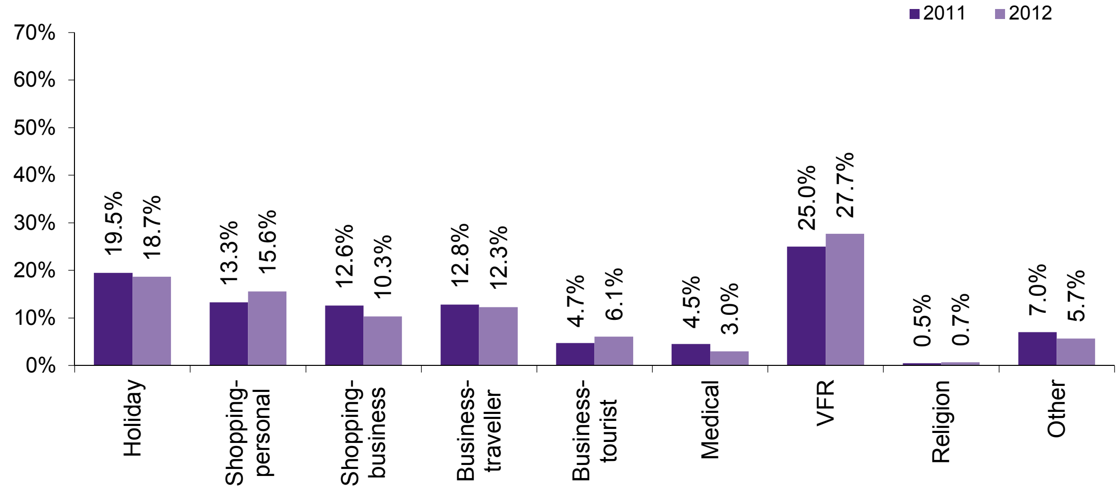


Source: SA Tourism

2.2.5 Purpose of Visit

Figure 2.8 shows the purpose of visit of foreign visitors to South Africa during 2011 and 2012. Visiting friends and relatives ("VFR") was the primary reason for travel with 27,7% of foreign visitors travelling for this purpose in 2012. This could be due to the large number of foreigners who originated from South Africa and whose parents remained in South Africa. Visiting friends and relative was followed by 18,7% of foreigners travelling to South Africa for holiday purposes and 15,6% travelling for personal shopping purposes.

Figure 2.8: Purpose of Visit of Foreign Visitors to South Africa

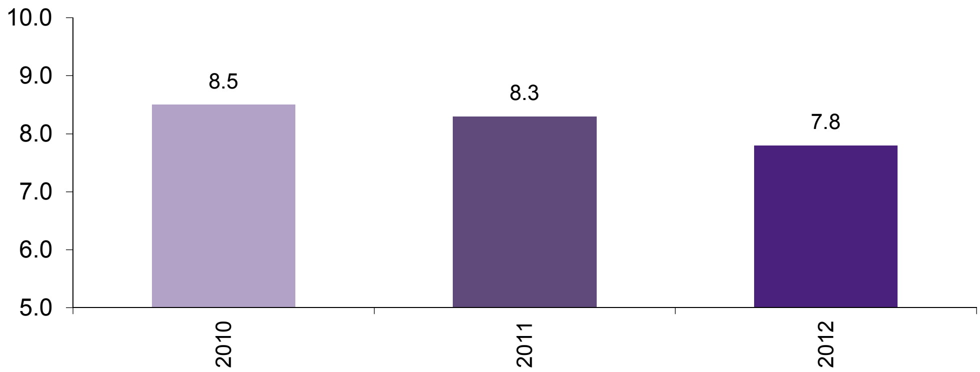


Source: SA Tourism

2.2.6 Length of Stay

There has been a steady decline in the length of stay of foreign visitors in South Africa over recent years, with the average length of stay having decreased from 8.3 nights in 2011 to 7.8 nights in 2012 (**Figure 2.9**). Due to the long-haul nature of South Africa as a destination, the average length of stay of foreign air arrivals during 2012 was high at 13.4 nights compared to the average length of stay of land arrivals which was 5.4 nights. The most common length of stay for air arrivals was 5 nights, while the most common length of stay for land arrivals was 1 nights.

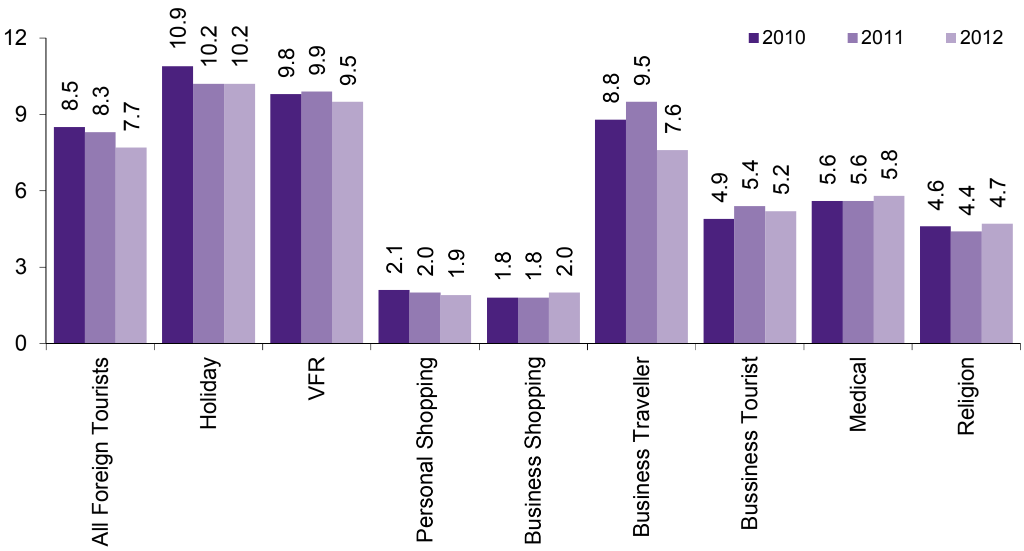
Figure 2.9: Average Length of Stay of Foreign Visitors to South Africa (Nights)



Source: SA Tourism

The length of stay of holiday tourists and visiting friends and relatives (VFR) remained constant in 2012 at 10.2 and 22.6 nights respectively. The length of stay for tourists that come to South Africa for shopping for business goods and medical tourists increased in 2012. Holiday travellers spent an average of 11.3 nights in the country, while business travellers spent 9.3 nights (**Figure 2.10**).

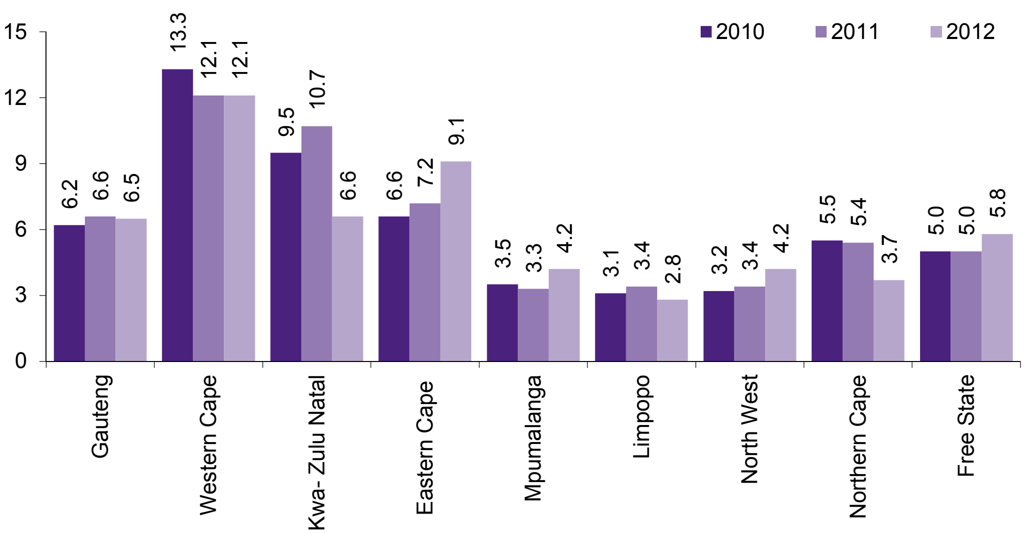
Figure 2.10: Average Length of Stay of Foreign Visitors by Purpose of Visit (Nights)



Source: SA Tourism

The average length of stay during 2012 of foreign visitors was the longest in the Western Cape with 12.1 nights, followed by the KwaZulu Nata with 10,7 nights (**Figure 2.11**) as these two province offer a variety of activities and attractions. Foreign visitors spent the shortest amount of time in the Limpopo (2.8 nights).

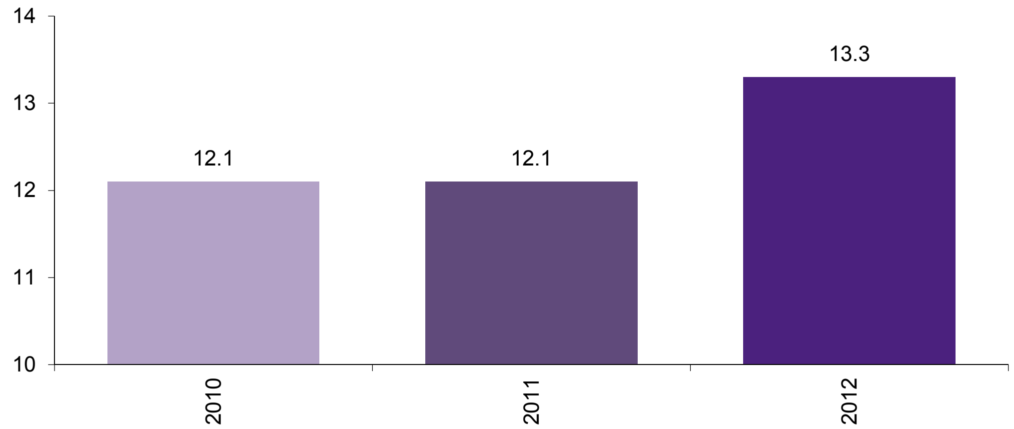
Figure 2.11: Average Length of Stay of Foreign Visitors by Province (Nights)



Source: SA Tourism

As shown in **Figure 2.12**, the average length of stay in the Western Cape has increased by 1,5 nights over the last 3 years from 12.1 in 2010 to 13.3 nights in 2012. The increase in the average length of stay could be due to the distance foreign tourists must travel to get to the Western Cape as well as the wide variety of attractions on offer throughout the province.

Figure 2.12: Average Length of Stay of Foreign Visitors to the Western Cape (Nights)

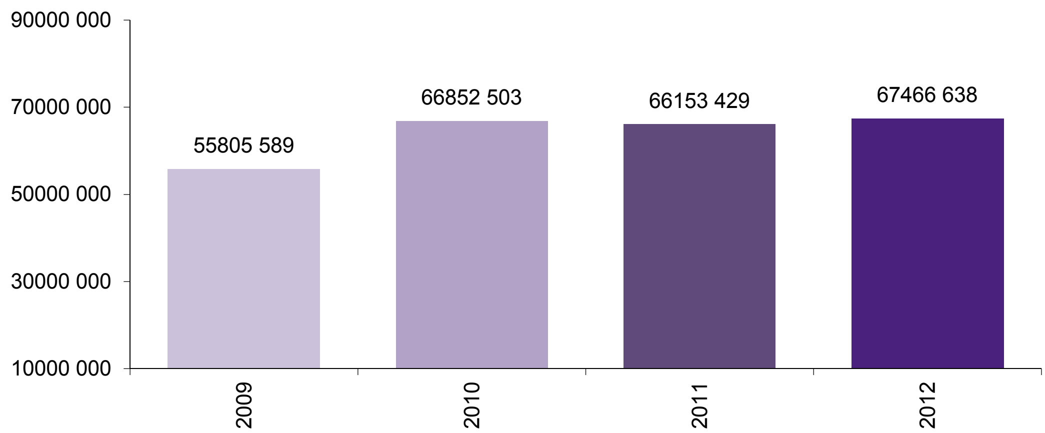


Source: SA Tourism

2.2.7 Bednights

In 2012, foreign tourists spent 67,5 million bednights in South Africa, a slight increase of 2.9% when compared to 66,1 million spent in the country during 2011 (**Figure 2.13**). Between 2009 and 2010, foreign bednights increased by 19,7% due to the increase in foreign arrivals over the FIFA World Cup.

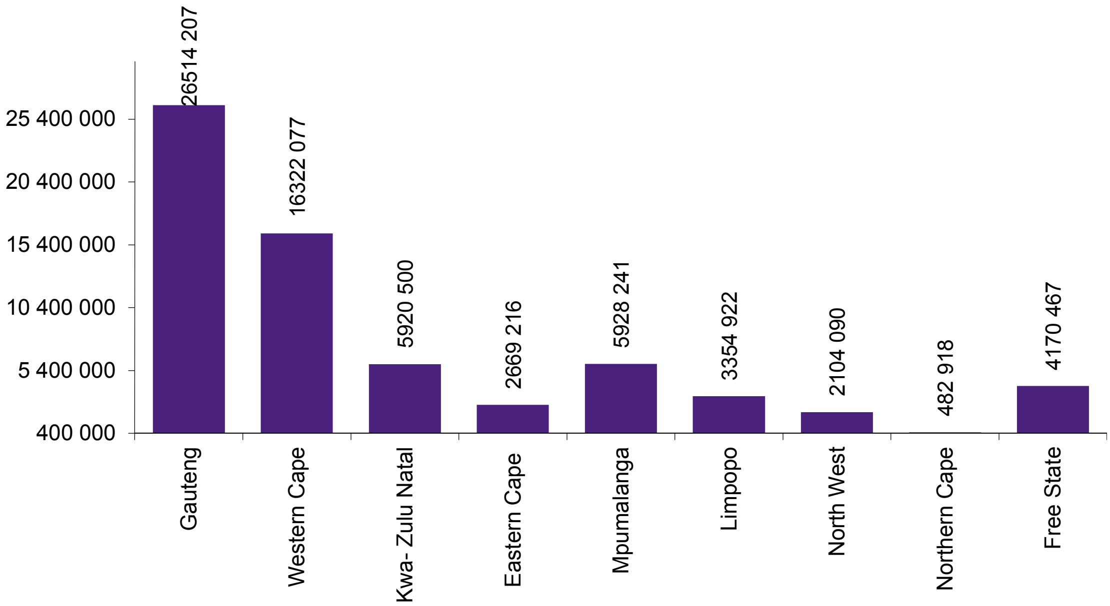
Figure 2.13: Foreign Bednights Spent in South Africa



Source: SA Tourism

In 2012, foreign tourists spent 26.5 million bednights (44,6%) in Gauteng, followed by 16.3 million bednights (14,7%) in the Western Cape. The Northern Cape received the smallest share accounting for only 482 918 of the foreign bednights in 2012 (**Figure 2.14**).

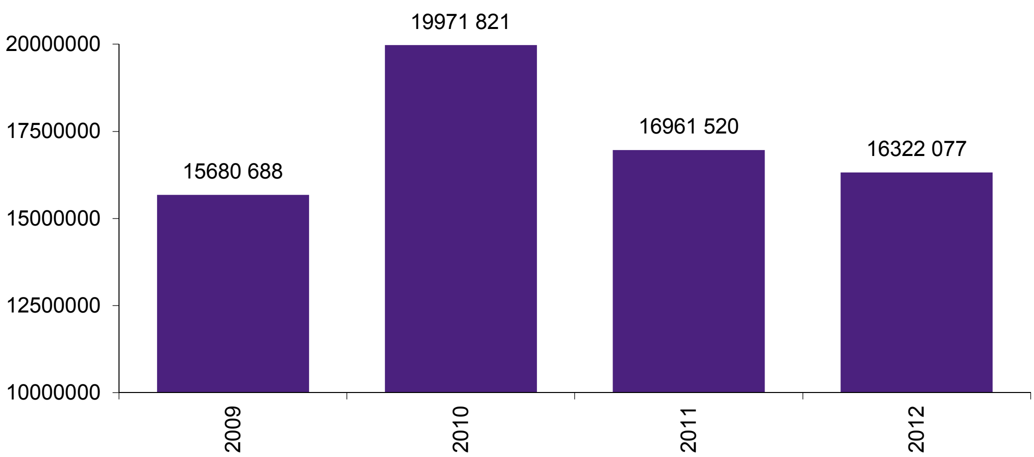
Figure 2.14: Foreign Bednights Spent in South Africa by Province 2012



Source: SA Tourism

The Western Cape experienced an annual compound bednight growth rate of 1,35% between 2009 and 2012 from 15,6 million to 16,3 million nights spent in the province (**Figure 2.15)**.

Figure 2.15: Foreign Bednights Spent in the Western Cape



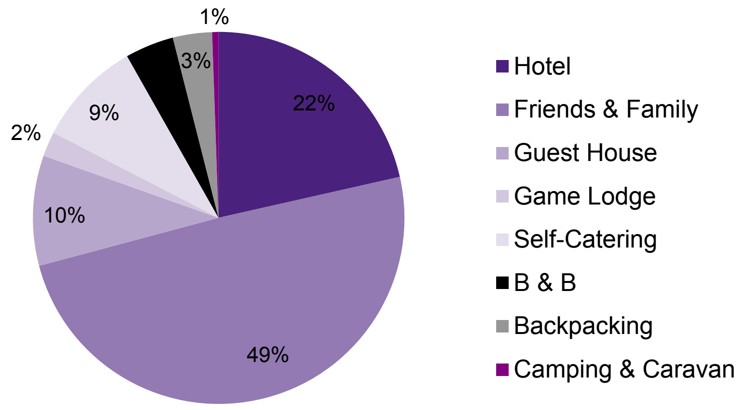
Source: SA Tourism

2.2.8 Type of Accommodation Used

From 2010 to 2012, staying with friends and family was the most popular type of accommodation used by foreign visitors to South Africa. A possible explanation could be due to accommodation rates in South Africa being higher than those abroad, staying with friends and family also allows foreign tourists more quality time with those that they came to see. When unpaid accommodation is utilise, foreign tourist are then able to spend more on other elements of their holiday such as shopping and site seeing.

In 2012, 49,1% of foreign visitors stayed with friends and family. This was followed by hotels (21,3%), guest houses (9,5%), self-catering accommodation (9%), bed and breakfast accommodation (4,2%) and backpackers (3,4%) (**Figure 2.16**).

Figure 2.16: Type of Accommodation Used by Foreign Visitors 2012

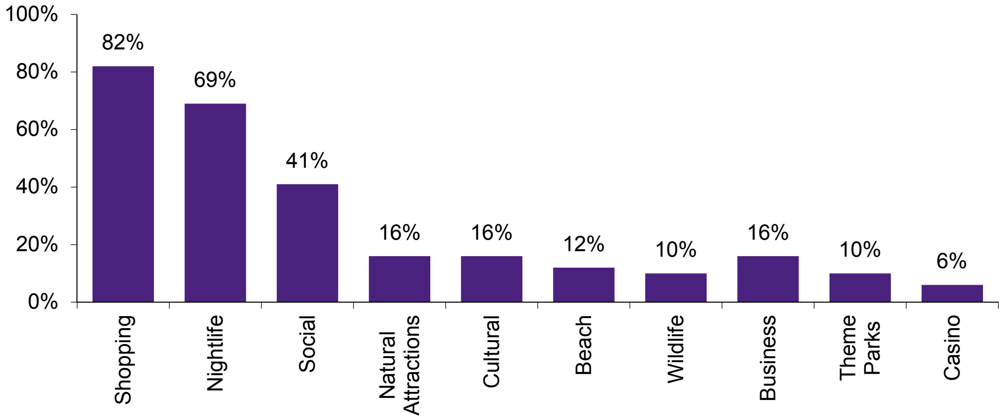


Source: SA Tourism

2.2.9 Activities Undertaken

Shopping, followed by nightlife activities, were the activities most frequently undertaken by foreigners during their stay in South Africa (**Figure 2.17**).

Figure 2.17: Activities Undertaken by Foreign Visitors to South Africa 2012



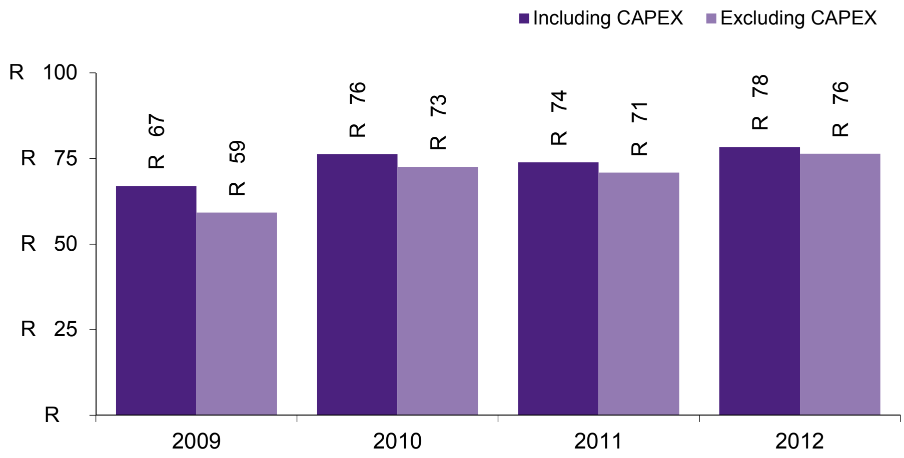
Source: SA Tourism

2.2.10 Spend

According to SA Tourism, total foreign direct spend ("**TFDS**") excluding capital expenditure ("**CAPEX**"), reached a record high of R76.4 billion in 2012. This is an increase of 7,6% or R5.4 billion (**Figure 2.18**). The average TFDS (excluding capital expenditure) of all tourists decreased by R200 from R8,900 to R8,700. The average TFDS (excluding capital expenditure) from land markets decreased by R1,200 and air markets increased by R2,100.

On average, foreign tourists each spent R1,130 per day (excluding CAPEX) in South Africa during 2012 (the latest available data), up from R1,080 per day in 2011.

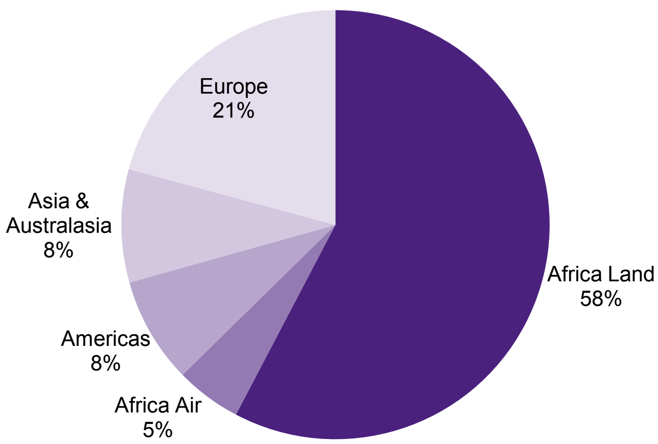
Figure 2.18: Total Foreign Direct Spend excluding CAPEX (R billion)



Source: SA Tourism

Figure 2.19 provides a breakdown of TFDS excluding CAPEX by source market region for 2012. Overland visitors from Africa accounted for 57% of the total spent (despite accounting for 68,6% of total visitor numbers), while visitors from Europe accounted for 12% of the TFDS.

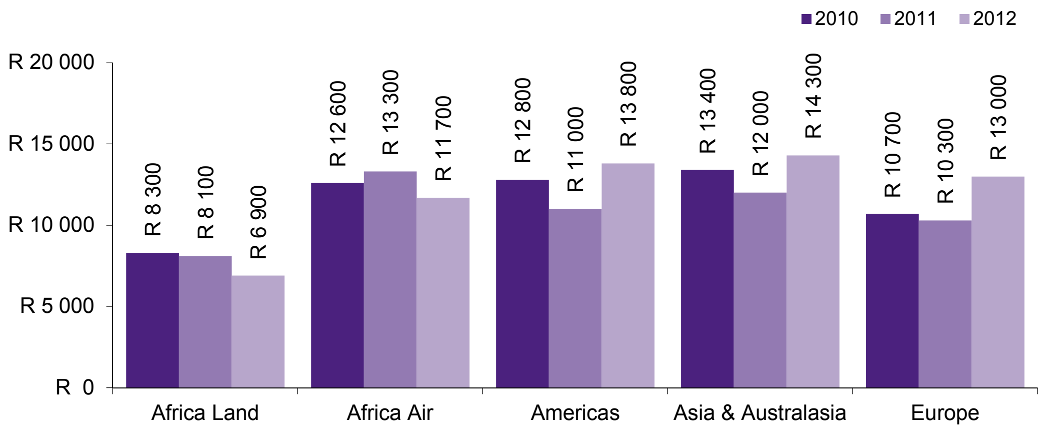
Figure 2.19: TFDS excluding CAPEX by Region 2012



Source: SA Tourism

As shown in **Figure 2.20**, visitors from Asia and Australia are the biggest foreign spenders in South Africa, each spending an average of R14 300 per trip during 2012. The average spend per trip by overland visitors from Africa was the lowest at R6 900.

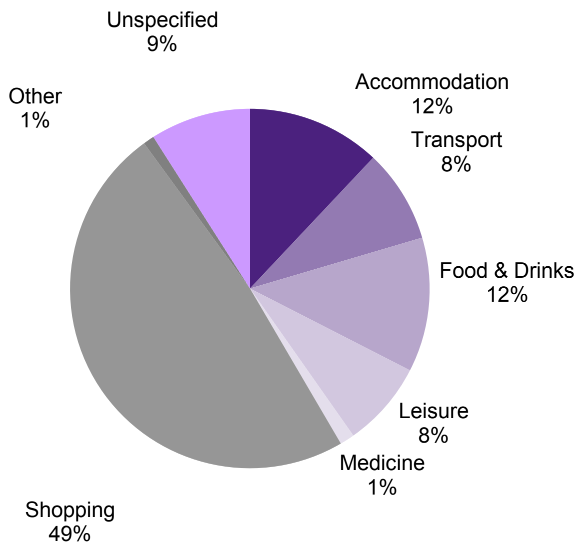
Figure 2.20: Average Visitor Spend by Source Market Region



Source: SA Tourism

Shopping accounted for R36.9 billion or 48.4% of the TFDS excluding CAPEX during 2012 (the latest available data), and accommodation for R9.2 billion or 12% (**Figure 2.21**).

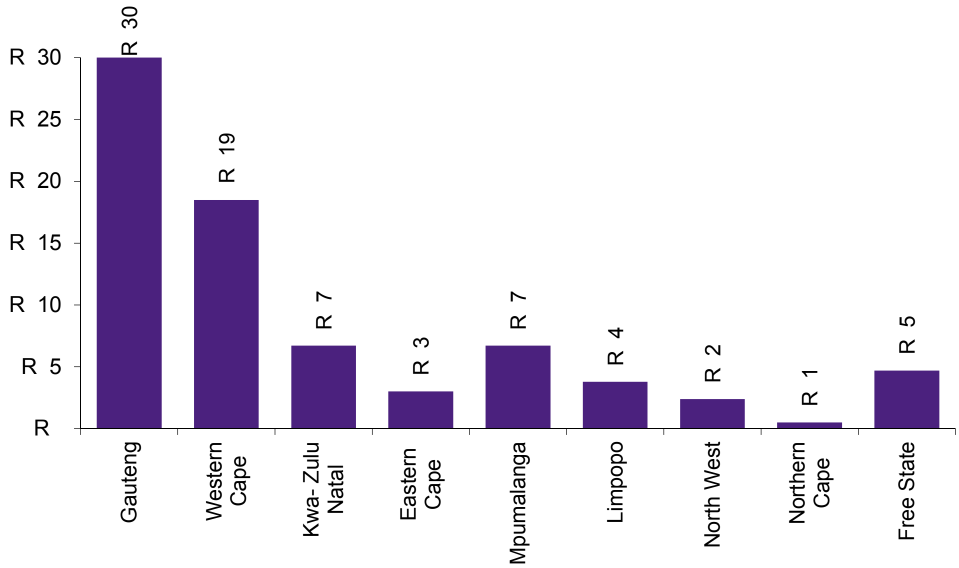
Figure 2.21: TFDS excluding CAPEX by Category 2012



Source: SA Tourism

The foreign direct spend excluding CAPEX during 2012 was the highest in Gauteng, with R30 billion being spent in the province. This was followed by the Western Cape with R18.5 billion. The total spent by foreign tourists in the Northern Cape was the lowest at R0.5 billion.

Figure 2.22: Foreign Direct Spend excluding CAPEX by Province 2012 (R Billion)



Source: SA Tourism

Foreign direct spend in the Western Cape reached a high of R21,7 billion during 2010 due to the increase in tourist numbers over the Soccer World Cup. Since that high, foreign direct spend in the Western Cape decreased by 14.7% (or R3,2 billion) to R18,5 billion during 2012, showing a slight increase of 1.6% (or R0,3 billion) from 2011. (**Figure 2.23**).

Figure 2.23: Foreign Direct Spend excluding CAPEX in the Western Cape (R billion)

Source: SA Tourism

2.3 Domestic Tourism in South Africa and the Western Cape

In this section we analyse the domestic tourism market in South Africa and the Western Cape. The domestic tourism market is segmented into two sections, namely overnight trips and day trips. Overnight trips represent a trip outside the respondent's usual environment where one night or more is spend away from the homestead, whereas a day trip represents a trip outside of the respondent's usual environment, where they leave and return on the same day.

This analysis serves to provide the Client with an overview of the current trends that are being experienced in the domestic market. Our analysis makes use of the following sources of information:

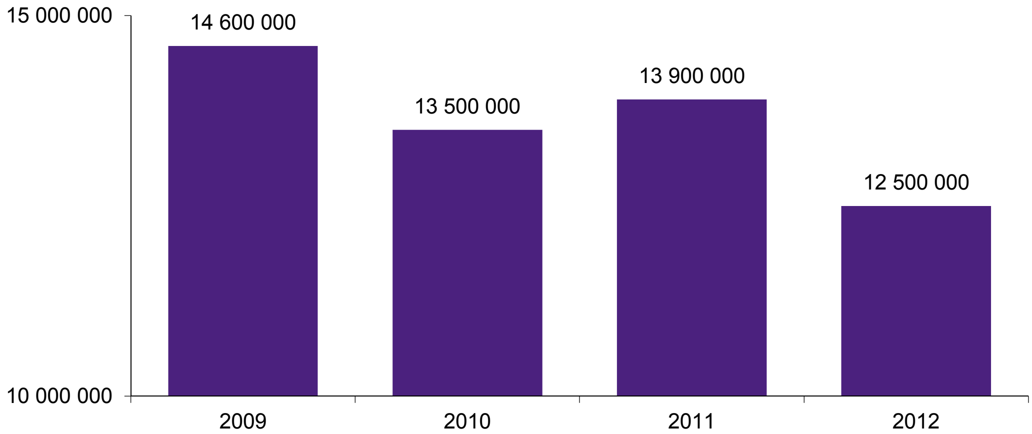
- - The SA Tourism 2012 Annual Domestic Tourism Report;
- - The Statistics SA Domestic Tourism Survey 2012.
-

2.3.1 Domestic Overnight Tourists

2.3.1.1 Number of Domestic Overnight Tourists

According to SA Tourism, approximately 12.5 million adult South Africans (approximately 40% of population) took a domestic trip during 2012, an 11% decreased from the 13.9 million who took a trip during 2011 (**Figures 2.24**).

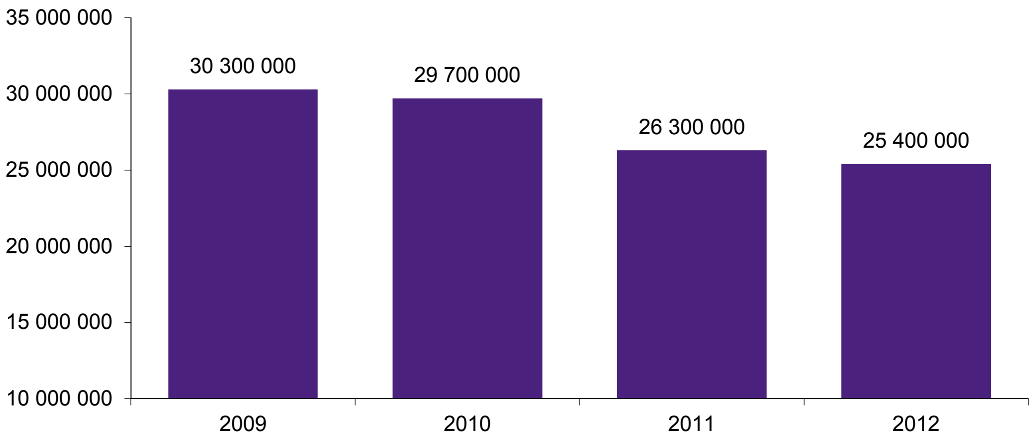
Figure 2.24: Number of Domestic Travellers in South Africa



Source: SA Tourism

A total of 25.4 million domestic trips were taken during 2012, a decrease of 3.42% from the 26.3 million trips taken during 2011 (**Figures 2.25**).

Figure 2.25: Number of Domestic Trips Taken in South Africa

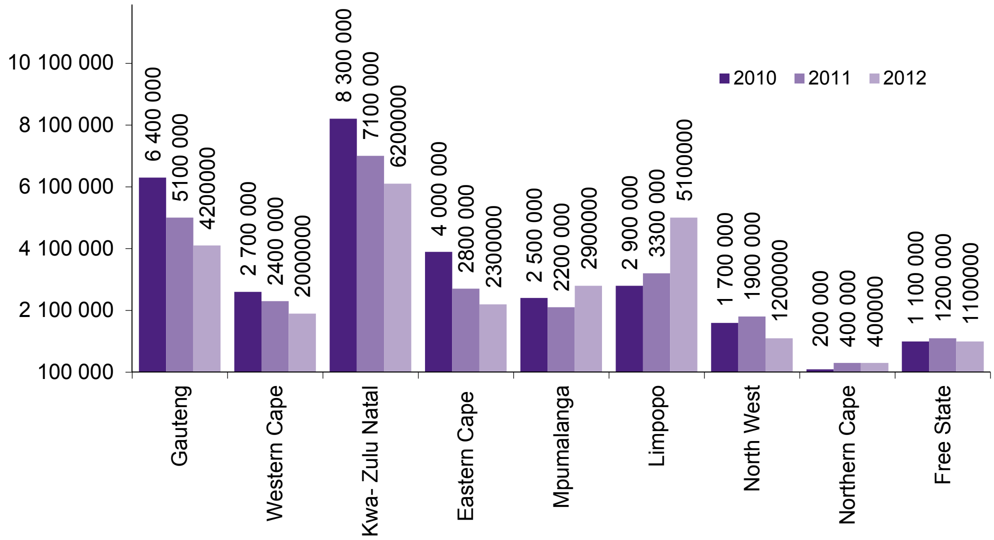


Source: SA Tourism

The most visited provinces during 2012 (the latest available data) were Kwazulu-Natal and Limpopo, with 6.2 million (24%) and 5.1 million (20%) trips respectively. The least visited province was the Northern Cape which received a mere 400 000 (1%) of the total domestic trips. There were

2 million trips taken to the Western Cape during 2012, (8%) of the total domestic trips in South Africa (**Figure 2.26**).

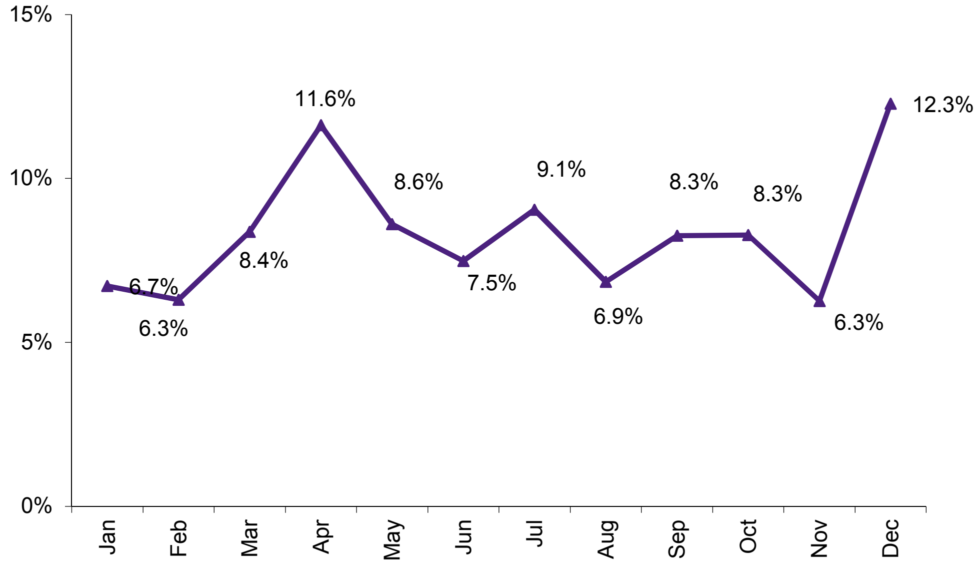
Figure 2.26: Domestic Trips Taken to Provinces in South Africa



Source: SA Tourism

As shown in **Figure 2.27**, domestic tourism patterns in South Africa are driven by school holidays, with peaks in April (which included the Easter holidays in 2012), July and December.

Figure 2.27: Percentage of Total Domestic Trips Taken in South Africa by Month 2012

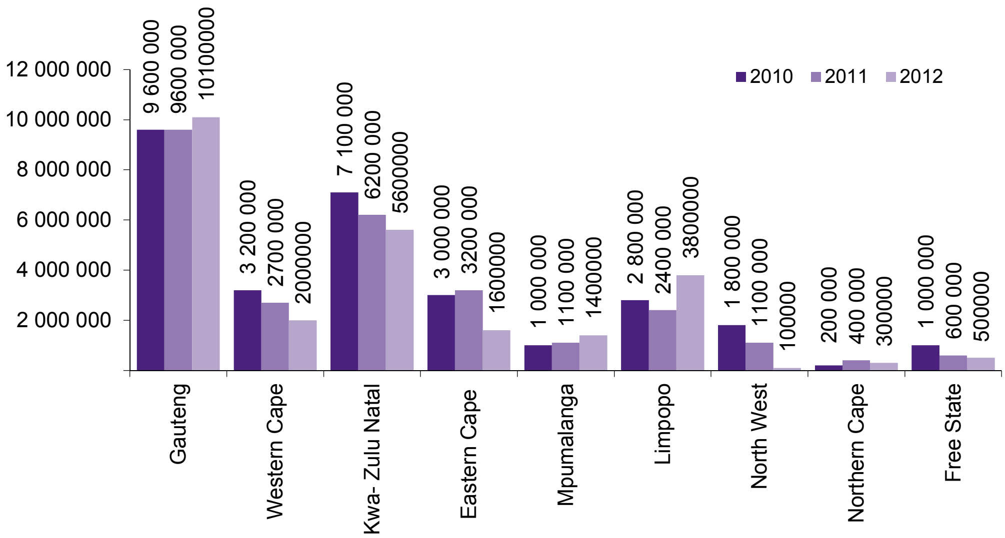


Source: SA Tourism

2.3.1.2 Source Markets

Gauteng and KwaZulu-Natal remain the main source markets for domestic tourism with approximately two-thirds (62%) of total trips generated between the provinces. There was in increase in Limpopo as a source market (3.8 million trips in 2012) which resultantly placed Limpopo as the third largest source market. (**Figure 2.28**).

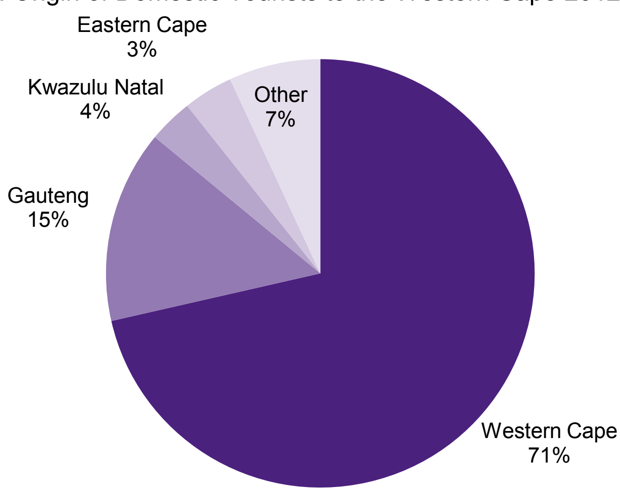
Figure 2.28: Origin of Domestic Tourists in South Africa



Source: SA Tourism

According to SA Tourism data, 71% of the domestic visitors to the Western Cape during 2012 were from other parts of the Western Cape, while 15% of visitor originate from Gauteng (**Figure 2.29**).

Figure 2.29: Origin of Domestic Tourists to the Western Cape 2012

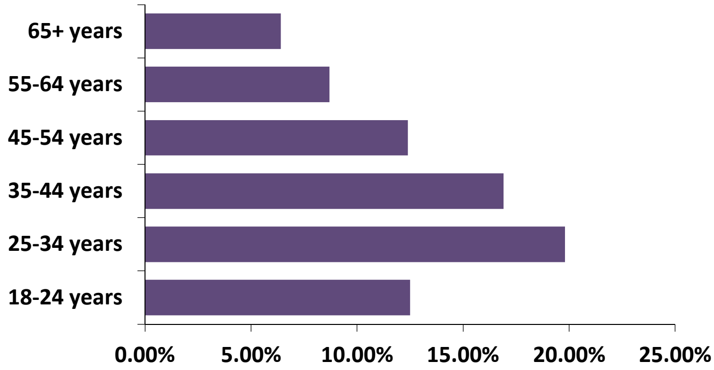


Source: SA Tourism

2.3.1.3 Domestic Tourist Profile

19.8% of all domestic tourists in 2011 (the latest available data) were between 25 and 34 years old, while 12.6 % were between 18 and 24 years old (**Figure 2.30**).

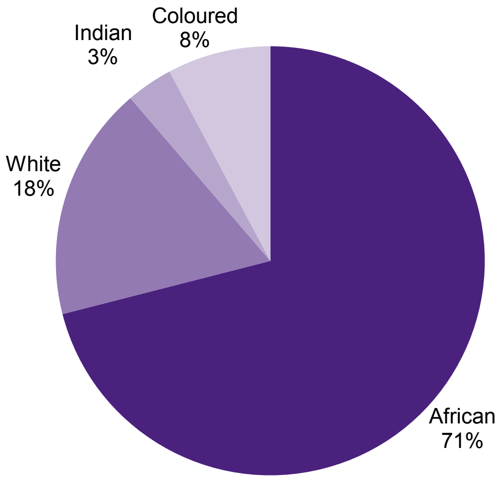
Figure 2.30: Age Profile of Domestic Tourists in South Africa 2011



Source: Stats SA Domestic Tourism Survey 2012

Of the domestic trips taken during 2011, 71% were taken by Africans, 17.7% by Whites, 3.5% by Indians and 7.8% by Coloureds (**Figure 2.31**).

Figure 2.31: Race Profile of Domestic Tourists in South Africa 2011

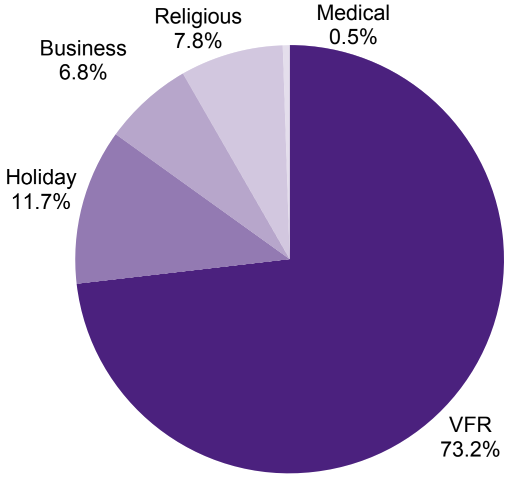


Source: SA Tourism

2.3.1.4 Purpose of Travel

Visiting family or relatives (VFR) accounted for 72.3% of all domestic trips taken in South Africa during 2012. This was followed by holiday trips with 11.6%, and religious and business trips accounted for 7.7% and 6.7% respectively (**Figure 2.32**).

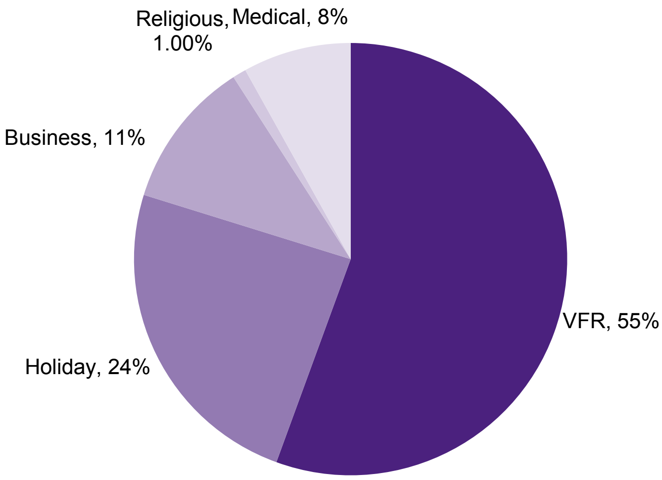
Figure 2.32: Purpose of Domestic Trips Taken in South Africa 2012



Source: SA Tourism

Figure 2.33 indicates that the main purpose of domestic trips taken to the Western Cape during 2012 was to visit family or relatives (55%) followed by holiday (24%). Subsequently there is a much higher incidence of trips in the Western Cape being undertaken for holiday purposes as compared to South Africa as a whole, with KwaZulu-Natal as the second most popular holiday destination with 14% of domestic holiday trips taken in 2012.

Figure 2.33: Purpose of Domestic Trips Taken to the Western Cape 2012

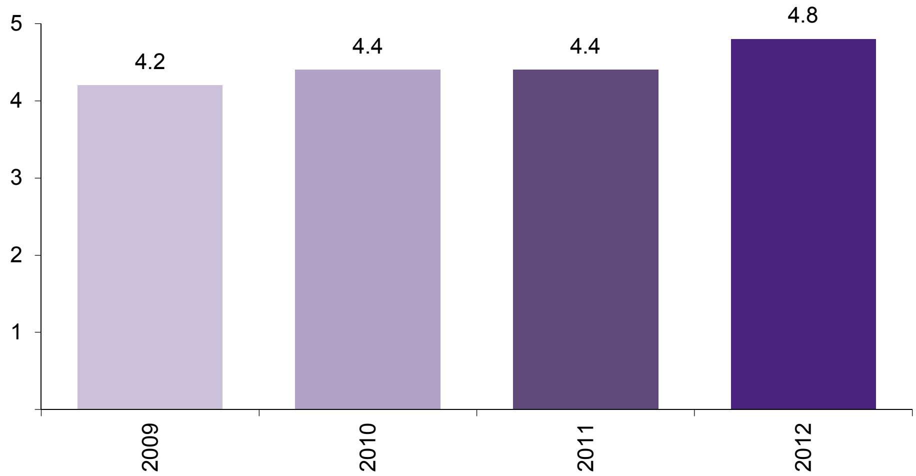


Source: SA Tourism

2.3.1.5 Length of Stay

The majority of domestic trips taken in 2011 (the latest available data) lasted between 1 and 3 nights with 51.9% of overall trips, the most common length of stay was 2 nights. On average, the length of a domestic trip in 2012 was 4.8 nights which is an increase from 4.4 nights in 2011 (see **Figure 2.34**).

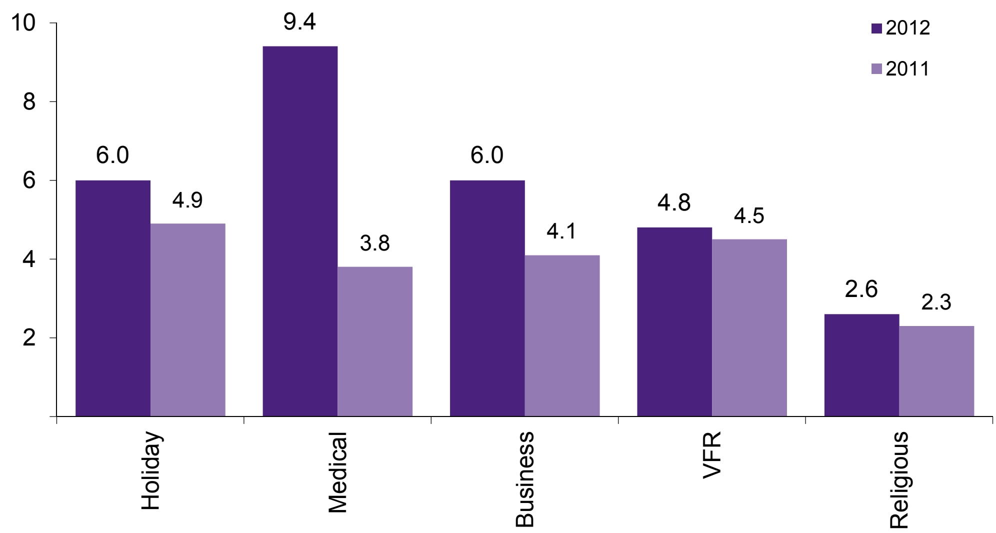
Figure 2.34: Average Length of Stay of Domestic Trips taken in South Africa (Nights)



Source: SA Tourism

During 2012, medical trips accounted for the longest average length of stay with 9.4 nights, a considerable increase from 3.8 nights in 2011, and religious holidays for the shortest with 2.6 nights (**Figure 2.35**).

Figure 2.35: Average Length of Stay of Domestic Tourists by Trip Purpose 2011 vs 2012



Source: SA Tourism

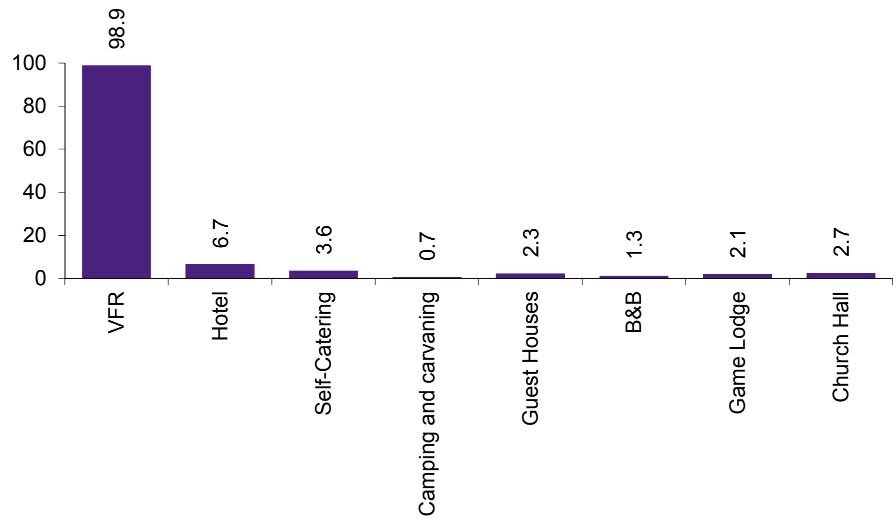
2.3.1.7 Bednights

South African domestic tourists spent a total of 121.2 million nights away from their usual place of residence during 2012, an increase of 5,9% from 115 million during 2011. Currently there is no breakdown of bednights spent in each province.

2.3.1.8 Type of Accommodation Used

Out of a total of 121.2 million nights away from their usual place of residence during 2012, domestic tourists spent 98.9 million nights (81.6%) at the homes of friends and relatives (VFR). This was followed by hotel accommodation with 6.7 million nights (4,7%) and self-catering accommodation with 5.3 million bednights (3%) respectively during 2012 (**Figure 2.36**). Income generating accommodation only accounted for 13.8% of all domestic tourist bednights.

Figure 2.37: Bednights of Domestic Tourists by Accommodation Type 2012 ('millions)

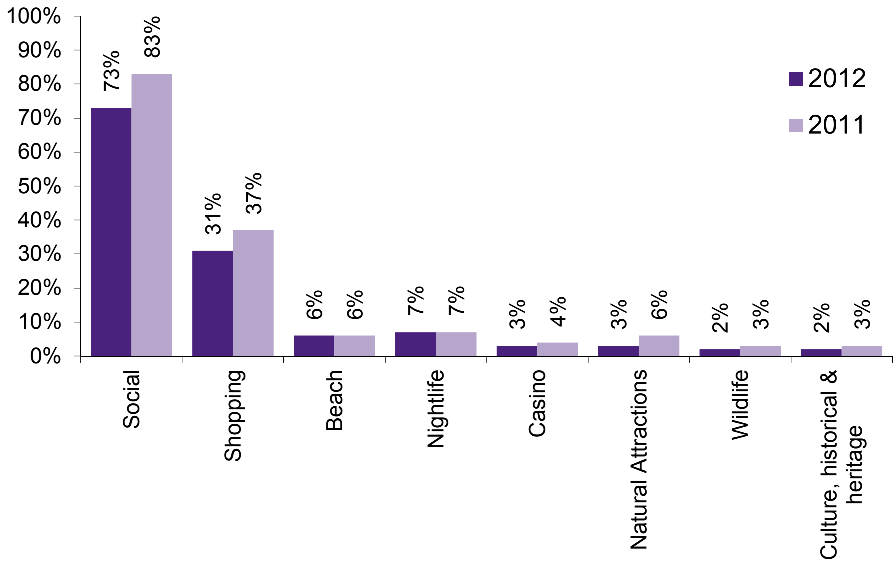


Source: SA Tourism

2.3.1.9 Activities Undertaken

Figure 2.38 shows that in 2012, the activities most undertaken by domestic visitors were social activities (74%) and shopping (36%). This trend can be attributed to the high number of domestic tourists that travel to visit friends and relatives.

Figure 2.38: Activities Undertaken by Domestic Tourists 2011 vs 2012

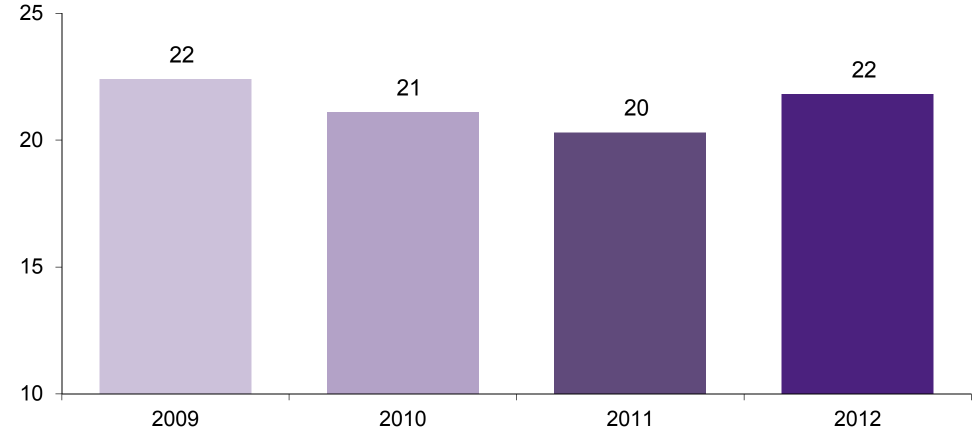


Source: SA Tourism

2.3.1.10 Spend

The total spent on domestic trips increased from R20.3 billion in 2011 to R21.8 billion in 2012 which is an increase of 7,9% from 2011 (**Figure 2.39**). There is currently no breakdown of revenue received by each province.

Figure 2.39: Total Domestic Direct Spend (R billion)

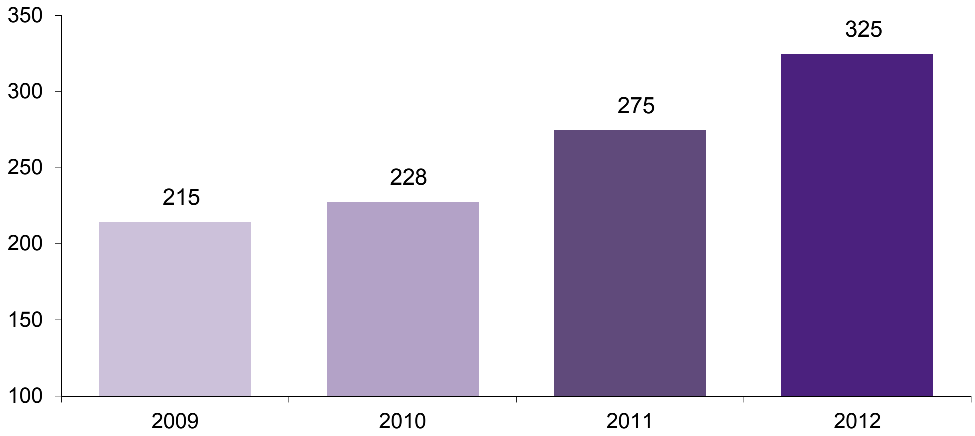


A domestic tourist, on average, spent R850 per trip in 2012, which is a 9% increase compared with R780 per trip in 2011. Overall, spend per trip increased across all purposes of visit relative to 2011

2.3.2 Domestic Day Tourist

A total of 324.8 million domestic day trips were taken in 2012, which represents an increase of 18% from the 274.5 million trips taken in 2011 throughout South Africa (**Figure 2.40**)

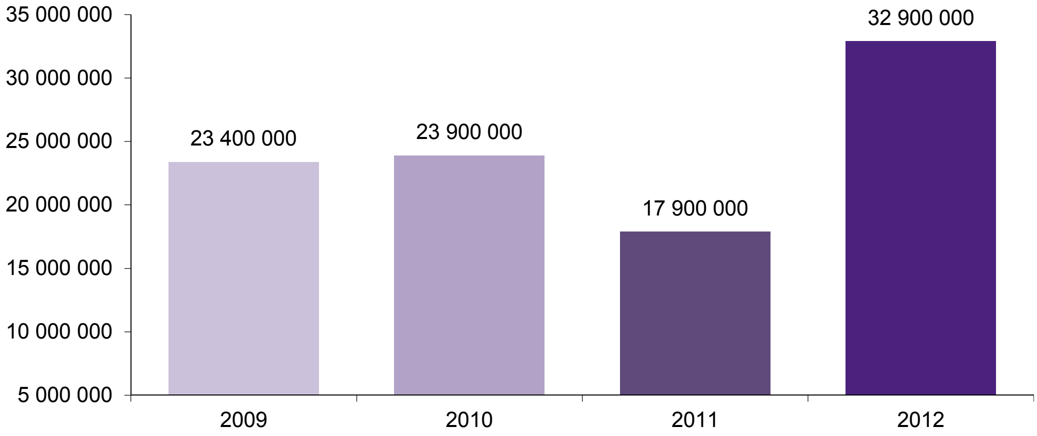
Figure 2.40: Domestic Day Trips taken in South Africa (million)



Source: SA Tourism

Of the 324.8 million domestic day trips taken in South Africa, 32.9 million were taken in the Western Cape representing 10,2% of total domestic day trips in 2021. There was an increase of 15 million domestic day trips between 2011 and 2012 (**Figure 2.41**).

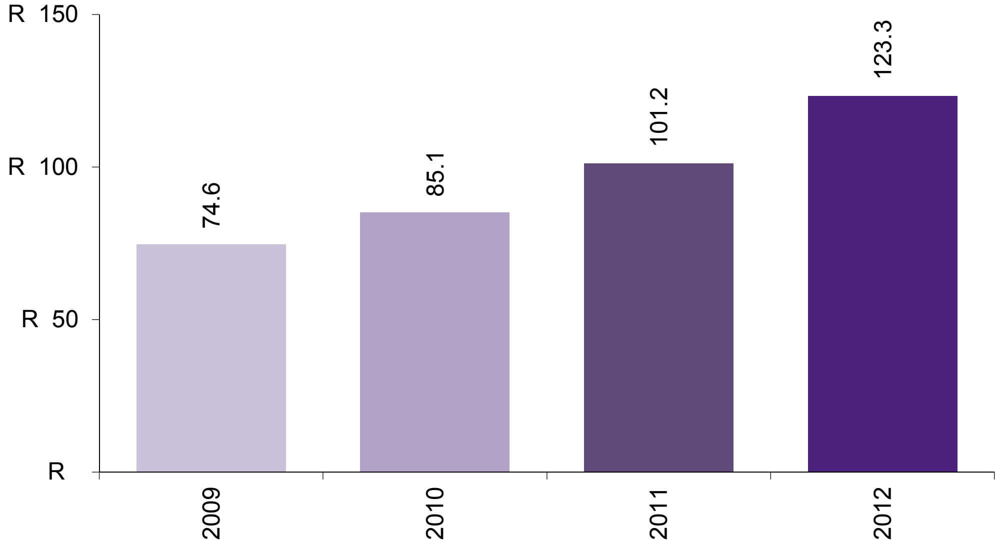
Figure 2.41: Domestic Day Trips taken in the Western Cape



Source: SA Tourism

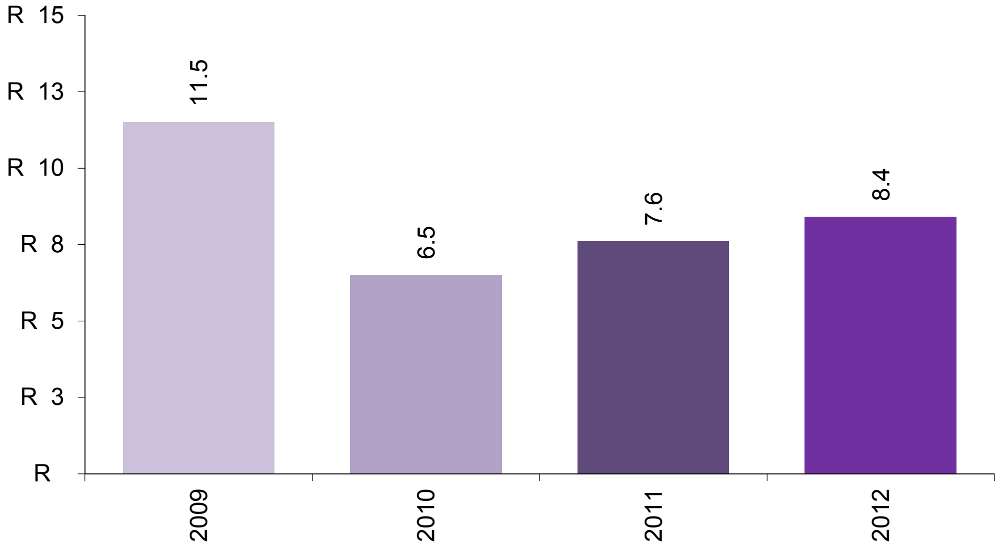
Total spend by domestic day trip tourists in South Africa increase from R101.2 billion in 2011 to R123.3 billion in 2012 (**Figure 2.42**). Of the total R101.3 billion, R8.4 billion was spent by domestic day trippers in the Western Cape (**Figure 2.43**) with an estimated R4.1 billion being spent in Cape Town.

Figure 2.42: Domestic Day Trips total Spend in South Africa (R billion)



Source: SA Tourism

Figure 2.43: Domestic Day Trips Total Spend in the Western Cape (R million)



Source: SA Tourism

2.4 Conclusion: Relevance to the Study

2.4.1 Tourism in South Africa

The following key findings were presented regarding **foreign tourism** in South Africa:

- Tourism in South Africa is increasing steadily as foreign arrivals to the country have increase by 10,2% between 2011 and 2012 with 9.18 million foreign arrivals during 2012. Overseas tourist arrivals increased by 15,1% during the same period, this growth in tourist arrivals far exceeds the 3,9% global growth in tourist arrivals for 2012, indicating the popularity of South Africa as a destination.
- The increase in foreign arrivals lead to an increase in foreign bednights spent in South Africa during 2012. Foreign visitors spent 67.5 million bednights in South Africa during 2012.
- Revenue generated (TFDS excluding CAPEX) by tourist arrivals increased by 7.6% from R71 billion to R76,4 billion, with the key drivers of the growth being the increase in foreign arrivals and average spend per tourist. The depreciation of the Rand against major currencies had a positive impact on tourism revenue as South Africa is now becoming a more affordable and attractive destination to foreign tourists.

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The following key findings were presented regarding **domestic tourism** in South Africa:

- In total, 12,5 million South Africans took a domestic trip in 2012 which is a 11% decrease when compared to the 13,9 million who took a trip in 2011. On average, 2.1 trips were taken throughout the year which is similar to 2011. As a result, the number of total trips taken decreased from 26,3 million (in 2011) to 25,4 million (in 2012).
- There was an increase in the average length of stay per trip, from 4.4 nights in 2011 to 4.8 nights in 2012. This shows that South African's would rather go on few domestic holidays but for a longer period each time, as they are looking for value for money. As a result, bednights increased from 114.8 million in 2011 to 121.2 million in 2012, which represents a 5.6% growth over the period.

- The total amount spent by domestic tourists was R21.8 billion during 2012, up from R20,2 billion in 2011. The increase in domestic spend is influenced by the increase in unpaid accommodation as domestic tourists are then able to spend more on tangible items when staying with friends and relatives.

2.4.2 Tourism in the Western Cape

The following key findings were presented regarding **foreign tourism** in the Western Cape:

- There were 1.3 million (14,7%) foreign visitors to the Western Cape during 2012 making the Western Cape the third most visited province in South Africa after Gauteng and Mpumalanga respectively. Over the past three years this number has gradually decreased as more foreign tourists start to explore other provinces of South Africa;
- Foreign visitors spent 16.2 million bednights in the Western Cape during 2012, this number has decreased from year to year but when compared to other provinces bednights the Western Cape has continued to attract a large portion of foreign bednights. Bednights include nights spent in unpaid accommodation such as visiting friends and relatives which was the most popular form of accommodation used by foreign tourists in 2012, which shows that more needs to be done to attract a portion of those foreign tourists to start utilising paid accommodation such as Guesthouses and Bed & Breakfasts; and

–

The following key findings were presented regarding **domestic tourism** in the Western Cape:

- There were 2.5 million domestic overnight trips taken to the region during 2012,whilst 32.9 million domestic day trips were taken in the region which shows that a large portion of South Africans enjoy travelling to areas outside of their usual environment for a day which helps drive tourism to many smaller towns around the country. South African's are looking for different experiences that are unique to certain areas and they do not mind spending the day to get there as they see the value in these experiences;
- Domestic travellers spent 121.2 million bednights (11% of the total) in the province during 2012, this percentage (11%) has remained constant since 2010 as the Western Cape is a well-established tourist destination for both business and leisure purposes;
- The total spend by domestic tourists in the region was R3.9 billion in 2012 and R8.4 billion on domestic day trips in the region.

Annexure E: Terminology and Definitions

1.1 Terminology

The following terminology has been used in this report.

Cape Town	- The geographical area represented by the municipal boundaries of the City of Cape Town
EVT	- Economic Value of Tourism
Fedhasa	- Federated Hospitality Association of South Africa
R bn	- Rand billion
SA Tourism	- South African Tourism
Saaci	- South African Association for the Conference Industry
Satsa	- Southern African Tourism Services Association
The Client	- City of Cape Town
TSA	- Tourism Satellite Account
UNWTO	- United Nations World Tourism Organisation
WTTC	- World Tourism and Travel Council

1.2 Definitions

The following definitions are utilised in this report and are as per the definitions used by the United Nations World Tourism Organisation.

Tourism

Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which imply tourism expenditure.

As such, tourism has implications on the economy, on the natural and built environment, on the local population at the destination and on the tourists themselves. Due to these multiple impacts, the wide range and variety of production factors required to produce those goods and services acquired by visitors, and the wide spectrum of stakeholders involved or affected by tourism, there is a need for a holistic approach to tourism development, management and monitoring. This approach is strongly recommended in order to formulate and implement national and local tourism policies as well as the necessary international agreements or other processes in respect of tourism.

Business visitor
A business visitor is a visitor whose main purpose for a tourism trip corresponds to the business and professional category.

Country of reference
The country of reference refers to the country for which the measurement is done. As a general observation, it should be noted that in the International Recommendations 2008:
(a) The term "country" can be transposed to a different geographical level using the term "place" instead (either a region, municipality or other subnational geographic location);
(b) The term "long-term" is used as the equivalent of a year or more and "short-term" as less than a year.

Country of residence
The country of residence of a household is determined according to the centre of predominant economic interest of its members. If a person resides (or intends to reside) for more than one year in a given country and has there his/her centre of economic interest (for example, where the predominant amount of time is spent), he/she is considered as a resident of this country.

Destination (main destination) of a trip
The main destination of a tourism trip is defined as the place visited that is central to the decision to take the trip. See also purpose of a tourism trip.

Domestic tourism
Comprises the activities of a resident visitor within the country of reference, either as part of a domestic tourism tripor part of an outbound tourism trip.

Economic analysis
Tourism generates directly and indirectly an increase in economic activity in the places visited (and beyond), mainly due to demand for goods and services that need to be produced and provided.

In the economic analysis of tourism, one may distinguish between tourism's 'economic contribution' which refers to the direct effect of tourism and is measurable by means of the TSA, and tourism's 'economic impact' which is a much broader concept encapsulating the direct, indirect and induced effects of tourism and which must be estimated by applying models.

Economic impact studies aim to quantify economic benefits, that is, the net increase in the wealth of residents resulting from tourism, measured in monetary terms, over and above the levels that would prevail in its absence.

Employment in tourism industries
Employment in tourism industries may be measured as a count of the persons employed in tourism industries in any of their jobs, as a count of the persons employed in tourism industries in their main job, as a count of the jobs intourism industries, or as full-time equivalent figures.

Excursionist (or same-day visitor)
A visitor (domestic, inbound or outbound) is classified as a same-day visitor (or excursionist) if his/her trip does not include an overnight stay.

Forms of tourism
There are three basic forms of tourism: domestic tourism, inbound tourism, and outbound tourism. These can be combined in various ways to derive the following additional forms of tourism: internal tourism, national tourism and international tourism.

Inbound tourism
Comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip.

Internal tourism
Internal tourism comprises domestic tourism plus inbound tourism, that is to say, the activities of resident and non-resident visitors within the country of reference as part of domestic or international tourism trips.

International tourism
International tourism comprises inbound tourism plus outbound tourism, that is to say, the activities of resident visitors outside the country of reference, either as part of domestic or outbound tourism trips and the activities ofnon-resident visitors within the country of reference on inbound tourism trips.

Meetings industry
To highlight purposes relevant to the meetings industry, if a trip's main purpose is business/professional, it can be further subdivided into "attending meetings, conferences or congresses, trade fairs and exhibitions" and "other business and professional purposes".

The term meetings industry is preferred by the International Congress and Convention Association (ICCA), Meeting Professionals International (MPI) and Reed Travel over the acronym MICE (Meetings, Incentives, Conferences and Exhibitions) which does not recognize the industrial nature of such activities.

MICE
See meetings industry.

National tourism
National tourism comprises domestic tourism plus outbound tourism, that is to say, the activities of resident visitors within and outside the country of reference, either as part of domestic or outbound tourism trips.

Outbound tourism
Comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.

Place of usual residence
The place of usual residence is the geographical place where the enumerated person usually resides, and is defined by the location of his/her principal dwelling (Principles and recommendations for population and housing censuses of the United Nations, 2.20 to 2.24).

Purpose of a tourism trip (main)
The main purpose of a tourism trip is defined as the purpose in the absence of which the trip would not have taken place. Classification of tourism trips according to the main purpose refers to nine categories: this typology allows the identification of different subsets of visitors (business visitors, transit visitors, etc).

See also destination of a tourism trip

Tourism expenditure
Tourism expenditure refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips.

Tourism industries
Tourism industries (also referred to as tourism activities) are the activities that typically produce tourism characteristic products.

Tourism characteristic products are those that satisfy one or both of the following criteria:
(a) Tourism expenditure on the product (either good or service) should represent a significant share of total tourism expenditure (share-of-expenditure/demand condition);
(b) Tourism expenditure on the product should represent a significant share of the supply of the product in the economy (share-of-supply condition). This criterion implies that the supply of a tourism characteristic product would cease to exist in meaningful quantity in the absence of visitors.

List of categories of tourism characteristic products and tourism industries[2]

Products	Industries
1. Accommodation services for visitors	1. Accommodation for visitors
2. Food and beverage serving services	2. Food and beverage serving activities
3. Railway passenger transport services	3. Railway passenger transport
4. Road passenger transport services	4. Road passenger transport
5. Water passenger transport servcies	5. Water passenger transport
6. Air passenger transport services	6. Air passenger transport
7. Transport equipment rental services	7. Transport equipment rental
8. Travel agencies and other reservation services	8. Travel agencies and other reservation services activities
9. Cultural services	9. Cultural activities
10. Sports and recreational services	10. Sports and recreational activities
11. Country-specific tourism characteristic goods	11. Retail trade of country-specific tourism characteristic goods
12. Country-specific tourism characteristic services	12. Other country-specific tourism characteristic activities

[2] Please note that not all these products and industries have been included in the survey. Please see Section 3 for more detail.

Tourism Satellite Account (TSA)
The Tourism Satellite Account (described in the Tourism Satellite Account: Recommended Methodological Framework 2008) is, besides the International Recommendations for Tourism Statistics 2008, the second international recommendation on tourism statistics that has been developed in a framework of consistency with the System of National Accounts. Both recommendations are mutually consistent and provide the conceptual framework for measuring and analyzing tourism as an economic activity.

As a statistical tool for the economic accounting of tourism, the TSA can be seen as a set of 10 summary tables, each with their underlying data and representing a different aspect of the economic data relative to tourism: inbound, domestic tourism and outbound tourism expenditure, internal tourism expenditure, production accounts of tourism industries, the Gross Value Added (GVA) and Gross Domestic Product (GDP) attributable to tourism demand, employment, investment, government consumption, and non-monetary indicators.

Tourism sector
The tourism sector, as contemplated in the TSA, is the cluster of production units in different industries that provide consumption goods and services demanded by visitors. Such industries are called tourism industries because visitor acquisition represents such a significant share of their supply that, in the absence of visitors, their production of these would cease to exist in meaningful quantity.

Tourist (or overnight visitor)
A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay.

Travel / tourism
Travel refers to the activity of travellers. A traveller is someone who moves between different geographic locations, for any purpose and any duration. The visitor is a particular type of traveller and consequently tourism is a subset of travel.

Travel party
A travel party is defined as visitors travelling together on a trip and whose expenditures are pooled.

Trip
A trip refers to the travel by a person from the time of departure from his/her usual residence until he/she returns: it thus refers to a round trip. Trips taken by visitors are tourism trips.

Usual environment
The usual environment of an individual, a key concept in tourism, is defined as the geographical area (though not necessarily a contiguous one) within which an individual conducts his/her regular life routines.

Vacation home
A vacation home (sometimes also designated as a holiday home) is a secondary dwelling that is visited by the members of the household mostly for purposes of recreation, vacation or any other form of leisure.

Visit
A trip is made up of visits to different places. The term tourism visit refers to a stay in a place visited during a tourism trip.

Visitor
A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise.

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