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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 2015  
Tourism Gross Value Add Projection for 2014

20 May 2016



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# Executive Summary

Research on the monitoring of trends in economic value of tourism in Cape Town is a culmination of a process started in 2008 to demonstrate the importance of the tourism industry in Cape Town. The results from the study is shown in the tables below.

Table 1: Direct tourism spend based on disaggregated National Data

|   | Source             | 2009        | 2010        | 2011        | 2012        | 2013        | 2014 <sup>1</sup> | 2015 <sup>2</sup> |
|---|--------------------|-------------|-------------|-------------|-------------|-------------|-------------------|-------------------|
| <b>Foreign Direct Spend (excl capital expenditure)</b>      |                    |             |             |             |             |             |                   |                   |
| Total foreign direct spend in South Africa (R bn)           | SA Tourism         | 59.2        | 72.6        | 71.0        | 74.2        | 70.3        | 77.3              | 72.8              |
| Share of foreign direct spend in the Western Cape           | SA Tourism         | 28.0%       | 29.9%       | 25.6%       | 24.3%       | 23.8%       | 22.6%             | 25.7%             |
| Total foreign direct spend in the Western Cape (R bn)       | SA Tourism         | 16.6        | 21.7        | 18.2        | 18.0        | 16.7        | 17.5              | 18.7              |
| Share of foreign direct spend in the Cape Town              | Estimate           | 68%         | 67%         | 71%         | 70%         | 70%         | 71%               | 72%               |
| <b>Total foreign direct spend in the Cape Town (R bn)</b>   | <b>Calculation</b> | <b>11.3</b> | <b>14.5</b> | <b>12.9</b> | <b>12.7</b> | <b>11.7</b> | <b>12.4</b>       | <b>13.4</b>       |
| <b>Total Domestic Spend</b>                                 |                    |             |             |             |             |             |                   |                   |
| Total spend by domestic tourists in South Africa (R bn)     | SA Tourism         | 22.4        | 21.1        | 20.2        | 21.8        | 24.3        | 26.9              | 23.5              |
| Share of total domestic spend in the Western Cape           | Calculation        | 11.6%       | 15.6%       | 19.3%       | 17.9%       | 17.9%       | 16.5%             | 16.5%             |
| Total spend by domestic tourists in the Western Cape (R bn) | SA Tourism         | 2.6         | 3.3         | 3.9         | 3.9         | 4.3         | 4.4               | 3.9               |
| Share of domestic spend in Cape Town                        | Estimate           | 44%         | 41%         | 44%         | 44%         | 43%         | 43%               | 43%               |
| <b>Total spend by domestic tourists in Cape Town (R bn)</b> | <b>Calculation</b> | <b>1.1</b>  | <b>1.4</b>  | <b>1.7</b>  | <b>1.7</b>  | <b>1.9</b>  | <b>1.9</b>        | <b>1.7</b>        |
| <b>Direct Tourism Spend based on National Data</b>          |                    |             |             |             |             |             |                   |                   |
| Total foreign direct spend in Cape Town (R bn)              | Calculation        | 11.3        | 14.5        | 12.9        | 12.7        | 11.7        | 12.4              | 13.4              |
| Total spend by domestic tourists in Cape Town (R bn)        | Calculation        | 1.1         | 1.4         | 1.7         | 1.7         | 1.9         | 1.9               | 1.7               |
| <b>Total direct tourism spend in Cape Town (R bn)</b>       | <b>Calculation</b> | <b>12.4</b> | <b>15.8</b> | <b>14.6</b> | <b>14.4</b> | <b>13.6</b> | <b>14.3</b>       | <b>15.0</b>       |

Source: Grant Thornton

<sup>1</sup> Revised based on revised data from SA Tourism

<sup>2</sup> Estimated based on information available at time of report writing

Table 2: Projected Tourism Value Add (R'million) and employment based on disaggregated Tourism Satellite Account

|      |              | + Foreign<br>tourism<br>expenditure | + Domestic<br>tourism<br>expenditure | = Total<br>output | - Total<br>intermediate<br>consumption | = Total<br>gross<br>value<br>add | Tourism<br>GVA as % of<br>Total GVA |
|------|--------------|-------------------------------------|--------------------------------------|-------------------|--|----------------------------------|-------------------------------------|
| 2009 | South Africa | 67 141                              | 82 684                               | 149 825           | 85 554                                 | 64 271                           | 3.00%                               |
| 2009 | Cape Town    | 11 282                              | 6 204                                | 17 486            | 9 985                                  | 7 501                            | 3.31%                               |
| 2010 | South Africa | 69 422                              | 97 788                               | 167 210           | 90 606                                 | 76 604                           | 2.90%                               |
| 2010 | Cape Town    | 14 482                              | 4 387                                | 18 870            | 10 225                                 | 8 645                            | 3.46%                               |
| 2011 | South Africa | 71 747                              | 102 824                              | 174 571           | 97 230                                 | 77 341                           | 2.80%                               |
| 2011 | Cape Town    | 12 851                              | 5 409                                | 18 260            | 10 170                                 | 8 090                            | 3.01%                               |
| 2012 | South Africa | 85 423                              | 114 511                              | 199 934           | 113 084                                | 86 850                           | 2.90%                               |
| 2012 | Cape Town    | 12 684                              | 5 769                                | 18 453            | 10 437                                 | 8 016                            | 2.77%                               |
| 2013 | South Africa | 94 183                              | 123 420                              | 217 603           | 123 823                                | 93 780                           | 3.00%                               |
| 2013 | Cape Town    | 11 745                              | 5 018                                | 16 762            | 9 538                                  | 7 224                            | 2.31%                               |
| 2014 | South Africa | 106 728                             | 132 012                              | 238 740           | 135 802                                | 102 938                          | 3.00%                               |
| 2014 | Cape Town    | 12 410                              | 4 821                                | 17 231            | 9 802                                  | 7 430                            | 2.33%                               |

|      |              | Employment | Tourism<br>Employment as % of<br>Total Employment |
|------|--------------|------------|---|
| 2009 | South Africa | 553 990    | 4.1%  |
| 2009 | Cape Town    | 64 654     | 5.2%  |
| 2010 | South Africa | 603 022    | 4.4%  |
| 2010 | Cape Town    | 68 051     | 5.6%  |
| 2011 | South Africa | 622 929    | 4.4%  |
| 2011 | Cape Town    | 65 159     | 5.4%  |
| 2012 | South Africa | 646 390    | 4.5%  |
| 2012 | Cape Town    | 59 660     | 4.9%  |
| 2013 | South Africa | 655 587    | 4.4%  |
| 2013 | Cape Town    | 50 500     | 4.1%  |
| 2014 | South Africa | 680 817    | 4.5%  |
| 2014 | Cape Town    | 49 139     | 3.9%  |

Source: Grant Thornton

### Methodologies Utilised

The research study originally utilised three different methodologies to research the trends in the economic value of tourism in Cape Town. Three methodologies were used as there was no single definitive methodology that could be used. All three methodologies had strengths and weaknesses and the weakness of one methodology could be addressed by the strength of another methodology. Also, an attempt was made to correlate disaggregated national data to a city level with primary research on a city level i.e. to determine whether the two methodologies would come to a similar result. The three methodologies are analysed in Table 4.

Table 4: Methodologies used to research the trends in the economic value of tourism in Cape Town

| Description      | Disaggregation of national and provincial tourism statistics to a city level to measure direct tourism spend   | Survey of tourism enterprises in the City of Cape Town to measure direct tourism spend at these enterprises  | Disaggregation of the national tourism satellite account to a city level to measure direct tourism gross value add   |
|------------------|--|--|--|
| <b>Gaps</b>      | <ul style="list-style-type: none"> <li>Lack of data disaggregated to a city level</li> </ul>   | <ul style="list-style-type: none"> <li>Lack of definitive database of tourism enterprises</li> <li>Lack of benchmarks for survey results</li> </ul>  | <ul style="list-style-type: none"> <li>Lack of data disaggregated to a city level</li> </ul>   |
| <b>Positives</b> | <ul style="list-style-type: none"> <li>One main source of data</li> <li>Minimal number of assumptions needed to disaggregate data</li> <li>Benchmarks for disaggregation assumptions such as arrivals at the Cape Town International airport</li> <li>Simple and easy to understand methodology and assumptions</li> <li>Results in an estimate of number of tourists, length of stay and average spend per day on a city level</li> </ul> | <ul style="list-style-type: none"> <li>Methodology yielded a similar result to the disaggregation of national data</li> <li>Projects employment numbers</li> </ul>   | <ul style="list-style-type: none"> <li>Utilise a nationally recognised source</li> <li>Minimal number of assumptions needed</li> <li>Projects employment numbers</li> </ul>                                    |
| <b>Negatives</b> | <ul style="list-style-type: none"> <li>Need for assumptions to disaggregate data to a city level</li> <li>Do not project employment numbers</li> </ul>   | <ul style="list-style-type: none"> <li>Lack of participation by the tourism industry resulting in small survey samples</li> <li>Number of assumptions required that have a significant impact on the result such as number of tourism enterprises per category, turnover per category and employment per category</li> </ul> | <ul style="list-style-type: none"> <li>Delay in publishing of the national tourism satellite account</li> <li>Only quantifies the direct gross value add and not the indirect and induced value add</li> </ul> |

Source: Grant Thornton

### Way Forward

Based on the gaps, positives and negatives of each of the methodologies, it is recommended that the disaggregation of national and provincial data to a city level be utilised in order to quantify the economic value of tourism as it utilise one source of data and its methodology and assumptions is simple and easy to understand and hence debate to make it more robust.

The disaggregated national and provincial data could be used to quantify both the direct tourism spend as well as the tourism gross value add. The difference between direct tourism spend and tourism gross value add and best be explained by the example of a tourist spending R100 to pay for accommodation at an hotel. The R100 is the direct tourism spend. The hotel would however utilise, say R80 of the direct tourism spend received to pay for staff, washing of linen, etc that is

required to provide the service to the tourist. The R80 spent by the hotel is the input costs of the hotel, while the R20 remaining is the tourism gross value add.

The approach do however, require more information on a city level in order to make the assumptions more robust. A common approach to tourism research should be followed where the various stakeholders that collect tourism information speaks to a common research agenda.

Guidance on the information requirements and methodologies used to measure the economic value of tourism at a city level are provided by UNWTO's Statistics and Tourism Satellite Account (STSA) Programme which has launched a new Issue Paper Series showcasing the relevance of measuring and analyzing tourism, disseminating the proper tools and setting a platform to encourage further development in this field.

The Paper Series was launched in October 2013 and includes:

- **Governance for the Tourism Sector and its Measurement:** This Paper describes the concept of governance in the tourism sector and proposes a basic approach for its measurement and monitoring (by Citlalin Durán Fuentes).
- **Regional Tourism Satellite Account:** This Paper proposes an outline for the development of a Tourism Satellite Account (TSA), the main measurement of tourism's economic impact, at the regional level. Such regional TSA is put forward to be the basis for a comprehensive system for measuring the economic dimension of tourism at the subnational level and allow for internationally comparable findings (by Agustín Cañada).
- **The Economic Impact of Tourism, Overview and Examples of Macroeconomic Analysis:** This Paper discusses the advantages and disadvantages of existing macroeconomic analysis tools, in understanding tourism's role in the economy beyond the Tourism Satellite Account (TSA) to include beside direct effects, also the consideration of indirect and induced effects. It further provides recommendations on when to use each tool as the optimum technique in tourism economic analysis (by Douglas C. Frechtling).

The 2013 STSA Issue Papers are the latest of UNWTO's Statistics and Tourism Satellite Programme documents and aim to disseminate a better understanding of the tourism sector and its economic measurement and impact.

Through the research that has been conducted to quantify the economic value for the City of Cape Town, the following information needs have been identified in order to measure the economic value for the City of Cape Town:

- Dissemination of national tourism data to a city level including the number of tourists, the length of stay and the average spend as this information is not publicly or readily available;
- An accurate and up to date database of the tourism enterprises in the city, disseminated between various categories of tourism enterprises, including accommodation, car rental, tour operators, etc;

- Dissemination of economic data in sufficient detail on a city level in order to disaggregate the tourism industries. This would require the quantification of the tourism component of each economic sector. For example, what share of the transport sector on a city level is attributable to the transport of tourists versus the transport of daily commuters;
- Detail on the movement of tourists through a city and the flow of money through the city, not only for the tourists but also for the tourism enterprises such as tour operators. This would require a detailed survey of tourism enterprises on a city level; and
- A detailed input/output model of the City of Cape Town which includes sufficient detail to categorise tourism and tourism related industries. The development of a Social Accounting Matrix (SAM) is recommended as it disaggregates employment and the impact on households in greater detail than a traditional input/output model.

Annexure F details the compliance of Cape Town with the suggestions of the UNWTO to measure the impact of tourism at a city level. It also details a scorecard to measure the city's performance and an action plan to improve the collection of tourism data at a city level.

The establishment of a common research agenda amongst all stakeholders that collect data at a city level is critical to ensure the successful measurement of the economic value of tourism.

# 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 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. The contract has been extended to June 2016 in order to update the projections for 2015.

## 1.2 Approach and Methodology

During the three year process Grant Thornton has developed the economic value of tourism model from its current approach utilising primary and secondary data to add a **tourism gross value add projection** which quantifies the contribution of the tourism industry to the economy of Cape Town by utilising the economic sector data for Cape Town.

For the purposes of this report only the National Tourism Data Projection and Tourism Gross Value Add Projection have been updated. No survey of tourism enterprises has been conducted.

## 1.3 Changes in South Africa Tourism and Statistics South Africa Data

There has been two major changes in the data from Statistics South Africa and South Africa Tourism that should be taken into account when reading this report.

Firstly, 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.

Secondly, in 2014 Statistics South Africa started to exclude overnight transit visitors from the tourist arrivals data that it publish. Previously, transit visitors (who spend at least one night in South Africa on their way to another destination) have been included in the tourist arrivals data. This is in accordance with the definition of a tourists by the UNWTO. The argument is that eventhough the overnight transit visitors is travelling to another destination, they are still utilising the tourism products in South Africa, such as overnight accommodation.



The result from this exclusion is that the SA Tourism report for 2014 was revised to reflect the change. The 2014 SA Tourism report included comparative data for 2013. Unfortunately none of the prior year reports were revised resulting in only 2013 and 2014 data being available from SA Tourism for analysis.

For the purposes of this report, Grant Thornton has estimated the number of overnight transit visitors in 2014 and 2015 and added them back in order to compare the data from 2009 to 2013. Due to the exclusion of overnight transit visitors from the Statistics South Africa data, future analysis will not be comparable to this report.

## 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 between 2009 and 2015 based on information obtained from SA Tourism and projections by Grant Thornton.

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 to 2014 SA Tourism annual reports were utilised to complete the projection for 2011 to 2015. The SA Tourism annual report for 2015 have not been published at the time of writing this report so data from the previous years were used to project the relevant share of tourists, bednights and spend.

Cape Town's share of arrivals, bednights and spend were estimated by utilising data obtained directly from SA Tourism and SA Tourism reports prior to 2009. The arrivals on international and domestic flights were utilised as proxy for the change in Cape Town's share where data were not available from SA Tourism.

Data were obtained from SA Tourism in regards to the share of foreign arrivals to Cape Town, the share of domestic trips taken to Cape Town and the share of domestic spend in Cape Town. Due to the smaller survey sample, some of the data was varied significantly from year to year. Grant Thornton utilised the data from SA Tourism reports prior to 2009 to equalise the data.

As indicated in previous reports, this approach could be improved upon. 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 - 2015

The direct tourism spend based on the national SA Tourism data projection contains the following information for 2009 to 2015:

- 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

|  | Source             | 2009             | 2010             | 2011             | 2012             | 2013             | 2014 <sup>3</sup> | 2015 <sup>4</sup> |
|--|--------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| <b>Foreign Arrivals</b>                              |                    |                  |                  |                  |                  |                  |                   |                   |
| Total Foreign Arrivals to South Africa               | SA Tourism         | 7 011 865        | 8 073 552        | 8 339 354        | 9 188 368        | 9 616 964        | 10 317 597        | 9 712 368         |
| Share of Foreign Arrivals to the Western Cape        | SA Tourism         | 18.8%            | 18.6%            | 16.7%            | 14.7%            | 16.3%            | 14.5%             | 16.6%             |
| Number of Foreign Arrivals to the Western Cape       | SA Tourism         | 1 316 795        | 1 504 698        | 1 391 228        | 1 354 353        | 1 569 195        | 1 496 052         | 1 613 166         |
| Share of Foreign Arrivals to Cape Town               | SA Tourism         | 94.1%            | 93.9%            | 95.0%            | 93.6%            | 94.8%            | 95.0%             | 95.5%             |
| <b>Number of Foreign Arrivals to Cape Town</b>       | <b>Calculation</b> | <b>1 239 104</b> | <b>1 412 911</b> | <b>1 321 667</b> | <b>1 267 674</b> | <b>1 487 597</b> | <b>1 421 249</b>  | <b>1 540 573</b>  |
| <b>Domestic Tourism Trips</b>                        |                    |                  |                  |                  |                  |                  |                   |                   |
| Total number of domestic trips taken in South Africa | SA Tourism         | 30 300 000       | 29 700 000       | 26 300 000       | 25 400 000       | 25 200 000       | 28 000 000        | 24 500 000        |
| Share of domestic trips taken to the Western Cape    | Calculation        | 11.6%            | 9.1%             | 9.1%             | 8.0%             | 9.5%             | 5.7%              | 8.8%              |
| Number of domestic trips taken to the Western Cape   | SA Tourism         | 3 500 000        | 2 700 000        | 2 400 000        | 2 032 000        | 2 400 000        | 1 600 000         | 2 164 397         |
| Share of domestic trips taken to Cape Town           | SA Tourism         | 32.0%            | 30.0%            | 36.0%            | 37.0%            | 28.0%            | 32.6%             | 32.6%             |
| <b>Number of domestic trips taken to Cape Town</b>   | <b>Calculation</b> | <b>1 120 000</b> | <b>810 000</b>   | <b>864 000</b>   | <b>751 840</b>   | <b>672 000</b>   | <b>521 600</b>    | <b>705 593</b>    |

Source: Grant Thornton

The projected number of foreign arrivals to Cape Town has grown at 3.7% per annum between 2009 and 2015. This is despite a decline in the share of foreign arrivals to the Western Cape. This decline in the share of foreign arrivals to the Western Cape has resulted, however, in the Western Cape and Cape Town not increasing at the same rate as total foreign arrivals to South Africa (5.6% per annum between 2009 and 2015).

The number of domestic tourism trips taken in South Africa has been steadily declining at 3.5% per annum between 2009 and 2015. The number of domestic trips taken to Cape Town has declined at 7.4% per annum between 2009 and 2015 due to a decline in the share of domestic trips taken to the Western Cape.

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

<sup>3</sup> Revised based on revised data from SA Tourism.

<sup>4</sup> Estimated based on information available at time of report writing.

Table 2.2: Foreign and Domestic Bednights

|   | Source      | 2009              | 2010              | 2011              | 2012              | 2013              | 2014 <sup>5</sup> | 2015 <sup>6</sup> |
|---|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Foreign Bednights</b>  |             |                   |                   |                   |                   |                   |                   |                   |
| Total Number of Bednights by Foreign Arrivals to SA             | SAT         | 55 802 589        | 66 852 503        | 66 153 429        | 67 466 639        | 79 889 288        | 86 917 279        | 81 818 723        |
| Share of Foreign Bednights in the Western Cape                  | SAT         | 28.1%             | 29.9%             | 25.6%             | 24.2%             | 23.8%             | 20.9%             | 25.4%             |
| Number of Bednights by Foreign Arrivals to the Western Cape     | SAT         | 15 680 688        | 19 971 821        | 16 961 520        | 16 322 077        | 19 024 349        | 18 165 711        | 20 798 364        |
| Share of Foreign Bednights in Cape Town                         | Est         | 68%               | 67%               | 71%               | 70%               | 70%               | 71.0%             | 71.5%             |
| <b>Number of Bednights by Foreign Arrivals in Cape Town</b>     | <b>Calc</b> | <b>10 656 778</b> | <b>13 328 767</b> | <b>11 976 302</b> | <b>11 501 750</b> | <b>13 392 566</b> | <b>12 897 655</b> | <b>14 870 830</b> |
| <b>Domestic Bednights</b>                                       |             |                   |                   |                   |                   |                   |                   |                   |
| Total number of domestic bednights in South Africa              | SAT         | 128 400 000       | 130 800 000       | 115 200 000       | 121 200 000       | 111 300 000       | 113 200 000       | 102 500 000       |
| Share of domestic bednights on trips taken to the Western Cape  | Calc        | 12.0%             | 11.0%             | 11.0%             | 11.0%             | 11.0%             | 11.2%             | 11.2%             |
| Number of domestic bednights on trips taken to the Western Cape | SAT         | 15 408 000        | 14 388 000        | 12 672 000        | 13 332 000        | 12 243 000        | 12 678 400        | 11 480 000        |
| Share of domestic bednights on trips to Cape Town               | Est         | 44%               | 41%               | 44%               | 44%               | 43%               | 43.1%             | 43.1%             |
| <b>Number of domestic bednights on trips to Cape Town</b>       | <b>Calc</b> | <b>6 779 520</b>  | <b>5 899 080</b>  | <b>5 575 680</b>  | <b>5 836 750</b>  | <b>5 247 426</b>  | <b>5 467 956</b>  | <b>4 951 109</b>  |

Source: Grant Thornton

The number of foreign bednights spent in Cape Town grew by 5.7% per annum between 2009 and 2015 while the total number of foreign bednights spent in South Africa grew by 6.6%. The lower annual growth rate in the number of foreign bednights spent in Cape Town is due to the decline in the share of foreign bednights spent in the Western Cape.

The number of domestic bednights spent in Cape Town declined by 5.1% per annum between 2009 and 2015, while the total number of domestic bednights spent in South Africa declined at a slower pace of 3.7% per annum over the same period.

Foreign direct spend (excluding capital expenditure) in Cape Town has increased by 2.9% per annum between 2009 and 2015, compared to an increase of 3.5% in total foreign direct spend in South Africa. Given an average inflation rate of around 5% per annum, foreign direct spend did not increase in real terms.

Domestic overnight spend in Cape Town has shown strong growth of 6.5% per annum between 2009 and 2015, compared with the lower growth of 0.8% per annum of domestic overnight spend

<sup>5</sup> Revised based on revised data from SA Tourism

<sup>6</sup> Estimated based on information available at time of report writing.

in South Africa. Given an average inflation rate of around 5% per annum, domestic direct spend did increase in real terms.

Overall, tourism direct spend in Cape Town has grown at 3.2% per annum between 2009 and 2015. (Please see Table 2.3)

Table 2.3: Direct tourism spend based on National Data

|   | Source             | 2009        | 2010        | 2011        | 2012        | 2013        | 2014 <sup>7</sup> | 2015 <sup>8</sup> |
|---|--------------------|-------------|-------------|-------------|-------------|-------------|-------------------|-------------------|
| <b>Foreign Direct Spend (excl capital expenditure)</b>      |                    |             |             |             |             |             |                   |                   |
| Total foreign direct spend in South Africa (R bn)           | SA Tourism         | 59.2        | 72.6        | 71.0        | 74.2        | 70.3        | 77.3              | 72.8              |
| Share of foreign direct spend in the Western Cape           | SA Tourism         | 28.0%       | 29.9%       | 25.6%       | 24.3%       | 23.8%       | 22.6%             | 25.7%             |
| Total foreign direct spend in the Western Cape (R bn)       | SA Tourism         | 16.6        | 21.7        | 18.2        | 18.0        | 16.7        | 17.5              | 18.7              |
| Share of foreign direct spend in the Cape Town              | Estimate           | 68%         | 67%         | 71%         | 70%         | 70%         | 71.0%             | 71.5%             |
| <b>Total foreign direct spend in the Cape Town (R bn)</b>   | <b>Calculation</b> | <b>11.3</b> | <b>14.5</b> | <b>12.9</b> | <b>12.7</b> | <b>11.7</b> | <b>12.4</b>       | <b>13.4</b>       |
| <b>Total Domestic Spend</b>                                 |                    |             |             |             |             |             |                   |                   |
| Total spend by domestic tourists in South Africa (R bn)     | SA Tourism         | 22.4        | 21.1        | 20.2        | 21.8        | 24.3        | 26.9              | 23.5              |
| Share of total domestic spend in the Western Cape           | Calculation        | 11.6%       | 15.6%       | 19.3%       | 17.9%       | 17.9%       | 16.5%             | 16.5%             |
| Total spend by domestic tourists in the Western Cape (R bn) | SA Tourism         | 2.6         | 3.3         | 3.9         | 3.9         | 4.3         | 4.4               | 3.9               |
| Share of domestic spend in Cape Town                        | Estimate           | 44%         | 41%         | 44%         | 44%         | 43%         | 43%               | 43.1%             |
| <b>Total spend by domestic tourists in Cape Town (R bn)</b> | <b>Calculation</b> | <b>1.1</b>  | <b>1.4</b>  | <b>1.7</b>  | <b>1.7</b>  | <b>1.9</b>  | <b>1.9</b>        | <b>1.7</b>        |
| <b>Direct Tourism Spend based on National Data</b>          |                    |             |             |             |             |             |                   |                   |
| Total foreign direct spend in Cape Town (R bn)              | Calculation        | 11.3        | 14.5        | 12.9        | 12.7        | 11.7        | 12.4              | 13.4              |
| Total spend by domestic tourists in Cape Town (R bn)        | Calculation        | 1.1         | 1.4         | 1.7         | 1.7         | 1.9         | 1.9               | 1.7               |
| <b>Total direct tourism spend in Cape Town (R bn)</b>       | <b>Calculation</b> | <b>12.4</b> | <b>15.8</b> | <b>14.6</b> | <b>14.4</b> | <b>13.6</b> | <b>14.3</b>       | <b>15.0</b>       |

Source: Grant Thornton

<sup>7</sup> Revised based on revised data from SA Tourism.

<sup>8</sup> Estimated based on information available at time of report writing.

## 3. Projection of the Tourism Gross Value Add

### 3.1 Introduction

The next methodology utilised in the research process on the economic value of tourism in Cape Town is a projection of tourism gross value add in Cape Town based the disaggregation of the National Tourism Satellite Account as produced by Statistics South Africa. The methodology utilised is explained below.

### 3.2 Rationale for the Methodology used

The compilation of a tourism satellite account on a city or regional level has various limitations and challenges. Accordingly Grant Thornton utilised the National Tourism Satellite Account produced by Statistics South Africa to project the tourism gross value add in Cape Town.

The approach is not a tourism satellite account as specified by the United Nations World Tourism Organisation – 2008 Tourism Satellite Account: Recommended Methodological Framework – TSA:RMF 2008 which specifies 10 tables to complete. The UNWTO approach is an account approach, meaning that available data is disaggregated without having to use assumptions on the share of tourism of a particular industry. This approach assumes that the economic data is available in sufficient detail to disaggregate the tourism elements. Unfortunately, this level of detail is not available on a city level.

The World Travel and Tourism Council has formulated a simulated tourism satellite account to address this lack of detailed information. The WTTC approach utilise econometric modelling techniques to quantify tourism's share of the economy. The approach is mostly used on a national basis rather than a regional or city level as the required data is not readily available on a regional or city level.

Regional tourism satellite accounts are usually limited by the lack of detail data on the movement of tourists through the particular region as well as the flow of money through the region. For example, a scheduled tour of foreign tourists to South Africa may include, stays in Johannesburg, the Kruger National Park and Cape Town. The accommodation spend could be allocated between these destinations but the allocation of transport costs and even the commission owed to the tour operator would not be so easy to allocate.

Two approaches to regional tourism satellite accounts have been formulated to address these issues. Firstly, a regionalization approach can be adopted where the national tourism satellite account is apportioned on a regional basis using different indicators and methods. Secondly, a regional estimation approach can be followed where a tourism satellite account is calculated for a region on a

similar basis as a national tourism satellite account. This approach requires sufficient data on a regional basis.

Given the lack of data on a city level, a regionalization approach was adopted to quantify the economic contribution of tourism to the economy of Cape Town. The approach utilised the tourism satellite account for South Africa developed by Statistics South Africa.

### 3.3 Methodology

The national tourism satellite account quantifies the foreign, domestic and outbound tourism expenditure. The foreign and domestic direct tourism expenditure as calculated utilising the disaggregation of national tourism data was utilised to calculate a comparable figure for Cape Town. Unfortunately the outbound tourism expenditure for Cape Town is not available and there is no reliable source available to estimate this figure.

The national tourism satellite account deducts the intermediate consumption from this tourism expenditure to calculate the gross value added by the tourism industry. The intermediate consumption relates to the expenses related to the tourism expenditure such as salaries of staff, consumables, etc.

The intermediate consumption for Cape Town was assumed to have the same ratio of tourism expenditure to intermediate consumption as South Africa. The national tourism satellite account utilise input-output tables to calculate the intermediate consumptions, but given the lack of detail on a Cape Town level it was assumed that Cape Town tourism enterprises would have intermediate consumption on a similar ratio than tourism enterprises in South Africa as a whole.

The national tourism satellite account also quantifies the number of persons directly engaged in producing goods and services purchased by visitors. It was assumed that Cape Town's share of the number of persons engaged would be the same as the ratio of Cape Town's gross value add for tourism to South Africa's gross value add for tourism.

It should be noted that the national tourism satellite account produced by Statistics South Africa measures the direct contribution of tourism to the economy. The WTTC approach measures the direct, indirect and induced contribution of tourism to the economy. For example, the expenditure by a guest in an hotel (direct) results in expenditure by the hotel on food, (indirect) and expenditure by the hotel's employees in local shops (induced). The direct, indirect and induced contribution is often used to compare to the contribution of other industries to the economy.

### 3.4 Tourism Gross Value Add Projection

Grant Thornton projects that the tourism gross value add to Cape Town was R7.4 billion in 2014. Please note that the gross value add is not the direct tourism spend as the total intermediate consumption is deducted.

The direct tourism gross value add for Cape Town represents 2.3% of the total gross value add for the City of Cape Town. Please keep in mind that this represents the direct gross value add and do not include the indirect or induced value add.

Table 3.1: Projected Tourism Value Add (R'million)

|      |              | + Foreign<br>tourism<br>expenditure | + Domestic<br>tourism<br>expenditure | = Total<br>output | - Total<br>intermediate<br>consumption | = Total<br>gross<br>value<br>add | Tourism<br>GVA as % of<br>Total GVA |
|------|--------------|-------------------------------------|--------------------------------------|-------------------|--|----------------------------------|-------------------------------------|
| 2009 | South Africa | 67 141                              | 82 684                               | 149 825           | 85 554                                 | 64 271                           | 3.00%                               |
| 2009 | Cape Town    | 11 282                              | 6 204                                | 17 486            | 9 985                                  | 7 501                            | 3.31%                               |
| 2010 | South Africa | 69 422                              | 97 788                               | 167 210           | 90 606                                 | 76 604                           | 2.90%                               |
| 2010 | Cape Town    | 14 482                              | 4 387                                | 18 870            | 10 225                                 | 8 645                            | 3.46%                               |
| 2011 | South Africa | 71 747                              | 102 824                              | 174 571           | 97 230                                 | 77 341                           | 2.80%                               |
| 2011 | Cape Town    | 12 851                              | 5 409                                | 18 260            | 10 170                                 | 8 090                            | 3.01%                               |
| 2012 | South Africa | 85 423                              | 114 511                              | 199 934           | 113 084                                | 86 850                           | 2.90%                               |
| 2012 | Cape Town    | 12 684                              | 5 769                                | 18 453            | 10 437                                 | 8 016                            | 2.77%                               |
| 2013 | South Africa | 94 183                              | 123 420                              | 217 603           | 123 823                                | 93 780                           | 3.00%                               |
| 2013 | Cape Town    | 11 745                              | 5 018                                | 16 762            | 9 538                                  | 7 224                            | 2.31%                               |
| 2014 | South Africa | 106 728                             | 132 012                              | 238 740           | 135 802                                | 102 938                          | 3.00%                               |
| 2014 | Cape Town    | 12 410                              | 4 821                                | 17 231            | 9 802                                  | 7 430                            | 2.33%                               |

Source: Grant Thornton

Employment is defined as persons directly engaged in producing goods and services purchased by visitors. Grant Thornton projects that employment in the Cape Town tourism industry is around 49 000 people and has declined between 2009 and 2014 at an average annual compound rate of 5.3% per annum. The decline can be attributed to the decline in direct domestic spend which include the overnight as well as the day visitor spend.

Table 3.2: Projected Employment

|      |              | Employment | Tourism GVA as %<br>of Total GVA |
|------|--------------|------------|----------------------------------|
| 2009 | South Africa | 553 990    | 4.1%                             |
| 2009 | Cape Town    | 64 654     | 5.2%                             |
| 2010 | South Africa | 603 022    | 4.4%                             |
| 2010 | Cape Town    | 68 051     | 5.6%                             |
| 2011 | South Africa | 622 929    | 4.4%                             |
| 2011 | Cape Town    | 65 159     | 5.4%                             |
| 2012 | South Africa | 646 390    | 4.5%                             |
| 2012 | Cape Town    | 59 660     | 4.9%                             |
| 2013 | South Africa | 655 587    | 4.4%                             |
| 2013 | Cape Town    | 50 500     | 4.1%                             |
| 2014 | South Africa | 680 817    | 4.5%                             |
| 2014 | Cape Town    | 49 139     | 3.9%                             |

Source: Grant Thornton



## Annexure A: Fact Sheet

| <b>Cape Town Economic Value of Tourism Model</b>            |                         |             |             |             |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Fact Sheet</b>   | <b>Source</b>           | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> |
| <b>Foreign Direct Spend (excluding capital expenditure)</b> |                         |             |             |             |             |             |             |             |
| Total Foreign Direct Spend in South Africa (R bn)           | South African Tourism   | 59.2        | 72.6        | 71.0        | 74.2        | 70.3        | 77.3        | 72.8        |
| Share of Foreign Direct Spend in the Western Cape           | SA Tourism              | 28.0%       | 29.9%       | 25.6%       | 24.3%       | 23.8%       | 22.6%       | 25.7%       |
| Total Foreign Direct Spend in the Western Cape (R bn)       | South African Tourism   | 16.6        | 21.7        | 18.2        | 18.0        | 16.7        | 17.5        | 18.7        |
| Share of Foreign Direct Spend in Cape Town                  | Grant Thornton Estimate | 68%         | 67%         | 71%         | 70%         | 70%         | 71%         | 72%         |
| <b>Total Foreign Direct Spend in Cape Town (R bn)</b>       | <b>Calculation</b>      | <b>11.3</b> | <b>14.5</b> | <b>12.9</b> | <b>12.7</b> | <b>11.7</b> | <b>12.4</b> | <b>13.4</b> |
| <b>Total Domestic Direct Spend</b>                          |                         |             |             |             |             |             |             |             |
| Total spend by domestic tourists in South Africa (R bn)     | South African Tourism   | 22.4        | 21.1        | 20.2        | 21.8        | 24.3        | 26.9        | 23.5        |
| Share of total domestic spend in the Western Cape           | Grant Thornton Estimate | 11.6%       | 15.6%       | 19.3%       | 17.9%       | 17.9%       | 16.5%       | 16.5%       |
| Total spend by domestic tourists in the Western Cape (R bn) | South African Tourism   | 2.6         | 3.3         | 3.9         | 3.9         | 4.3         | 4.4         | 3.9         |
| Share of domestic spend in Cape Town                        | Grant Thornton Estimate | 44%         | 41%         | 44%         | 44%         | 43%         | 43%         | 43%         |
| <b>Total spend by domestic tourists in Cape Town (R bn)</b> | <b>Calculation</b>      | <b>1.1</b>  | <b>1.4</b>  | <b>1.7</b>  | <b>1.7</b>  | <b>1.9</b>  | <b>1.9</b>  | <b>1.7</b>  |
|   |                         |             |             |             |             |             |             |             |
| South Africa Total Gross Value Add (GVA) (R bn)             | Calculation             | 64.3        | 76.6        | 77.3        | 86.9        | 93.8        | 102.9       | N/A         |
| Tourism GVA as % of Total GVA                               | Calculation             | 3.0%        | 2.9%        | 2.8%        | 2.9%        | 3.0%        | 3.0%        | N/A         |
|   |                         |             |             |             |             |             |             |             |
| Cape Town Total Gross Value Add (GVA) (R bn)                | Calculation             | 7.5         | 8.6         | 8.1         | 8.0         | 7.2         | 7.4         | N/A         |
| Tourism GVA as % of Total GVA                               | Calculation             | 3.3%        | 3.5%        | 3.0%        | 2.8%        | 2.3%        | 2.3%        | N/A         |
|   |                         |             |             |             |             |             |             |             |
| South Africa Tourism Employment                             | Calculation             | 553 990     | 603 022     | 622 929     | 646 390     | 655 587     | 680 817     | N/A         |
| Tourism Employment as % of Total Employment                 | Calculation             | 4.1%        | 4.4%        | 4.4%        | 4.5%        | 4.4%        | 4.5%        | N/A         |
|   |                         |             |             |             |             |             |             |             |
| Cape Town Tourism Employment                                | Calculation             | 64 654      | 68 051      | 65 159      | 59 660      | 50 500      | 49 139      | N/A         |
| Tourism Employment as % of Total Employment                 | Calculation             | 5.2%        | 5.6%        | 5.4%        | 5.4%        | 4.1%        | 3.9%        | N/A         |

# Annexure B: Tourism in South Africa and the Western Cape

## B.1 Introduction

In this section we analyse the available information regarding tourism to South Africa and the Western Cape. In 2014, Statistics South Africa made changes to the release of its Tourism and Migration reports and now no longer reports on transit arrivals. As a result of this change, the weighting methodology has been revised and the results in the latest report (2015) are now not comparable to reports prior to 2013. Accordingly, in this section we have only included tourism data from 2013 to 2015. Where possible we have excluded transit tourists from previous years for comparison sake.

## B.2 Foreign Tourism in South Africa and the Western Cape

### B.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:

- 2015 South African Tourism Annual Tourism Performance Report;
- Statistics South Africa Tourism Migration Report; and
- World Travel & Tourism Council – Economic Impact 2015 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.

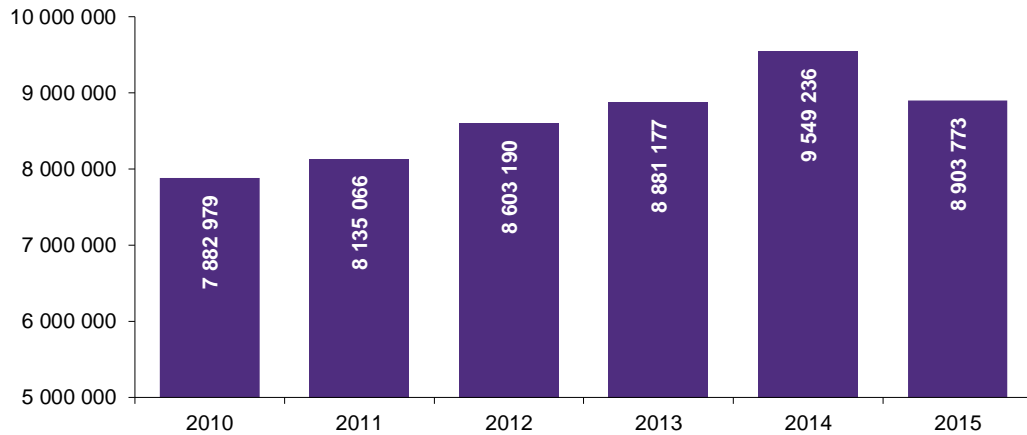
Tourism is also one of South Africa's major foreign exchange earners and job creators. According to the World Travel and Tourism Council, the direct contribution of South Africa's travel and tourism industry to gross domestic product ("GDP") in 2015 was R118.6 billion or 3%, while the direct and indirect contribution combined was R375.5 billion or 9,4%. Direct employment in the travel and tourism industry in 2015 was 703 000 (4,5% of total employment) while direct and indirect employment combined was 1 554 000 (9,9% of total employment).

### B.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.

In accordance with Stats SA figures on foreign arrivals (excluding transit arrivals) there were 8,903 million foreign visitors to South Africa during 2015, a decrease of 6.8% when compared to the 9,549 million arrivals in 2014 (**Figure B.1**). This decrease has largely been attributed to the negative impacts of the new South African visa regulations, amongst other reasons.

Figure B.1: Total Foreign Arrivals to South Africa (excluding transit figures)

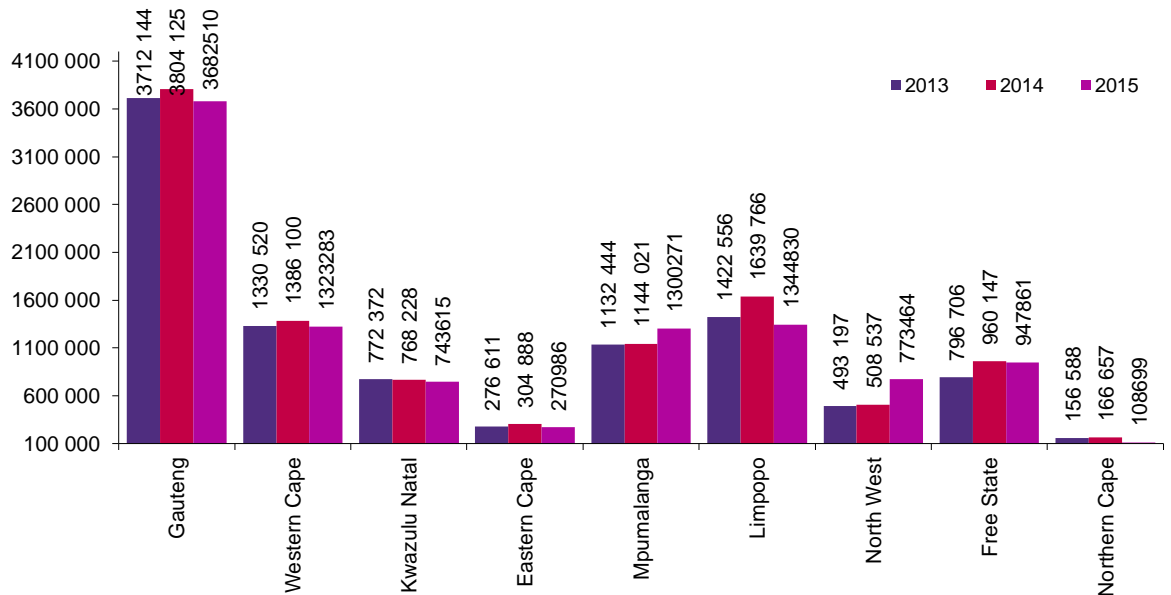


Source: Statistics South Africa

SA Tourism 2015 Annual Tourism Performance Report

**Figure B.2** shows the number of foreign visitors to each of the 9 provinces of South Africa between 2013 and 2015. Gauteng remains the most visited province with around 3.6 million or 41.4% of all foreign tourists in 2015 visiting the area, followed by Limpopo with 1.3 million or 15.1% which is followed by the Western Cape with 14.8% of all foreign visitors. The least visited province during 2015 was the Northern Cape which only received 108 699 visitors.

Figure B.2: Foreign Visitors to Each Province of South Africa (excluding transit figures)

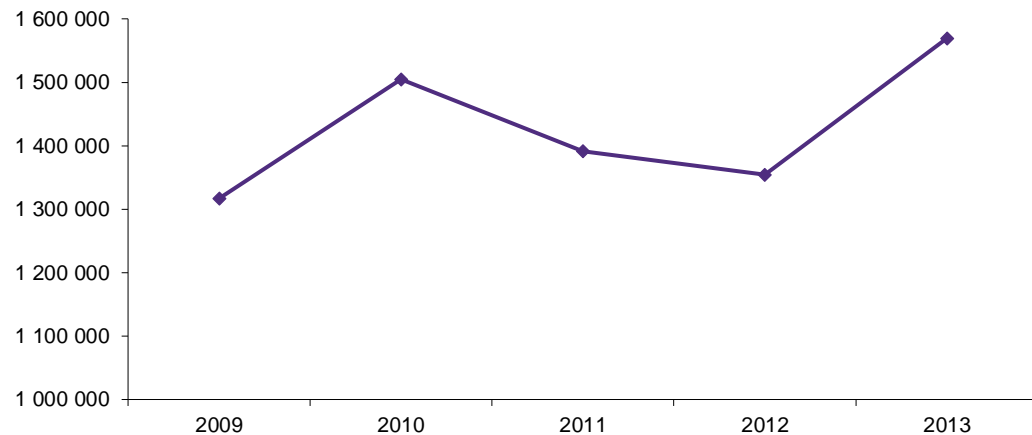


Source: SA Tourism 2015 Annual Tourism Performance Report

Foreign visitors to the Western Cape declined by 4.5% from 1 386 100 in 2014 (excluding transit figures) to 1 323 283 in 2015 (excluding transit figures).

**Figure B.3** illustrates the trend in foreign visitors to the Western Cape between 2009 and 2013 (including transit figures). Over the five year period the province experienced an annual compound growth rate of 4.48% in foreign visitor numbers between 2009 (1 316 795 foreign visitors including transit) and 2013 (1 569 195 foreign visitors including transit).

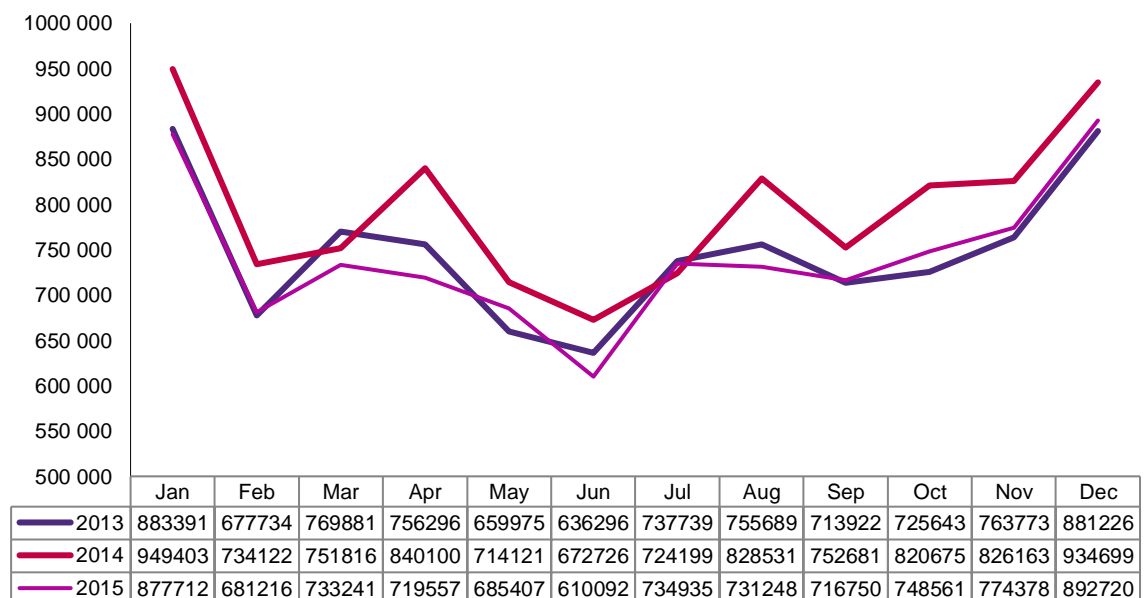
**Figure B.3: Trend in Total Foreign Visitors to the Western Cape (including transit figures) <sup>9</sup>**



Source: SA Tourism

**Figure B.4** provides an indication of the seasonality trends in foreign tourist arrivals from 2013 to 2015. 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.

**Figure B.4: Foreign Arrivals to South Africa by Month (excluding transit figures)**



Source: SA Tourism 2015 Annual Tourism Performance Report

<sup>9</sup> Latest available information due to inclusion of transit visitors

### B.2.3 Source Markets

**Table B.1** provides a breakdown of the foreign arrivals to South Africa during 2015. 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 72.3% of the total arrivals, while arrivals from Europe accounted for 14.8%.

Lesotho (15.6%), Zimbabwe (21.3%), Mozambique (13.5%) and Swaziland (9.4%) were the major source markets of foreign visitors. Of the overseas countries, residents from the United Kingdom (“UK”) made up 4.5% of all foreign arrivals, followed by the United States of America (“USA”) (3.3%) and Germany (2.9%).

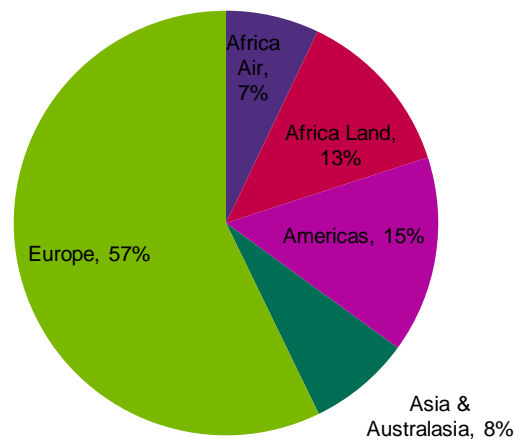
Table B.1: Source Markets for Foreign Arrivals to South Africa (2015)

| Source Markets by Region      |       |
|-------------------------------|-------|
| Africa Air                    | 4.1%  |
| Africa Land                   | 72.3% |
| Americas                      | 4.5%  |
| Asia & Australasia            | 4.2%  |
| Europe                        | 14.8% |
| Top Source Markets by Country |       |
| Africa                        |       |
| Lesotho                       | 15.6% |
| Mozambique                    | 13.5% |
| Zimbabwe                      | 21.3% |
| Swaziland                     | 9.4%  |
| Botswana                      | 6.6%  |
| Overseas                      |       |
| UK                            | 4.5%  |
| USA                           | 3.3%  |
| Germany                       | 2.9%  |
| Netherlands                   | 1.4%  |
| France                        | 1.4%  |

Source: SA Tourism 2015 Annual Tourism Performance Report

The source market profile of foreign visitors to the Western Cape is very different to that of the country as whole. Europeans accounted for 57.2% of all visitors to the province during 2015, followed by North and South Americans (15%).

Figure B.5: Source Markets of Foreign Visitors to the Western Cape 2015

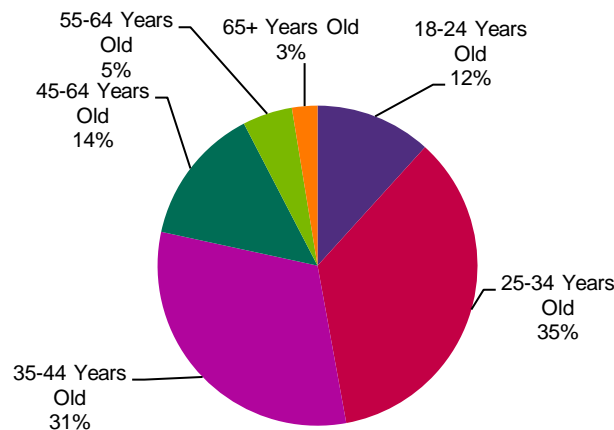


Source: SA Tourism 2015 Annual Tourism Performance Report

#### B.2.4 Visitor Profile

As shown in **Figure B.6**, more than 60% of foreign visitors to South Africa are between 25 and 44 with the majority (35%) between 35 and 44 years old, this was closely followed by 30.5% between 25 and 34 years old. Only 11.5% 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.

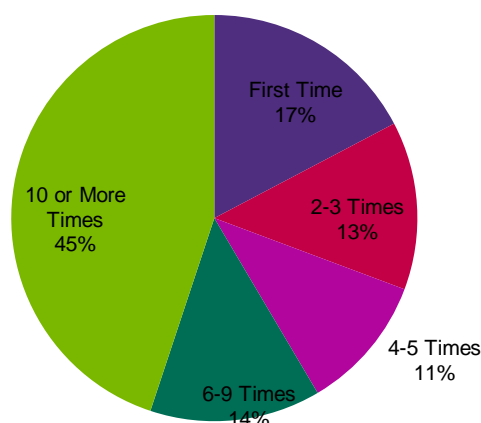
Figure B.6: Age Profile of Foreign Visitors to South Africa 2015



Source: SA Tourism 2015 Annual Tourism Performance Report

44.9% of all foreign visitors to South Africa in 2015 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 17.3% of foreign arrivals (**Figure B.7**).

Figure B.7: Repeater Rate of Foreign Visitors 2015

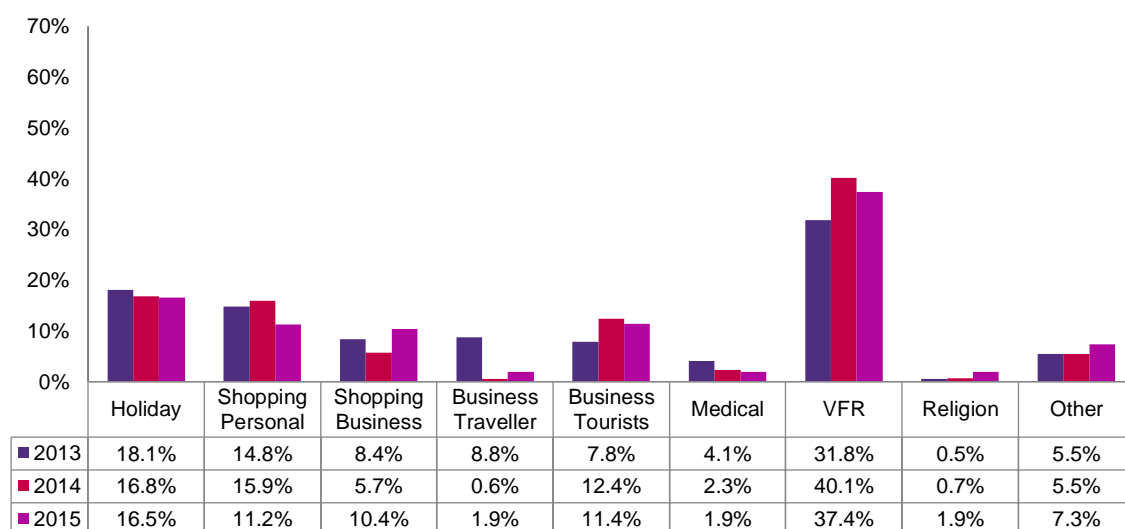


Source: SA Tourism 2015 Annual Tourism Performance Report

### B.2.5 Purpose of Visit

Overall leisure reasons was the main draw card for foreign tourists to South Africa with visiting friends and relatives remaining as the main purpose during 2015, increasing from 31.8% in 2013 to 37.4% in 2015. Business tourism travel grew from 7.8% in 2013 to 11.4% in 2015.

Figure B.8: Purpose of Visit of Foreign Visitors to South Africa

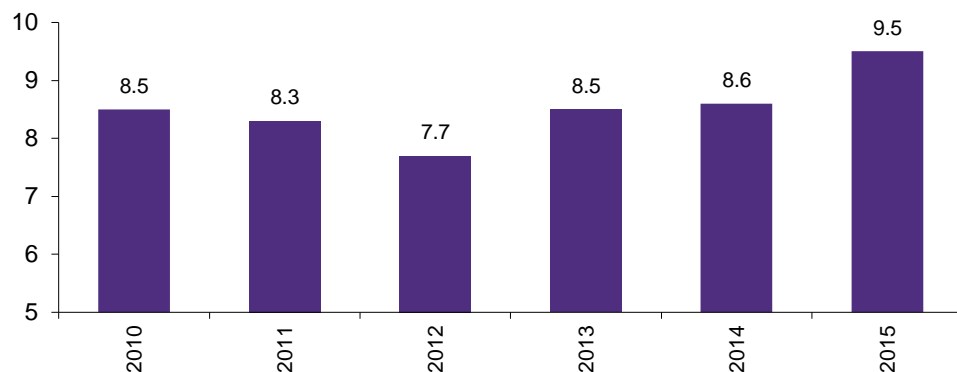


Source: SA Tourism 2015 Annual Tourism Performance Report

### B.2.6 Length of Stay

Historically there has been a steady decline in the length of stay of foreign visitors in South Africa over recent years, however in 2013 the average length of stay has started to increase from 7.7 night in 2012 to a high of 9.5 nights in 2015, the first increase since 2010 (Figure B.9). Due to the long-haul nature of South Africa as a destination, the average length of stay of foreign air arrivals during 2015 was high at 14.9 nights compared to the average length of stay of land arrivals which was 7.6 nights. The most common length of stay for foreign tourist in 2015 was 1 night.

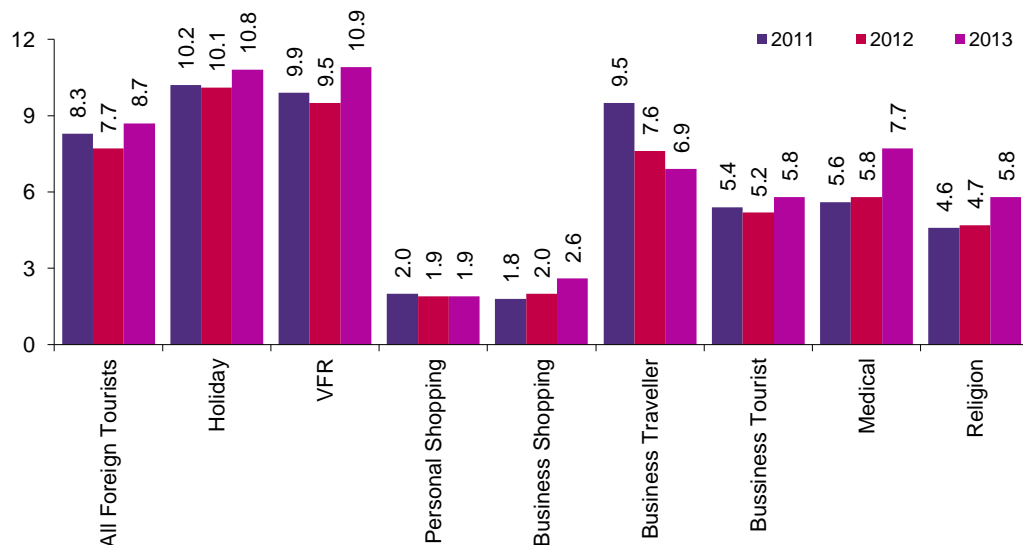
Figure B.9: Average Length of Stay of Foreign Visitors to South Africa (Nights)



Source: SA Tourism 2015 Annual Tourism Performance Report

The length of stay of holiday tourists and visiting friends and relatives (VFR) remained the longest in 2013 (latest available data) at 10.8 and 10.9 nights respectively. The length of stay for tourists that come to South Africa for shopping for business goods and business tourists increased in 2013. Holiday travellers spent an average of 10.8 nights in the country, while business travellers spent only 6.9 nights (**Figure B.10**).

Figure B.10: Average Length of Stay of Foreign Visitors by Purpose of Visit (Nights)

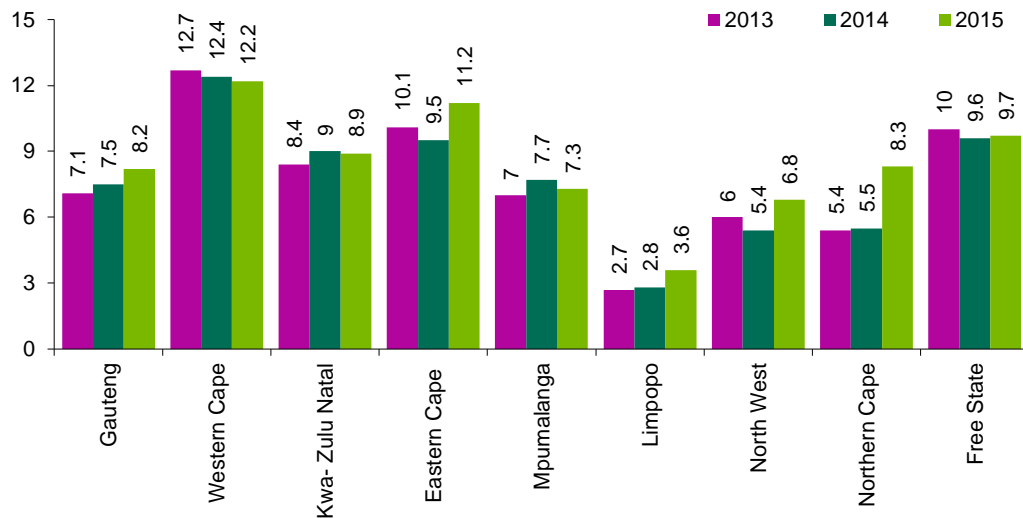


Source: SA Tourism 2013 Annual Tourism Performance Report

The average length of stay during 2015 of foreign visitors was the longest in the Western Cape with 12.2 nights. The Western Cape was followed by the Eastern Cape with 11.2 nights (**Figure B.11**). Limpopo remains the province with the lowest average length of stay in 2015 (3.6 nights).



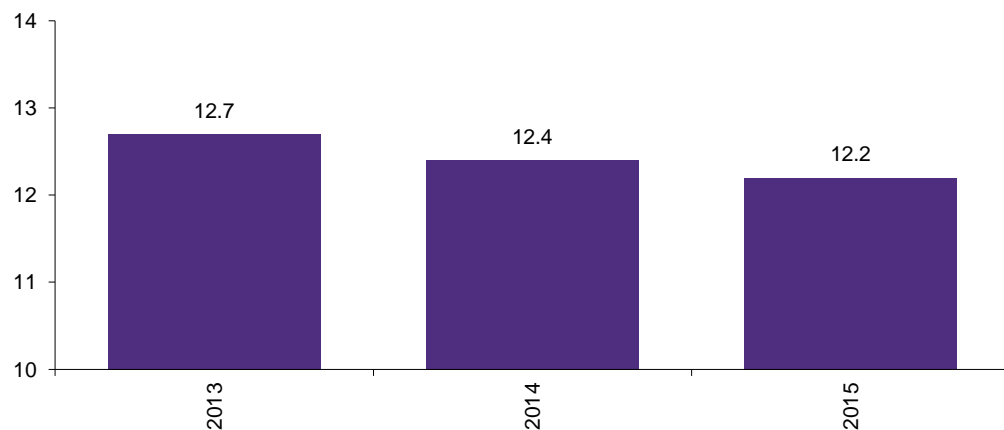
Figure B.11: Average Length of Stay of Foreign Visitors by Province (Nights)



Source: SA Tourism 2015 Annual Tourism Performance Report

As shown in **Figure B.12** the average length of stay in the Western Cape had decreased slightly over the previous 3 years from 12.7 in 2013 to 12.2 nights in 2015.

Figure B.12: Average Length of Stay of Foreign Visitors to the Western Cape (Nights)

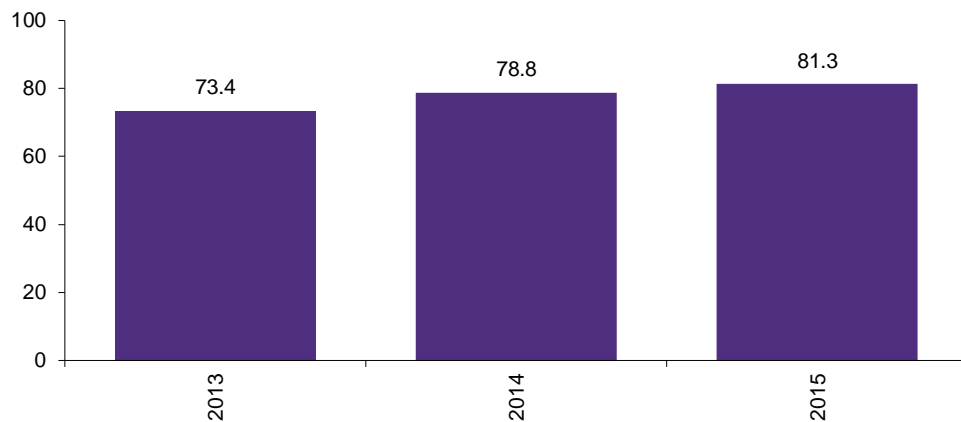


Source: SA Tourism 2015 Annual Tourism Performance Report

### B.2.7 Bednights

In 2015, foreign tourists spent 81.3 million bednights in South Africa, an increase of 3.2% when compared to 78.8 million spent in the country during 2014 (**Figure B.13**). The increase may be influenced by the weakening rand to other major exchange rates making South Africa a popular and affordable destination to foreign tourist.

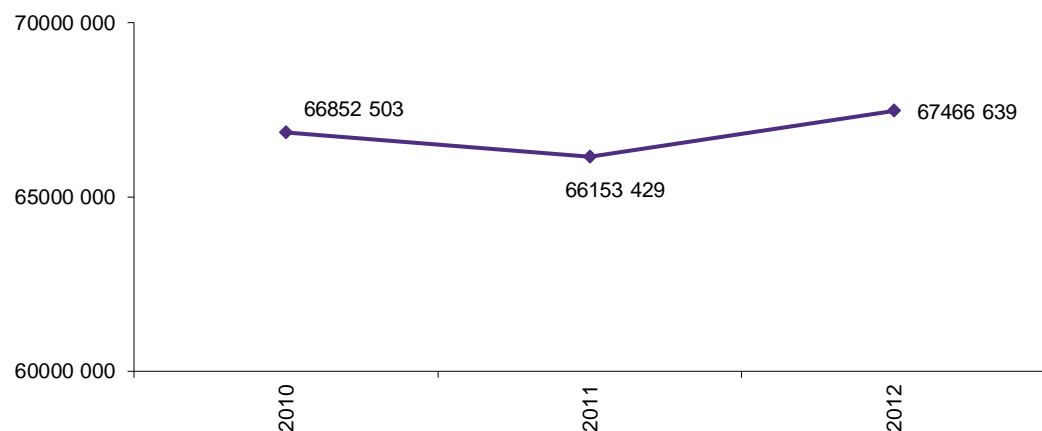
Figure B.13: Foreign Bednights Spend in South Africa (millions)



Source: SA Tourism 2015 Annual Tourism Performance Report

When analysing the historical trend in bednights prior to 2013, bednights have remained fairly consistent since 2010.

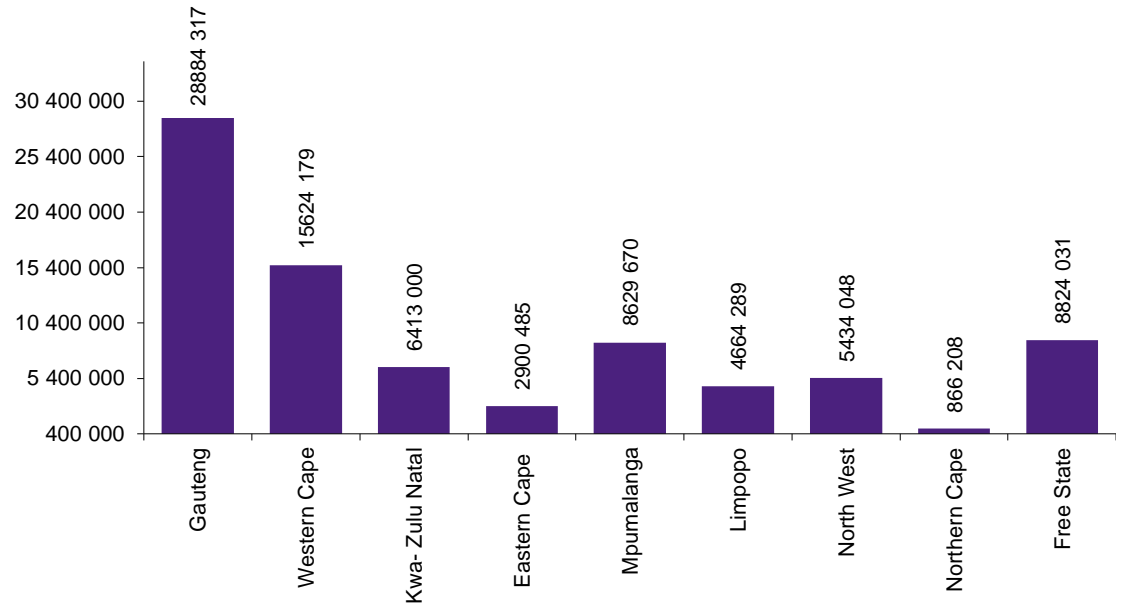
Figure B.14: Trend in Foreign Bednights Spent in South Africa (excluding transit tourists)



Source: SA Tourism 2013 Annual Tourism Performance Report

In 2015, foreign tourists spent 28 million bednights (35.4%) in Gauteng, followed by 15 million bednights (19.2%) in the Western Cape. The Northern Cape received the smallest share accounting for 866 208 of the foreign bednights in 2015 (**Figure B.15**).

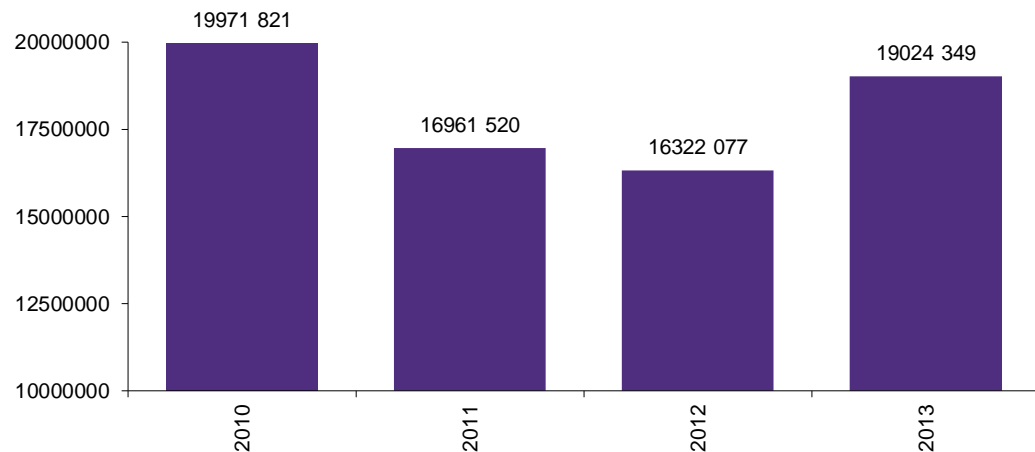
Figure B.15: Foreign Bednights Spent in South Africa by Province 2015



Source: SA Tourism 2015 Annual Tourism Performance Report

Historically (including transit visitor bednights) the Western Cape experienced a negative annual compound growth rate in bednights of -1.61% between 2010 and 2013 from 19.9 million to 19.0 million nights spent in the province (Figure B.16).

Figure B.16: Foreign Bednights Spent in the Western Cape



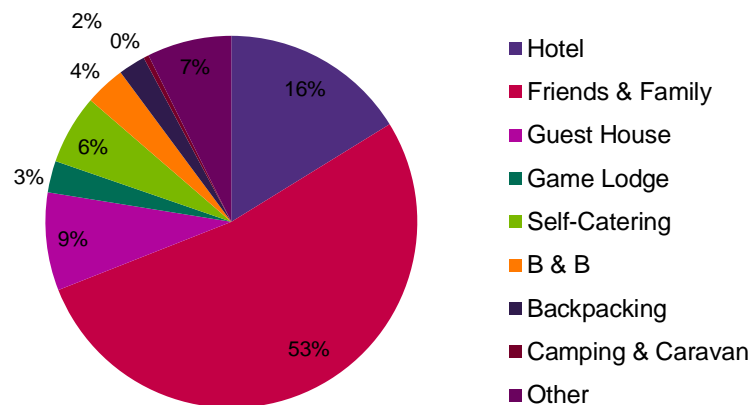
Source: SA Tourism 2013 Annual Tourism Performance Report

### B.2.8 Type of Accommodation Used

From 2011 to 2013 (latest available data), 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 utilised, foreign tourists are then able to spend more on other elements of their holiday such as shopping and site seeing.

In 2013, 52.79% of foreign visitors stayed with friends and family. This was followed by hotels (16.7%), guest houses (8.51%), self-catering accommodation (**Figure B.17**). Camping and caravanning was the least popular form of accommodation used by foreign visitors in 2013 with 0.46% staying in these facilities in South Africa.

Figure B.17: Type of Accommodation Used by Foreign Visitors 2013

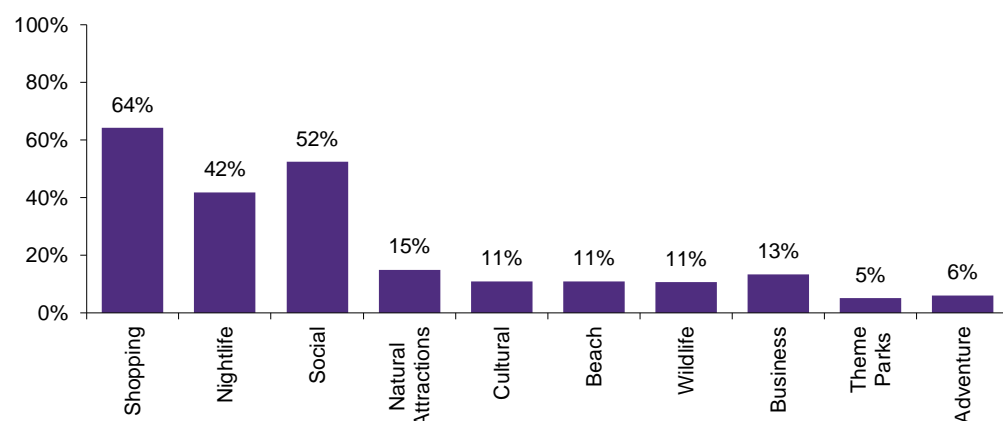


Source: SA Tourism 2013 Annual Tourism Performance Report

### B.2.9 Activities Undertaken

Shopping, followed by nightlife activities, were the activities most frequently undertaken by foreigners during their stay in South Africa (**Figure B.18**).

Figure B.18: Activities Undertaken by Foreign Visitors to South Africa 2015



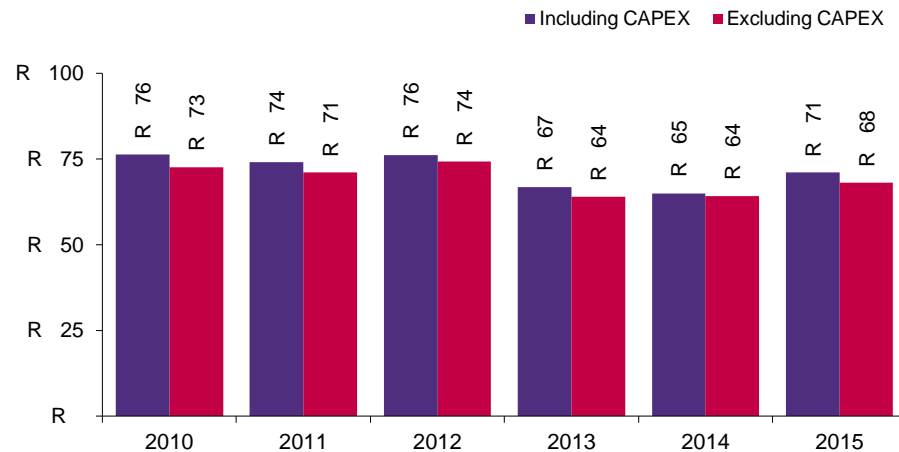
Source: SA Tourism 2015 Annual Tourism Performance Report

### B.2.10 Spend

According to SA Tourism, total foreign direct spend (“TFDS”) excluding capital expenditure (“CAPEX”), reached R68.2 billion in 2015. This is an increase of 6.2% since 2014 (**Figure B.19**). The average TFDS (excluding capital expenditure) of all tourists increased by R1 100 from R7 000 to R8 100. The average TFDS (excluding capital expenditure) from land markets increased by R300 and air markets increased by R3 100.

On average, foreign tourists each spent R830 per day (excluding CAPEX) in South Africa during 2015 up from R810 during 2014.

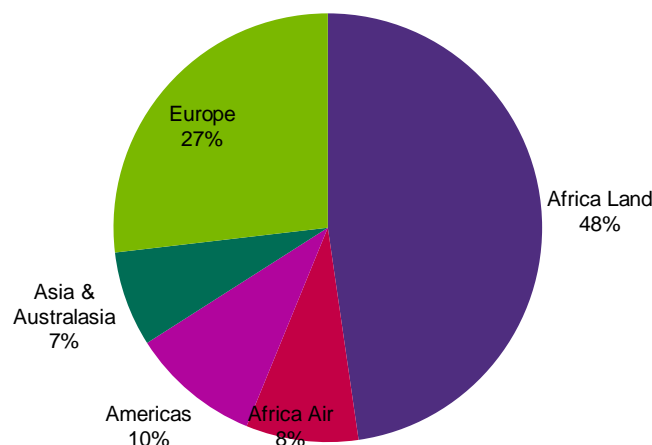
Figure B.19: Total Foreign Direct Spend excluding CAPEX (R billion)



Source: SA Tourism 2015 Annual Tourism Performance Report

**Figure B.20** provides a breakdown of TFDS excluding CAPEX by source market region for 2015. Overland visitors from Africa accounted for 47.8% of the total spent followed by Europeans with 26.9%, while visitors from the Americas and Africa air market accounted for 9.8% and 8.5% respectively of the TFDS.

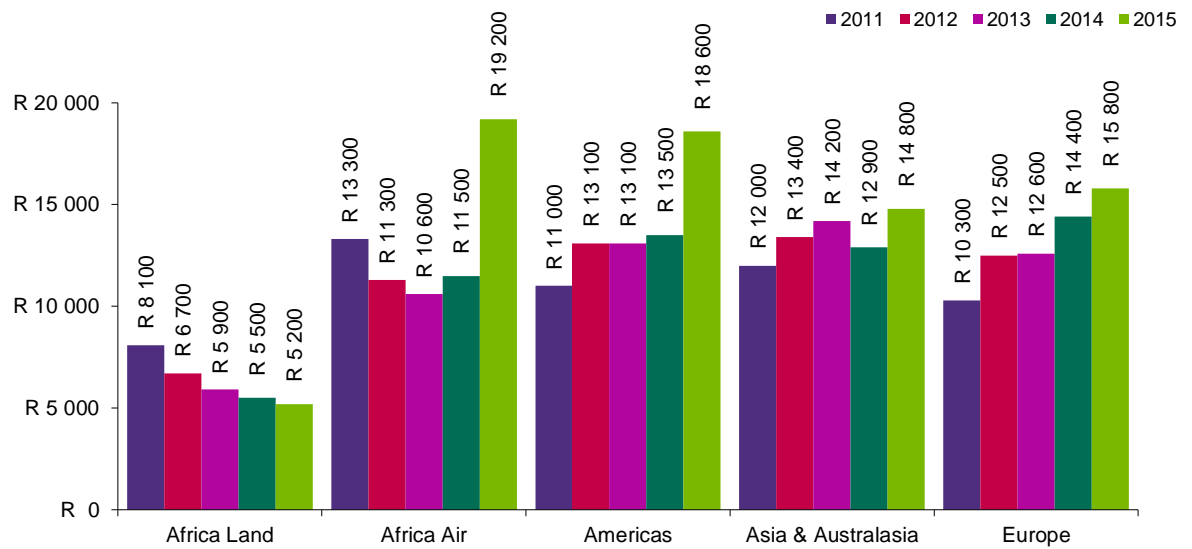
Figure B.20: TFDS excluding CAPEX by Region 2015



Source: SA Tourism 2015 Annual Tourism Performance Report

As shown in **Figure B.21**, African Air visitors are the biggest foreign spenders in South Africa, each spending an average of R19 200 per trip during 2015, this was closely followed by foreign spenders from the Americas (R8 600 per trip). The average spend per trip by overland visitors from Africa was the lowest at R5 200.

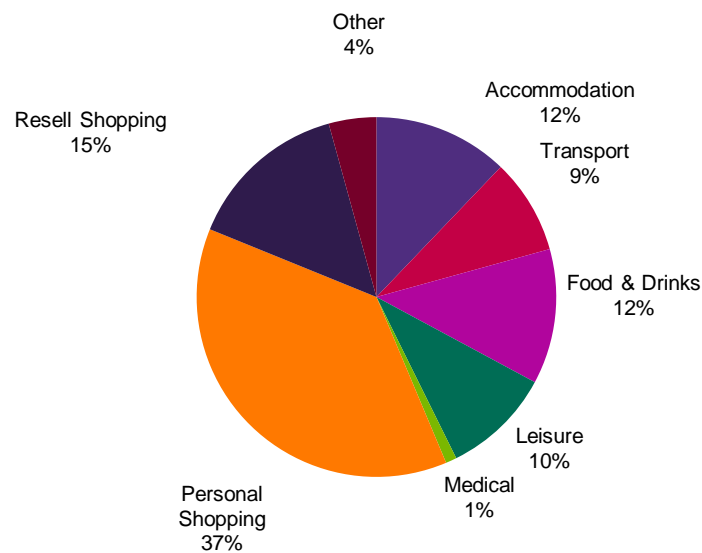
Figure B.21: Average Visitor Spend by Source Market Region



Source: SA Tourism 2015 Annual Tourism Performance Report

Shopping for personal use accounted for R22.8 billion or 32.4% of the TFDS excluding CAPEX during 2013 (latest available data) and accommodation for R7.4 billion or 10.5% (**Figure B.22**).

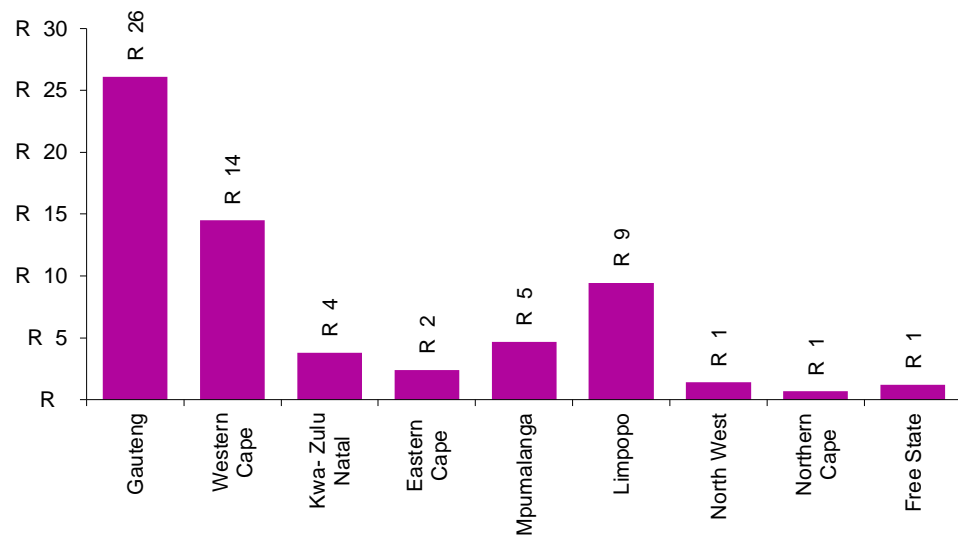
Figure B.22: TFDS excluding CAPEX by Category 2013



Source: SA Tourism 2013 Annual Tourism Performance Report

The foreign direct spend excluding CAPEX during 2014 (latest available) was the highest in Gauteng, with R26.4 billion being spent in the province. This was followed by the Western Cape with R14.4 billion. The total spent by foreign tourists in the Northern Cape was the lowest at R0.8 billion.

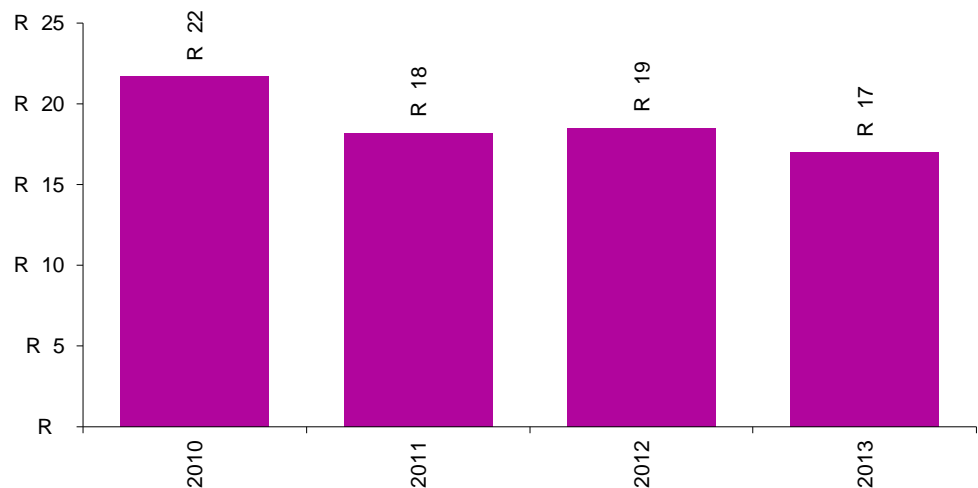
Figure B.23: Foreign Direct Spend excluding CAPEX by Province 2014 (R Billion)



Source: SA Tourism 2014 Annual Tourism Performance Report

Historically, 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 21.6% (or R4,7 billion) to R17 billion during 2013, with a slight increase of 1.6% (or R0,3 billion) from 2011 to 2012. (Figure B.24).

Figure B.24: Foreign Direct Spend excluding CAPEX in the Western Cape (R billion)



Source: SA Tourism 2013 Annual Tourism Performance Report

### B.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:

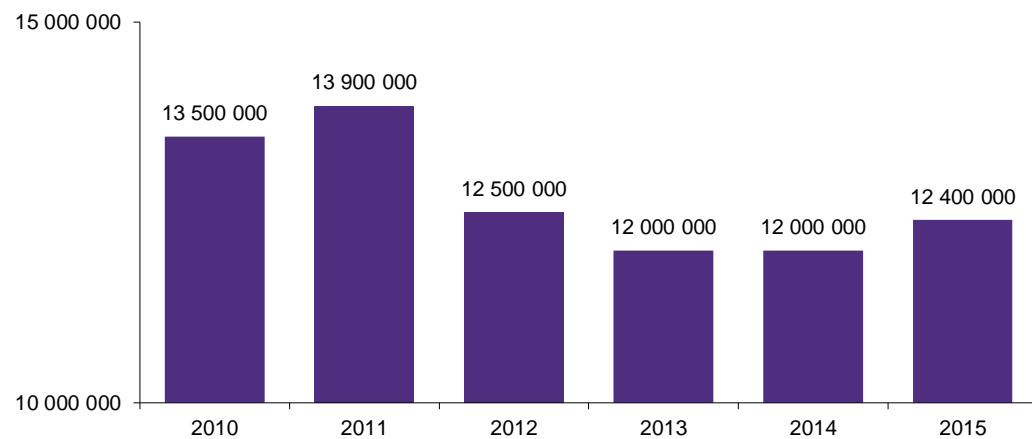
- The SA Tourism 2015 Annual Domestic Tourism Performance Report; and
- The Statistics SA Domestic Tourism Survey 2014.

### B.3.1 Domestic Overnight Tourists

#### B.3.1.1 Number of Domestic Overnight Tourists

According to South African Tourism, approximately 12.4 million adult South Africans (approximately 65% of population) took a domestic trip during 2015, a 4% increase from the 12.0 million who took a trip during 2014 (**Figures B.25**).

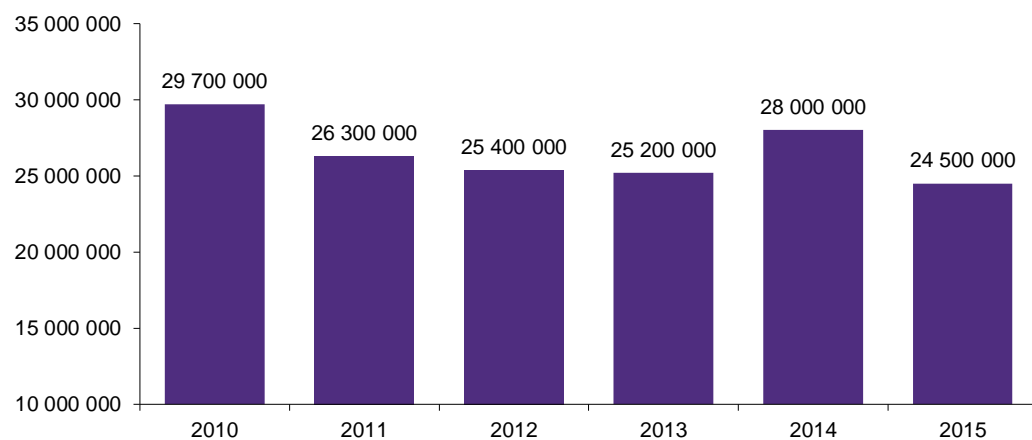
Figure B.25: Number of Domestic Travellers in South Africa



Source: SA Tourism 2015 Annual Tourism Performance Report

A total of 24.5 million domestic trips were taken during 2015, a decrease of 12.5% from the 28.0 million trips taken during 2014 (**Figures B.26**). Domestic tourists took an average of 2 domestic trips during 2015.

Figure B.26: Number of Domestic Trips Taken in South Africa



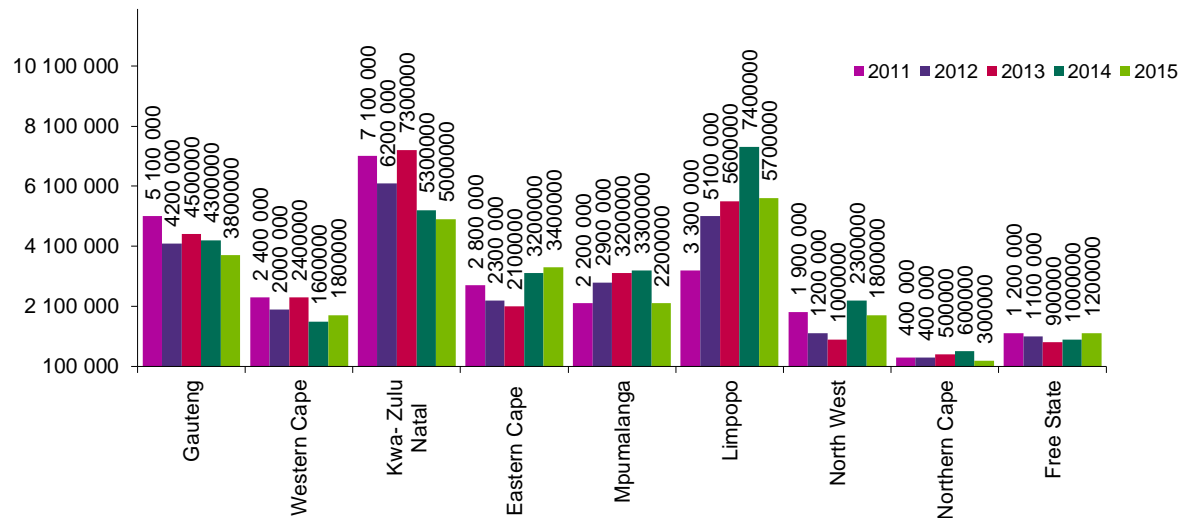
Source: SA Tourism 2015 Annual Tourism Performance Report

The most visited provinces during 2015 were Limpopo and Kwa-Zulu Natal, with 5.7 million (23.3%) and 5.0 million (20.4%) trips respectively. The least visited province was the Northern Cape



which received a mere 300 000 (1.2%) of the total domestic trips. There were 1,8 million trips taken to the Western Cape during 2015, (7.3%) of the total domestic trips in South Africa (**Figure B.27**).

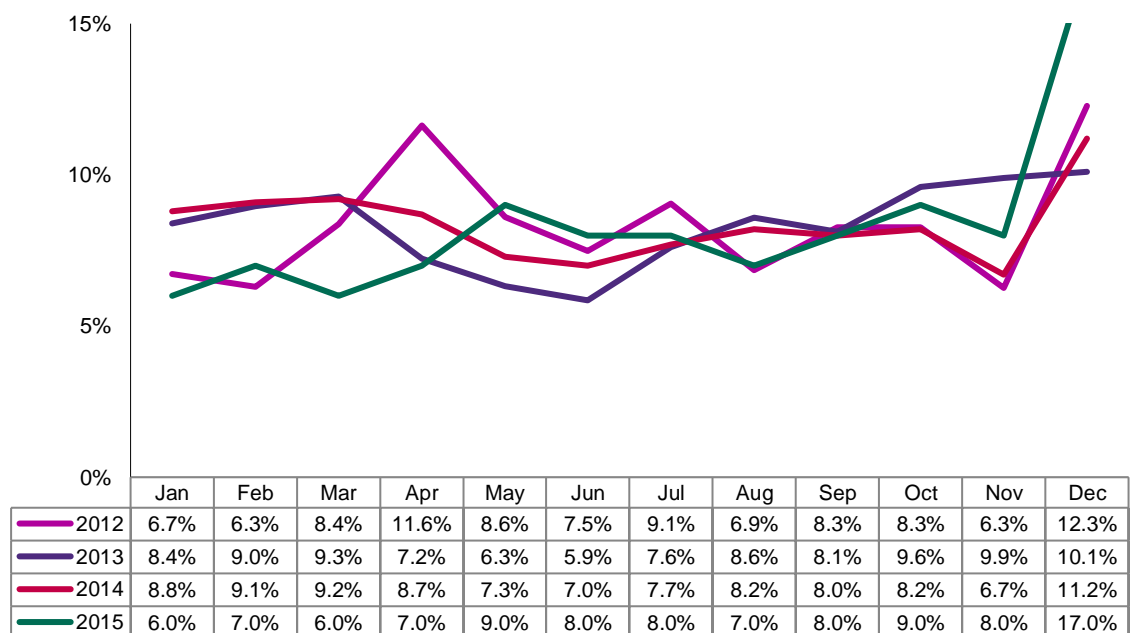
Figure B.27: Domestic Trips Taken to Provinces in South Africa



Source: SA Tourism 2015 Annual Tourism Performance Report

As shown in **Figure B.28**, 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. However domestic trips during 2015 did not follow the conventional holiday trend as there was a decrease in trips taken during April but a noticeable peak during the December holidays when compared to the previous years.

Figure B.28: Percentage of Total Domestic Trips Taken in South Africa by Month

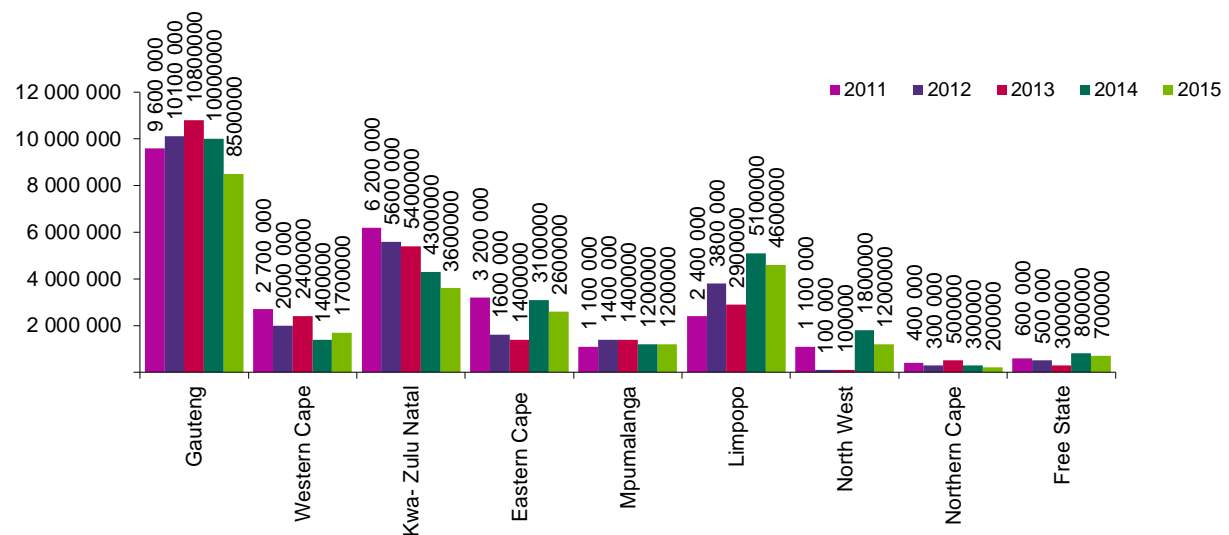


Source: SA Tourism 2015 Annual Tourism Performance Report

### B.3.1.2 Source Markets

Gauteng remains the main source market for domestic tourism with approximately one-third (35%) of total trips generated between the provinces. There was a notable increase in Limpopo since 2013 as a source market to represent the second largest source market for domestic tourist during 2015. (Figure B.29).

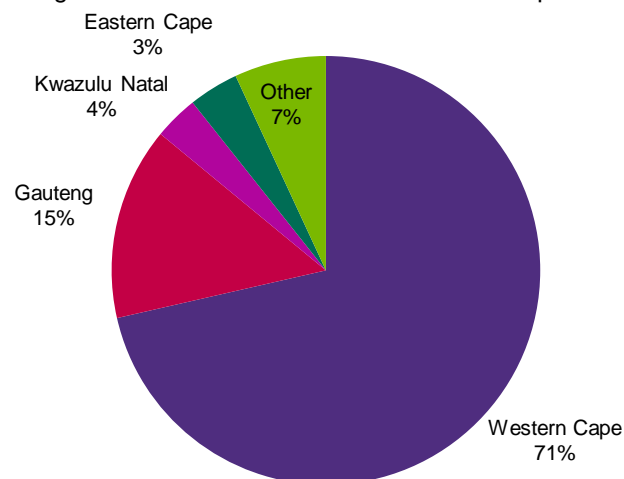
Figure B.29: Origin of Domestic Tourists in South Africa



Source: SA Tourism 2015 Annual Tourism Performance Report

According to additional information supplied by South Africa Tourism, 71% of the domestic visitors to the Western Cape during 2013 (latest available information) were from other parts of the Western Cape, while 15% of visitor originate from Gauteng (Figure B.30).

Figure B.30: Origin of Domestic Tourists to the Western Cape 2013

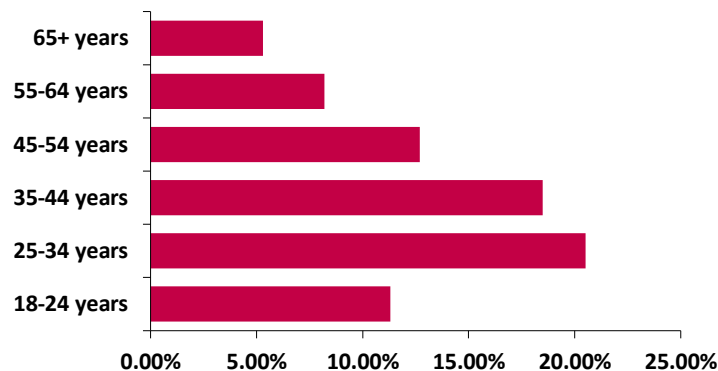


Source: SA Tourism

### B.3.1.3 Domestic Tourist Profile

The majority (20.5%) of all domestic tourists in 2014 (latest available) were between 25 and 34 years old, this was followed by 18.5% of domestic tourists between 35 and 44 years old and 12.7% were between 45 and 54 years old (Figure B.31).

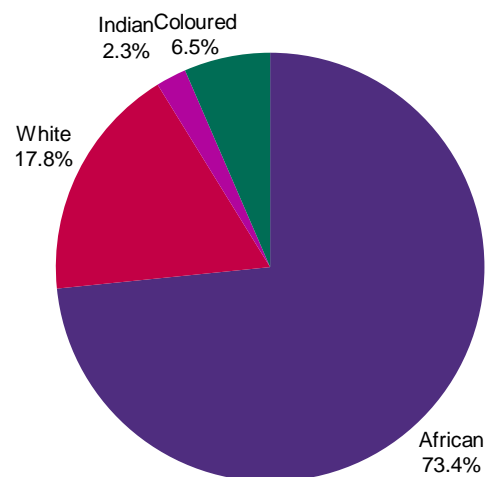
Figure B.31: Age Profile of Domestic Tourists in South Africa 2014



Source: Stats SA Domestic Tourism Survey 2014

Of the domestic trips taken during 2014 (latest available), 73.4% were taken by Black Africans, 17.8% by Whites, 2.3% by Indians and 6.5% by Coloureds (**Figure B.32**).

Figure B.32: Race Profile of Domestic Tourists in South Africa 2014

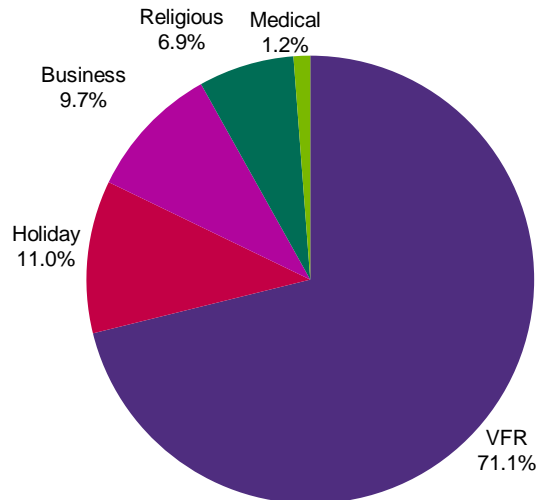


Source: Stats SA Domestic Tourism Survey 2014

#### B.3.1.4 Purpose of Travel

Visiting family or relatives (VFR) accounted for 71.1% of all domestic trips taken in South Africa during 2015. This was followed by holiday trips with 11%, and business and religious trips accounted for 9.7% and 6.9% respectively (**Figure B.33**).

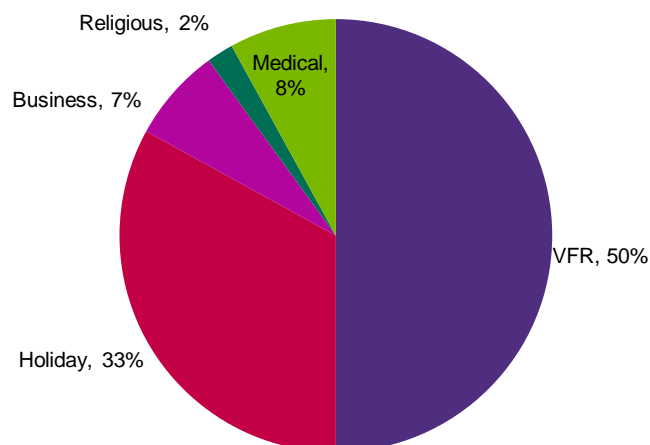
Figure B.33: Purpose of Domestic Trips Taken in South Africa 2015



Source: SA Tourism 2015 Annual Tourism Performance Report

**Figure B.34** indicates that the main purpose of domestic trips taken to the Western Cape during 2014 was to visit family or relatives (50%) followed by holiday (33%). 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.

Figure B.34: Purpose of Domestic Trips Taken to the Western Cape 2015

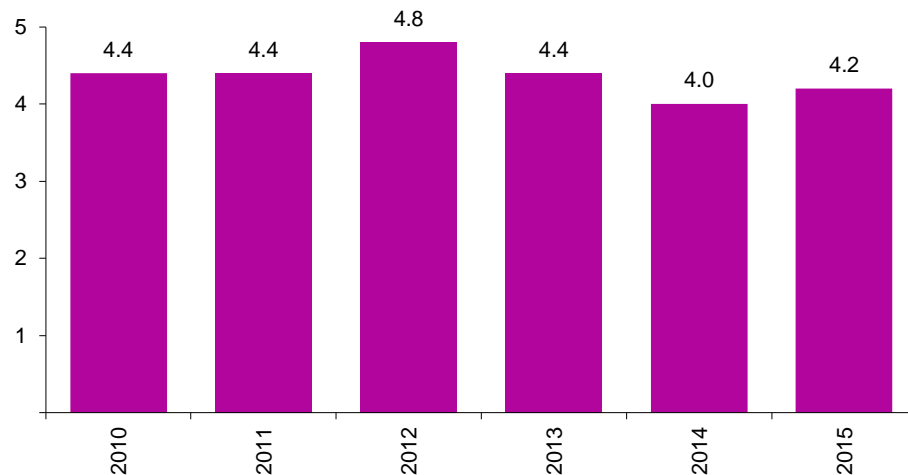


Source: SA Tourism 2015 Annual Tourism Performance Report

### B.3.1.5 Length of Stay

The average length of stay for a domestic trip has experienced a steady decline since its high of 4.8 nights in 2012. However despite a decrease in domestic bednights, domestic tourists increased their length of stay from 4 nights in 2014 to 4.2 nights in 2015 (see **Figure B.35**).

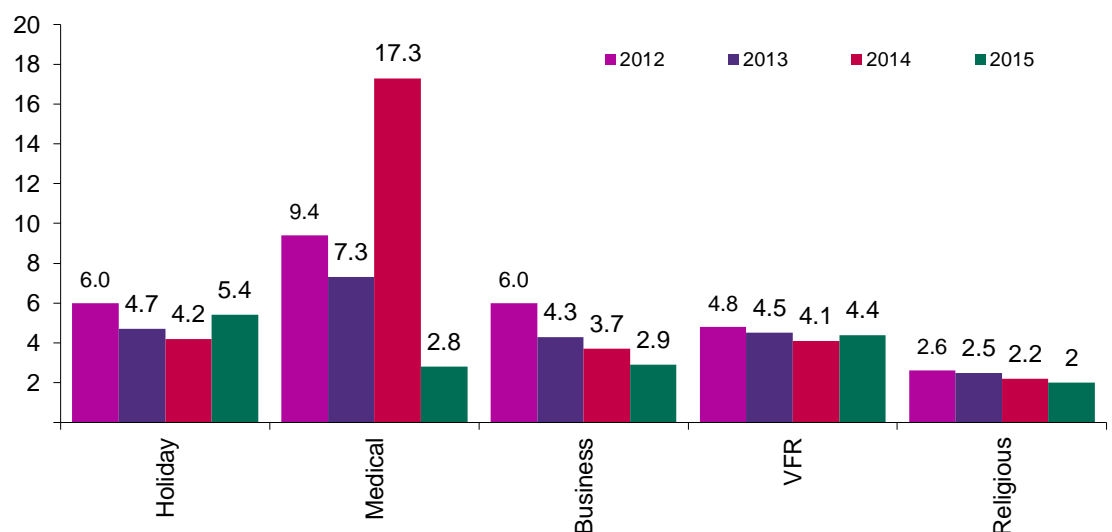
Figure B.35: Average Length of Stay of Domestic Trips taken in South Africa (Nights)



Source: SA Tourism 2015 Annual Tourism Performance Report

During 2015, holiday trips accounted for the longest average length of stay with 5.4 nights, followed by visiting friends and relatives at 4.4 nights. Religious trips remain the shortest with 2 nights (Figure B.36).

Figure B.36: Average Length of Stay of Domestic Tourists by Trip Purpose



Source: SA Tourism 2015 Annual Tourism Performance Report

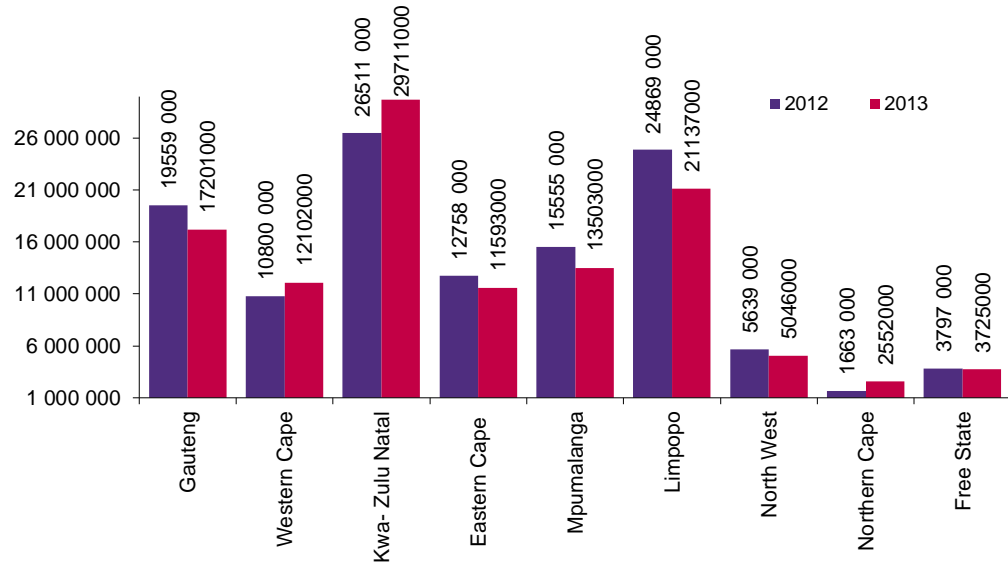
### B.3.1.7 Bednights

South African domestic tourists spent a total of 102.5 million nights away from their usual place of residence during 2015, a decrease of 9.4% from 113.1 million in 2014.

KwaZulu-Natal remained the most popular with domestic tourist as it accounted for 25% of domestic bednights in 2013 (latest available information), followed by Limpopo and Gauteng which accounted for 18% and 15% respectively of total domestic bednights during 2013 (Figure B.37).

Domestic tourists spent a total of 12.1 million bednights in the Western Cape during 2013, accounting for 10% of total domestic bednights spent in South Africa.

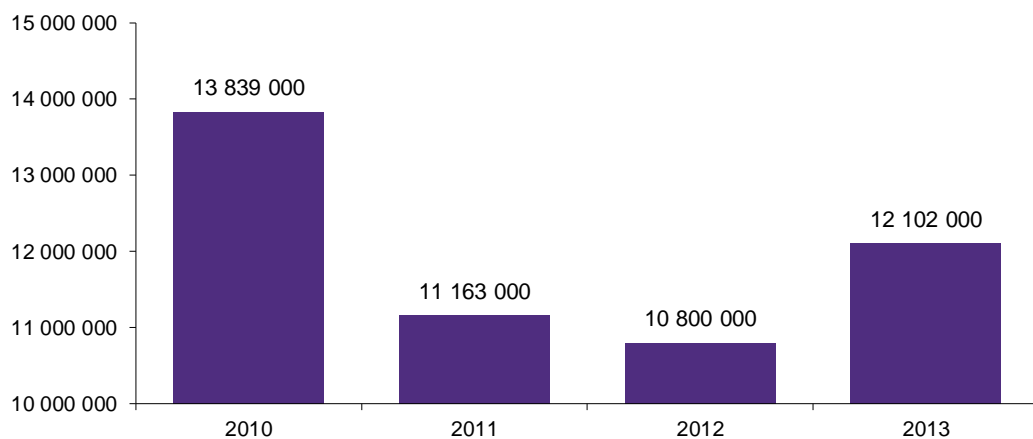
Figure B.37: Domestic Bednights Spent in Provinces in South Africa



Source: SA Tourism

Domestic bednights in the Western Cape have increased by 12% from 10.8 million in 2012 to 12.1 million in 2013 (latest available information). This shows that the Western Cape is recovering steadily since the decrease in bednights between 2010 and 2011 (**Figure B.38**).

Figure B.38: Domestic Bednights Spent in the Western Cape

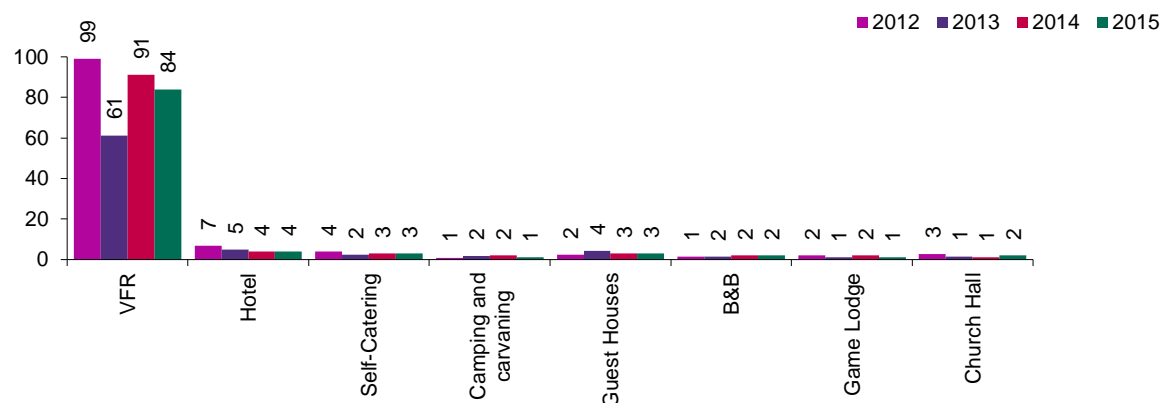


Source: SA Tourism

### B.3.1.8 Type of Accommodation Used

Out of a total of 102.5 million nights away from their usual place of residence during 2015, domestic tourists spent 84 million nights (81.9%) at the homes of friends and relatives (VFR). This was followed by hotel accommodation with 4 million nights (3.9%) and guest house and self-catering accommodation with 3 million bednights each (**Figure B.39**). Income generating accommodation only accounted for 16% of all domestic tourist bednights.

Figure B.39: Bednights of Domestic Tourists by Accommodation Type (millions)

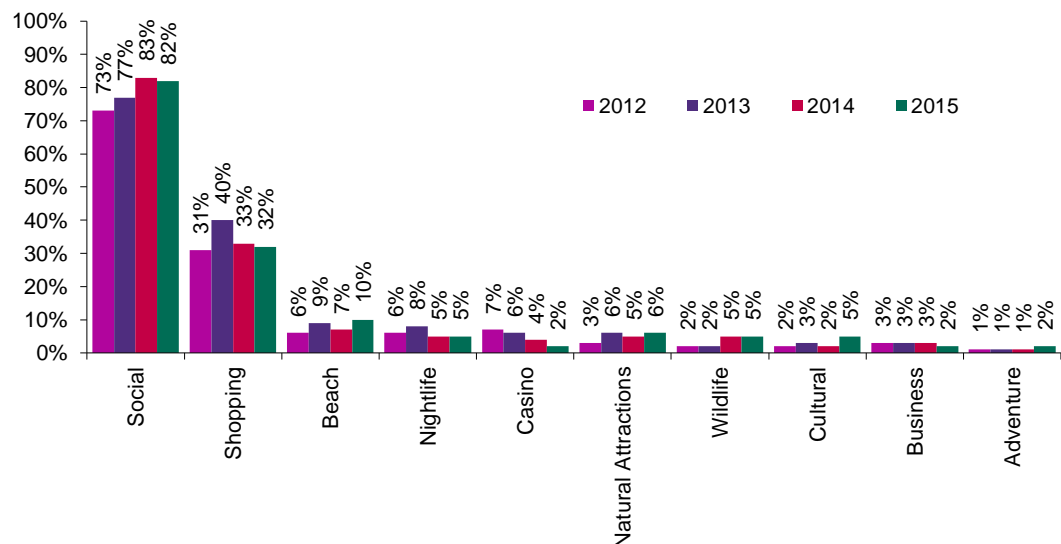


Source: SA Tourism 2015 Annual Tourism Performance Report

### B.3.1.92 Activities Undertaken

Figure B.40 shows that in 2015, the activities most undertaken by domestic visitors were social (82%) and shopping activities (32%). This trend can be attributed to the high number of domestic tourists that travel to visit friends and relatives.

Figure B.40: Activities Undertaken by Domestic Tourists

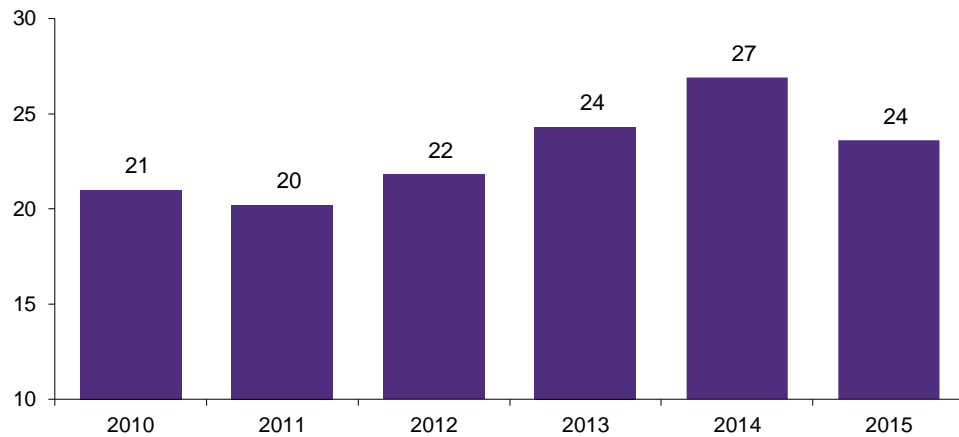


Source: SA Tourism 2015 Annual Tourism Performance Report

### B.3.1.10 Spend

The total spent on domestic trips decreased from R26.9 billion in 2014 to R23.6 billion in 2015 which is an increase of 12.1% from 2014 (Figure B.41). There has been an upwards and positive trend in domestic spend from 2010 (R21 billion) to 2014 (R26.9 million). A domestic tourist, on average, spent R960 per trip in 2015.

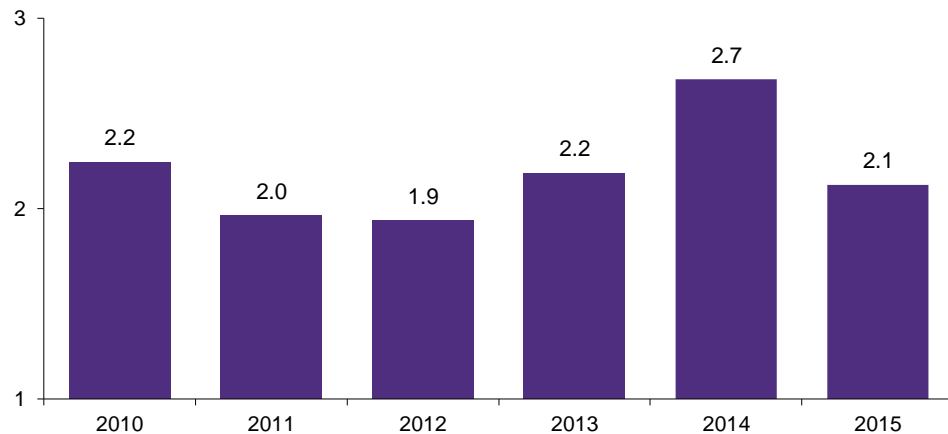
Figure B.41: Total Domestic Direct Spend (R billion)



Source: SA Tourism 2015 Annual Tourism Performance Report

Spend by domestic tourist in the Western Cape has followed a similar trend to that of domestic spend in South Africa as the Province has experienced an increase of 22.8% in domestic spend between 2010 and 2014 from R2.2 billion to R2.7 billion (**Figure B.42**). However, spend in the Province decreased by approximately 22.2% between 2014 and 2015 to reach a low of R2.1 billion.

Figure B.42: Total Domestic Direct Spend in the Western Cape (R billion)



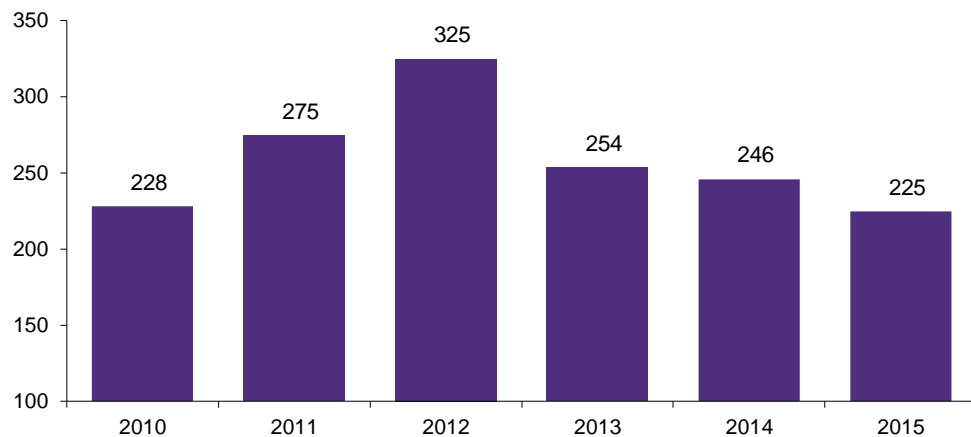
Source: SA Tourism 2015 Annual Tourism Performance Report

### B.3.2 Domestic Day Tourist

A total of 224.5 million domestic day trips were taken in 2015, which represents a decrease of 8.7% from the 245.9 million trips taken in 2014 throughout South Africa (**Figure B.43**).



Figure B.43: Domestic Day Trips taken in South Africa (million)



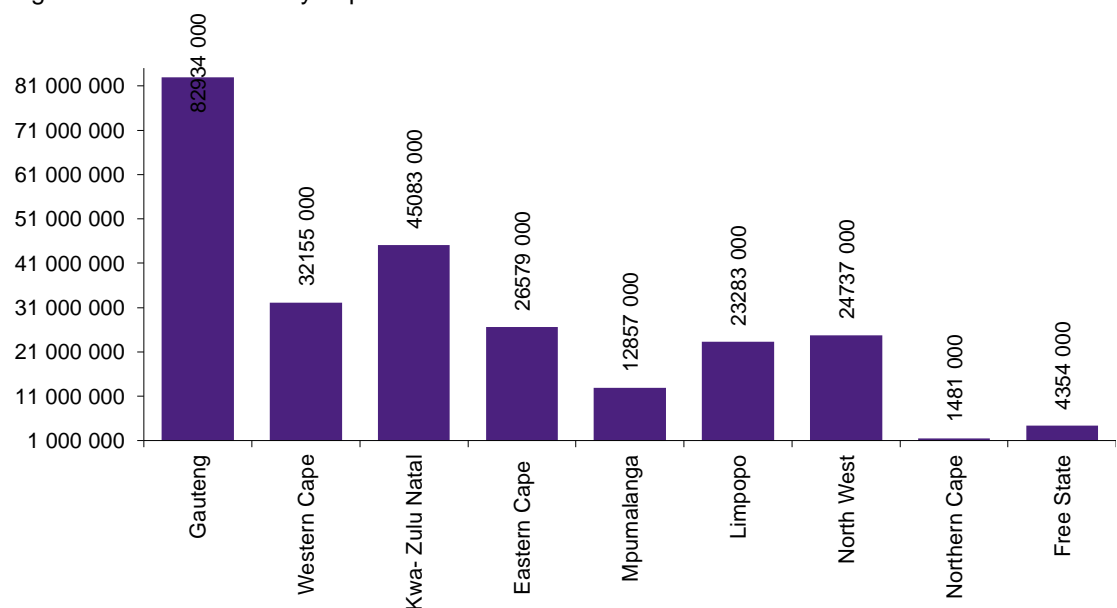
Source: SA Tourism 2015 Annual Tourism Performance Report

Despite the number of day travellers decreasing from 13.1 million in 2014 to 12.5 million in 2015, the average number of day trips taken per traveller remained fairly similar at 18 trips during 2015 compared with 18.7 trips during 2014.

The 2015 Annual Tourism Performance Report does not include the Provincial breakdown of domestic day trips for 2015, however additional information sourced from South Africa Tourism does include the Provincial breakdown of domestic day trips taken in 2013 (latest available).

From the additional information it can be seen that Gauteng was the most visited province by domestic day trippers with 33% of day trips taken to the province in 2013, followed by KwaZulu-Natal with 18% and the Western Cape with 13% of domestic day trips (**Figure B.44**).

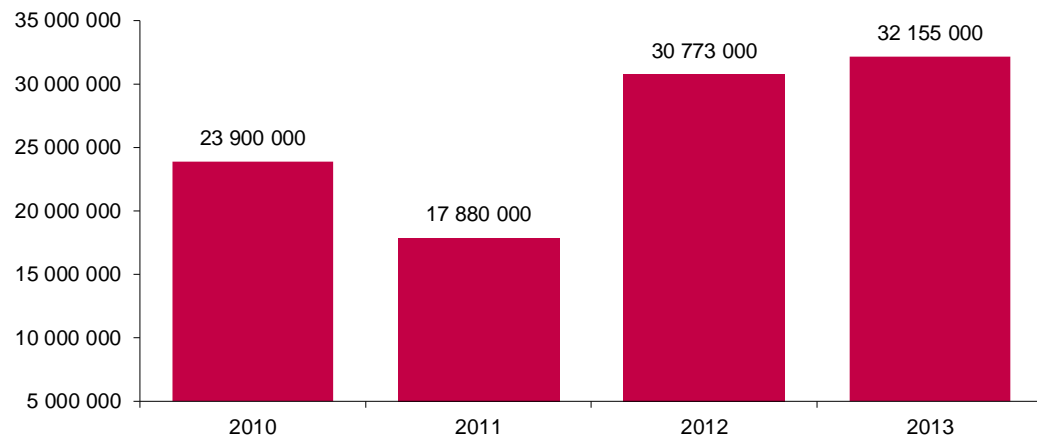
Figure B.44: Domestic Day Trips taken to Provinces in South Africa 2013



Source: SA Tourism

The number of domestic day trips to the Western Cape (**Figure B.45**) has nearly doubled from 17.8 million in 2011 to 32.2 million in 2013 (latest available). Domestic day trips have remained steady since 2012 as there was a slight increase of 4.5% in the number of domestic day trips between 2012 and 2013 to the Western Cape.

Figure B.45: Domestic Day Trips taken in the Western Cape

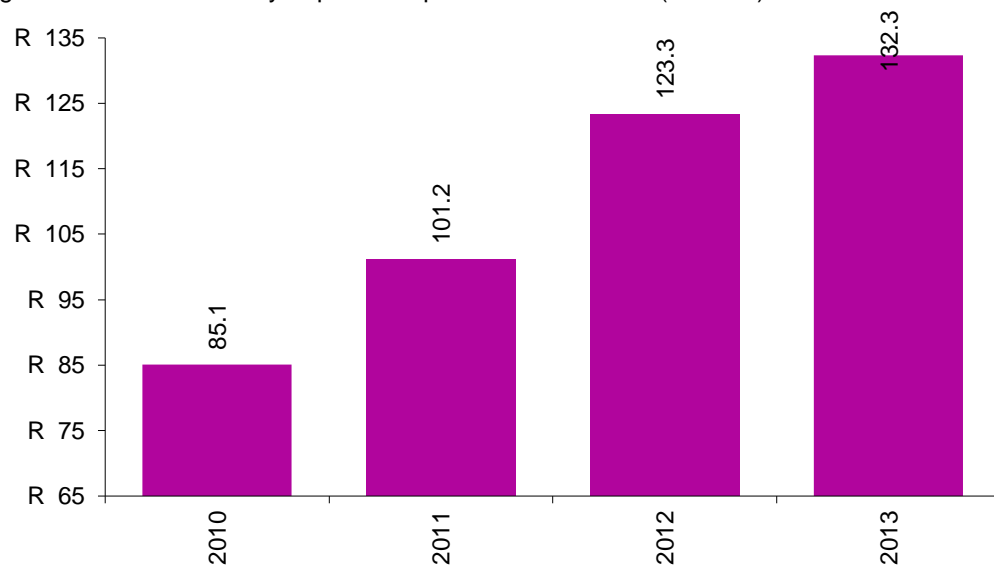


Source: SA Tourism

Information regarding spend in 2015 by domestic day trippers has not been included in the SAT 2015 Annual Tourism Performance Report, therefore additional information has been sourced from South African Tourism and the SAT 2012 Annual Tourism Performance Report.

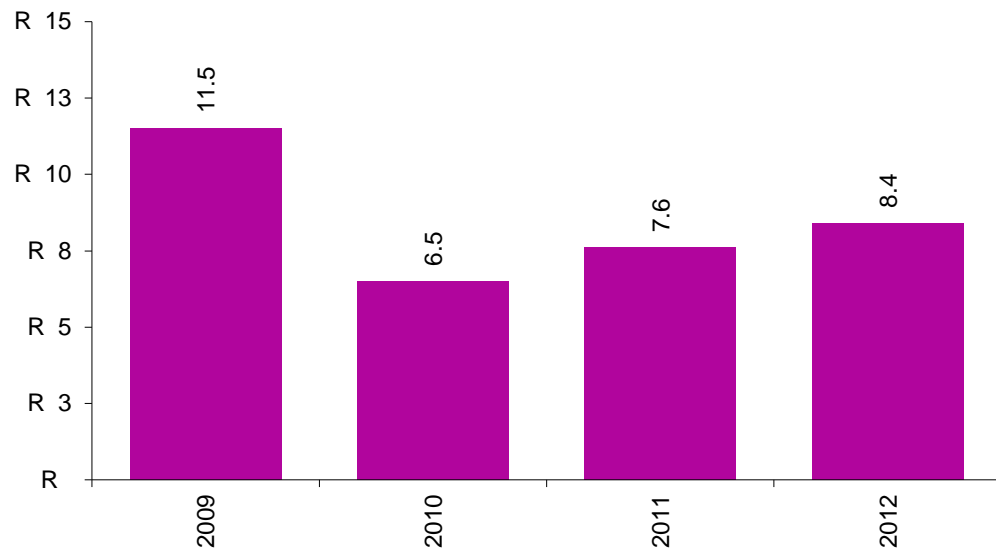
Total spend by domestic day trip tourists in South Africa increase from R123.3 billion in 2012 to R132.3 billion in 2013 (**Figure B.46**). Of the total R123.3 billion spent in 2012 (latest available information), R8.4 billion was spent by domestic day trippers in the Western Cape (**Figure B.47**) with an estimated R4.1 billion being spent in Cape Town.

Figure B.47: Domestic Day Trips total Spend in South Africa (R billion)



Source: SA Tourism

Figure B.47: Domestic Day Trips Total Spend in the Western Cape (R million)



Source: SA Tourism 2012 Annual Tourism Performance Report

## B.4 Conclusion: Relevance to the Study

### B.4.1 Tourism in South Africa

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

- Tourism in South Africa was increasing steadily as foreign arrivals to the country have increase from 7.8 million in 2010 to 9.5 in 2014. However due to visa regulations there has been a noticeable decrease of 6.8% to reach 8.9 foreign arrivals in 2015. This decrease has wiped out the previous positive growth of 6.5%.
- Despite the decrease in foreign arrivals between 2014 and 2015, foreign bednights spent in South Africa increased by 3.2% during 2015. Foreign visitors spent 81.3 million bednights in South Africa during 2015 compared with 78.8 million in 2014. This increase demonstrates a positive trend in the number of foreign bednights since 2012.
- Revenue generated (TFDS excluding CAPEX) by tourist arrivals increased by 6.2% from R64.2 billion to R68.2 billion. 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.
  - African air visitors were the biggest spenders in South Africa during 2015, with an average trip spend of R19 200.

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

- The number of domestic trips taken in 2015 totalled 24.5 million, a decrease of 12.5% from the previous 28 million trips taken in 2014.
- There was a slight increase in the average length of stay per trip, from 4 nights in 2014 to 4.2 nights in 2015. However, due to the decrease in the number of domestic trips the number of domestic bednights experienced a decrease of 9.4% from 113.1 million in 2014 to 102.5 million in 2015.
- The total amount spent by domestic tourists has experienced negative growth with a decrease of 12.1% between 2014 and 2015 from R26.9 million in 2014 to R23.6 million in 2015. On average a domestic tourist spent R960 per trip in 2015.

- A total of 224.5 million domestic day trips were taken in South Africa during 2015, a decrease of 8.7% from 245.9 million trips taken in 2014.

#### **B.4.2 Tourism in the Western Cape**

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

- The Western Cape experienced a decrease of 4.5% in foreign visitors between 2014 and 2015 from 1.4 million in 2014 to 1.3 million in 2015. Since 2009 the Western Cape has achieved an annual compound growth rate of 4.48% in foreign visitor number reaffirming the attractiveness of the Western Cape to foreign tourist.
- Foreign visitors spent 16 million bednights in the Western Cape during 2015 making the Western Cape the second most visited Province after Gauteng. There was an increase of 17.3% in foreign bednights from 16.8 million in 2012 to 19 million bednights in 2013.
  - 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 2013, 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.
- Revenue generated (TFDS excluding CAPEX) by foreign visitors in the Western Cape decreased from R19 billion in 2012 to R14 billion in 2014, the lowest since 2010.

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

- There were 1.8 million domestic overnight trips taken to the region during 2015 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;
- The majority (71%) of domestic tourists to the Western Cape originated from other areas within the Western Cape, indicating a large portion of intra-provincial travel which allows tourism to be spread around the province.
- Domestic bednights to the Western Cape have increased by 12% from 10.8 million in 2012 to 12.1 million in 2013, which is a steady increase from the previous year's decline.
- Spend by domestic tourist in the Western Cape has decreased by 22.2% between 2014 and 2015, from R2.7 billion to R2.1 billion. Domestic spend in the Western Cape during 2015 accounted for 9% of total domestic spend in South Africa during that period.
- Domestic day trips to the Western Cape have nearly doubled since 2011 to reach a high of 32.2 million day trips taken in the province during 2013.

## Annexure C: Terminology and Definitions

### C.1 Terminology

The following terminology has been used in this report.

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

### C.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 trip or 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 in tourism 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 of non-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<sup>10</sup>

| 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 services                | 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      |

<sup>10</sup> 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.

## Annexure D: Research Agenda



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

### **TOURISM RESEARCH AGENDA :** **Scorecard to measure city tourism performance : Cape Town**

Making progress possible. **Together.**

## KEY INDICATORS

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"KEY : Indicators highlighted - indicators addressed"

| Key Indicators                               | Frequency (Proposed)                          | Indicators   | Type of Survey/ Report   | Primary or Secondary Data                             | Frequency (Current)              | Number of surveys | Organisations                                     | Comments   |
|--|---|--|--|---|----------------------------------|-------------------|---|--|
| City Population                              | Latest value and variation over the last year | Number of residents  | Census   | Primary data  | Every 5 years (last one in 2011) | Total population  | National  | Information available but not on tourism fact sheet or reported on.  |
|  |   |  | Cape Town Demographic Profile  | Secondary data - information derived from Census data | Annually                         |                   | CoCT (Development Information and GIS department) |  |
| Economic Contribution of Tourism to the City | Latest value and variation over the last year | <p>Economic contribution of tourism . Current indicators used are :</p> <ul style="list-style-type: none"> <li>- Number of foreign arrivals to Cape Town</li> <li>- Number of domestic trips taken to Cape Town</li> <li>- Number of bed nights by foreign arrivals in Cape Town</li> <li>- Total domestic direct spend in Cape Town</li> <li>- Total foreign direct spend in Cape Town</li> <li>- Number of domestic bed nights on trips to Cape Town</li> <li>- Assumption percentage of national visitors visiting Cape Town as well as % spending</li> </ul> | <p>Annual SA Tourism Report and data</p> <p>COCT Study : Economic Value of Tourism Study</p> | <p>Primary data</p> <p>Secondary data</p>             | <p>Monthly</p> <p>Annual</p>     |                   | <p>SAT</p> <p>CoCT (Grant Thornton)</p>           | <p>COCT Study : Economic Value of Tourism Study: The economic value of tourism was monitored from 2009-2015.</p> <p>It is proposed that a satellite account be developed for tourism using the national tourism satellite account. Work has been done for the past 2 years using the national satellite account.</p> |

| Key Indicators  | Frequency (Proposed) | Indicators  | Type of Survey/ Report | Primary or Secondary Data | Frequency (Current) | Number of surveys | Organisations | Comments   |
|---|----------------------|---|------------------------|---------------------------|---------------------|-------------------|---------------|--|
|   |                      | <p>Additional information required :</p> <ul style="list-style-type: none"> <li>- Projection of the Direct Tourism Spend in Cape Town utilising National Data</li> <li>- Data to compare the number of foreign arrival and domestic trips to other major Cities</li> <li>- Share of international and domestic market to Cape Town (currently using assumptions - need to formalise assumptions)</li> </ul> | SAT reports            | Primary data              | Monthly             |                   | SA Tourism    | Need more work on these requirements for economic contribution study |
| <i>Projection of the Tourism Gross Value Add as an alternative to the COCT Study: Economic Value of Tourism</i> |                      | <p>Detailed economic data on movement of visitors through the particular region</p> <p>Economic data on the flow of money through the destination</p>   |                        |                           |                     |                   |               | Need more work on these requirements                                 |

| Key Indicators  | Frequency (Proposed)                          | Indicators                         | Type of Survey/ Report           | Primary or Secondary Data | Frequency (Current) | Number of surveys                      | Organisations               | Comments  |
|---|---|------------------------------------|----------------------------------|---------------------------|---------------------|--|-----------------------------|---|
| <b>Overall Employment in tourism industries based in the city</b> | Latest value and variation over the last year | Employment permanent and temporary | Survey to all tourism businesses | Primary                   | Annually            | 2013 - 107,<br>2014 - 150<br>2015 - 50 | CoCT(CTT + Grant Thornton)) | <p>Survey will not be repeated as it did not yield the required results</p> <p>It is proposed that a satellite account be developed for tourism using the national tourism satellite account to determine the jobs created</p> <p>Alternatively the Quarterly Labour Force Survey (QLFS) can be used if data is available on City level and if the industry code reflects tourism</p> |

| Key Indicators                           | Frequency (Proposed)                          | Indicators   | Type of Survey/ Report                   | Primary or Secondary Data | Frequency (Current) | Number of surveys | Organisations         | Comments  |
|--|---|--|--|---------------------------|---------------------|-------------------|-----------------------|---|
| Overall arrivals of visitors to the city | Latest value and variation over the last year | Cape Town Airport : international, regional and domestic arrival figures   | ACSA Report                              | Primary                   | Monthly             |                   | ACSA                  |   |
|  |   | <ul style="list-style-type: none"> <li>- Share of foreign arrivals to Cape Town</li> <li>- Number of foreign arrival to Cape Town</li> <li>- Share of domestic trips taken to Cape Town</li> <li>- Number of domestic trip taken to CPT</li> </ul> | Monthly reports from SA Tourism and ACSA | Secondary                 | Monthly             |                   | SA Tourism<br>STAT SA |   |
|  |   | Traffic counts   | SANRAL                                   | Primary                   |                     |                   | SANRAL (Roads)        | This information is not used at all but the use can be investigated |
|  |   | Cruises and ships  | Harbours                                 | Primary                   |                     |                   | Harbours              |   |



# TOURISM ECONOMIC INDICATORS

"KEY : Indicators highlighted - indicators addressed"



| Tourism Economic Indicators                                      | Frequency (proposed)                          | Indicators   | Type of Survey/ report  | Primary or Secondary data   | Frequency (current) | Number of surveys   | Organisations   | Comments  |
|--|---|--|---|---|---------------------|---|---|---|
| Arrivals by origin<br>Main purpose of Visit<br>Mode of transport | Latest value and variation over the last year | <ul style="list-style-type: none"> <li>- Arrivals (only airport)</li> <li>- Main purpose (business, holiday, etc.)</li> <li>- Type of transport used (bus/train/car/etc.)</li> </ul> | Domestic and International Arrival to Cape Town Airport<br>SAT TOURISM REPORT<br><br>CTT Visitor Surveys VIC and Satisfaction Surveys | Primary : actual figures<br><br>Secondary information SAT reports<br><br>Primary – surveys by CTT | Monthly             | Visitor Surveys VIC 2012 - 2014 estimated 6000<br>Visitor Satisfaction Surveys current 750. | SA Tourism STATS SA<br><br>CTT                                |   |
|  |   | Traffic counts<br><br>Cruises and ships<br><br>Rail figures  | SANR<br><br>Harbours<br><br>PRASA   | Primary<br><br>Primary<br><br>Primary   |                     |   | SANRAL (Roads)<br><br>National Harbour Authority<br><br>PRASA | This information is not used at all but the use can be investigated.  |
| Demand Profile of Visitors                                       | Latest value and variation over the last year | <ul style="list-style-type: none"> <li>- Economic Activity</li> <li>- Status</li> <li>- Occupation</li> <li>- Annual Household income</li> <li>- Education</li> </ul>                | Domestic Tourism Survey   | Primary   | Annual              |   | STATS SA (Domestic Tourism Survey)                            | This information is available but not reported on. The City department of Knowledge Management has access to STAT SA data and can source the data if needed.. |

| Tourism Economic Indicators | Frequency (proposed) | Indicators  | Type of Survey/ report   | Primary or Secondary data               | Frequency (current)            | Number of surveys   | Organisations              | Comments  |
|-----------------------------|----------------------|---|--|---|--------------------------------|---|----------------------------|---|
|                             |                      | <ul style="list-style-type: none"> <li>- Region and Destination</li> <li>- Main purpose of travel</li> <li>- Gender</li> <li>- Age</li> <li>- Modes of Transport</li> <li>- Type of accommodation used</li> <li>- Degree of repeat visit</li> <li>- Travel Party size</li> <li>- Visitor satisfaction</li> <li>- Other (main activities undertaken, intention to return, etc.)</li> </ul> | <p>Visitor VIC Surveys and Satisfaction Surveys</p> <p>Domestic Tourism Survey</p> | <p>Primary data</p> <p>Primary data</p> | <p>Monthly</p> <p>Annually</p> | <p>Visitor Surveys VIC 2012 - 2014 estimated 6000 Visitor Satisfaction Surveys current 750.</p> | <p>CTT</p> <p>Stats SA</p> | <p>The City department of Knowledge Management has access to STAT SA data and can also add information on the satisfaction of the overnight and daytrip visitors as well as most of the indicators listed. The only problem is that the survey is in April so it speaks to the last trip undertaken..</p> |

| Tourism Economic Indicators  | Frequency (proposed) | Indicators   | Type of Survey/ report      | Primary or Secondary data | Frequency (current) | Number of surveys                         | Organisations | Comments  |
|--|----------------------|--|-----------------------------|---------------------------|---------------------|---|---------------|---|
| <p>Visitor Satisfaction of the Sectors in the Destination per source market</p> <p>Markets : top markets (international, regional and domestic) and potential markets (BRICKS, Far east and Middle East)</p> |                      | <p><u>Satisfactions with :</u></p> <ul style="list-style-type: none"> <li>- Accessibility</li> <li>- Cost of Travel</li> <li>- Attractions</li> <li>- Accommodation</li> <li>- Restaurant</li> <li>- Transport</li> <li>- Retail</li> <li>- Immigration</li> <li>- Opportunities to attend events/festivals</li> <li>- Friendliness of the local people</li> <li>- Weather</li> <li>- User friendliness of signage</li> <li>- Personal Safety &amp; Security</li> </ul>  | Surveys                     | Primary data              | On-going            | Visitor Satisfaction Surveys current 1000 | CTT           | Yes, Information is being sourced but could look at it in terms of the more important source markets                    |
| <p>Visitors Perceptions of the destination per source market</p> <p>Markets : top markets (international, regional and domestic) and potential markets (BRICKS, Far east and Middle East)</p>                |                      | <ul style="list-style-type: none"> <li>- Cost and affordability of identified sectors</li> <li>- Accessibility to the destination</li> <li>- Accessibility within the destination</li> <li>- Accessibility to the various sectors</li> <li>- Accessibility within the various sectors</li> <li>- Quality of the products in the destination</li> <li>- Quantity of the Products offering Visitors satisfaction with services offered</li> <li>- Problems experienced</li> <li>- Access to information</li> </ul> | Visitor Satisfaction Survey | Primary data              | On-going            | Visitor Satisfaction Surveys current 1000 | CTT           | Some of these questions are being ask in the Visitor Satisfaction Surveys - need to know what should be tested and why. |

| Tourism Economic Indicators  | Frequency (proposed)                          | Indicators  | Type of Survey/ report   | Primary or Secondary data  | Frequency (current)  | Number of surveys                         | Organisations                      | Comments           |
|------------------------------|---|---|--|--|----------------------|---|------------------------------------|--------------------|
|                              |   | <ul style="list-style-type: none"> <li>- Degree of repeat visit</li> <li>- Safety</li> <li>- Value</li> <li>- Attribute Association</li> <li>- Ease of navigation</li> <li>- Attractions</li> <li>- Major Events</li> <li>- Art &amp; Culture</li> </ul>      | WAYN Survey (special travel network) focussed on two audiences : People that have visited Cape Town before and those that have not yet visited Cape Town but are interested. | Primary  | Once off             | Number of Surveys : 1922                  | CTT                                | Once off exercise. |
| Future Demands from Visitors |   | What experience expected did the destination not meet. What experience is required  | Covered in Visitor Satisfaction Surveys as of July 2015  | Primary  | On-going             | Visitor Satisfaction Surveys current 750. | CTT                                |                    |
| Overall Overnights           | Latest value and variation over the last year | <ul style="list-style-type: none"> <li>-Guests to Accommodation Establishments</li> <li>- Overnight in Accommodation Establishments</li> <li>- Occupancy rates</li> <li>- Length of stay</li> <li>- Overall bed night (domestic and international)</li> </ul> | Domestic Arrival to Cape Town Airport<br><br>CTT Accommodation Survey<br><br>CTT Visitor Surveys VIC and Satisfaction Surveys<br><br>EVT study                               | Secondary (estimates and calculations from SAT data and reports)<br><br>Primary data (CTT surveys) | Monthly and annually |   | SAT reports<br><br>CTT<br><br>COCT |                    |

| Tourism Economic Indicators  | Frequency (proposed)                          | Indicators   | Type of Survey/ report             | Primary or Secondary data | Frequency (current) | Number of surveys                                  | Organisations | Comments   |
|--|---|--|------------------------------------|---------------------------|---------------------|--|---------------|--|
| Overnights by type of accommodation facility<br><br>Overnight by source market | Latest value and variation over the last year | Occupancy and forecast rate per type of accommodation and location<br><br>Average Room rate and forecast rate per type of accommodation and location<br><br>REVpar per type of accommodation and location<br><br>Source market analysis per type of accommodation and location<br><br>Average number of guests per room<br>Average number of guests per room nights sold | CTT Accommodation Survey (Horwath) | Primary                   | Monthly             | Average of 70 per month since June 2012 to current | CTT           | The information is not shown per source market but it can be done. |

| Tourism Economic Indicators   | Frequency (proposed)   | Indicators  | Type of Survey/ report                   | Primary or Secondary data   | Frequency (current) | Number of surveys | Organisations   | Comments   |
|---|--|---|--|---|---------------------|-------------------|-----------------|--|
| Overall Expenditure   | Latest value and variation over the last year. The purpose here, and with arrivals and other profiling data, is to build groups on main purpose, Business Tourism, Health Tourism, Cultural Tourism etc. | CTT :<br>Average Expenditure per visitor<br><br>COCT :<br>- Total foreign direct spend in Cape Town<br>- Total domestic direct spend in Cape Town   | CTT Visitor Surveys VIC<br><br>EVT study | Primary : surveys<br><br>Secondary (assumptions from SAT reports) |                     |                   | CTT<br><br>COCT | EVT study completed in 2015. Monitoring took place from 2009-2015<br><br>New tender needed.  |
| Expenditure by main purpose<br><br>Note : Why this indicator ?<br>Which category offers the best yield e.g. business or leisure | Latest value and variation over the last year  | Average Expenditure by travel party<br><br>Breakdown of Expenditure per goods and services<br><br>Average Expenditure per various visitor variables | CTT VIC Surveys                          | Primary   | Monthly             |                   | CTT             | Only one indicator "Average Expenditure by Travel Party" is collected.<br><br>The department of Knowledge Management has indicated that they can provide information from STAT SA data on the other two indicators |

| Tourism Economic Indicators  | Frequency (proposed)                          | Indicators                            | Type of Survey/ report   | Primary or Secondary data | Frequency (current)                                      | Number of surveys                | Organisations | Comments   |
|--|---|---------------------------------------|--|---------------------------|--|----------------------------------|---------------|--|
| Accommodation  | Latest value and variation over the last year | Number of rooms capacity              | Accommodation Verifications Report 2008 has some data          | Primary                   | Once off (out dated but still used for various purposes) | 2013 - 107, 2014 - 150 2015 - 50 | PGWC          | No list of all current accommodation in place.   |
|  |   | Number of beds capacity               | CTT members List (1200)  | Primary                   | On-going   |                                  | CTT           | Alternative sources of data is being used  |
|  |   |                                       | Tourism Database (just points no data)                         | Primary                   | On-going   |                                  | CoCT Tourism  | However, the City is currently updating the tourism accommodation database with the assistance of CTT. |
|  |   |                                       | EVT study - Category of level, permanent and temporary workers | Primary                   | Annually   |                                  | CoCT Tourism  |  |
| Establishments per Tourism Industry<br><br>(Accommodation, Food and beverage, Passenger transport, Travel Agencies, other) | Latest value and variation over the last year | Identified Tourism Industries         | CTT Membership list  | Primary                   | On-going   | more than 1200                   | CTT           | Can use Cape Town Tourism Membership list  |
|  |   | Number of Establishments per industry | CoCT Building a tourism database                               | Under construction        | On-going   |                                  | COCT          | A tourism database for all tourism businesses. Is currently being updated by CoCT                      |



| Tourism Economic Indicators  | Frequency (proposed)  | Indicators   | Type of Survey/ report   | Primary or Secondary data  | Frequency (current)                         | Number of surveys                                     | Organisations        | Comments  |
|--|---|--|--|--|---|---|----------------------|---|
| <b>Employment per Tourism Industry</b><br><br>Currently using Enterprise Survey which was part of the EVT Study. <u>This part of the study will not continue</u> | Latest value and variation over the last year                                   | <ul style="list-style-type: none"> <li>- Accommodation type</li> <li>- Number of rooms available</li> <li>- Number of Hotel Groups</li> <li>- Number of other tourism enterprises</li> <li>- Number of Employees : permanent and temporary</li> <li>- Cost to Company per month per employee level</li> <li>- Yearly turnover</li> </ul> | Tourism Enterprise Study part of the Economic Value of Tourism Annual report (2011-2015). (The work was done based on the Tourism database data) | Primary data<br><br>Secondary data<br>- information derived from Census data | Annually EVT Survey and CTT membership list | 2015 received 50 questionnaires (needed at least 200) | CoCT Tourism and CTT |   |
| <b>Jobs per status in employment (permanent and temporary)</b>   | Latest value and variation over the last year                                   | EVT study did produce it but did not work have to look at other models.  | No   | No   | No  | No  |                      | No. The EVT study did try to report on the jobs created. However, the surveys did not work. The proposal is to use a tourism satellite account. |
| <b>Business demography</b>   | Constructed via other indicators. Latest value and variation over the last year | No   | No   | No   | No  | None  |                      | No  |

| Tourism Economic Indicators                         | Frequency (proposed)  | Indicators   | Type of Survey/ report                                      | Primary or Secondary data        | Frequency (current) | Number of surveys | Organisations | Comments  |
|---|---|--|---|----------------------------------|---------------------|-------------------|---------------|---|
| Seasonality   | Constructed via other indicators. Latest value and variation over the last year | Accommodation performance<br><br>Attractions performance of the Big 6  | Seasonality Index (Accommodation Survey Attractions Survey) | Primary : surveys to CTT members | 6 monthly           |                   | CTT           | Trips per month for the year can also be sourced from STATS SA data |
| Number of Visitors to main attractions              | Latest value and variation over the last year                                   | - Kirstenbosch<br>- Groot Constantia<br>- Robben Island<br>- Table Mountain Aerial Company<br>- V&A Waterfront<br>- Cape Point             | Attraction Survey (Top Attractions)                         | Survey                           | Monthly             | 6                 | CTT           |   |
| Tracking new icons - places and people              |   | Still to be determined but examples are :<br>- Boomslang in<br>- Kirstenbosch<br>- Vernacular on Signal Hill<br>- FBEP<br>- BCA<br>- Langa |   |                                  |                     |                   |               | Need to finalise selection of new icons                             |
| Transport Mobility to Icons and tourism attractions |   | Track Mobility<br>Track affordability  |   |                                  |                     |                   |               |   |

| Tourism Economic Indicators        | Frequency (proposed)                          | Indicators   | Type of Survey/ report   | Primary or Secondary data | Frequency (current) | Number of surveys | Organisations | Comments   |
|------------------------------------|---|--|--|---------------------------|---------------------|-------------------|---------------|--|
| Numbers of visitors to main events | Latest value and variation over the last year | Number of visitors   | None   | None                      | None                | None              | None          | Some of the mayor events is tracked in terms of numbers but the information is not readily available                     |
| Impact of events                   |   | <ul style="list-style-type: none"> <li>- Number of people attending the event</li> <li>- Visitor Profile</li> <li>- Visitor satisfaction</li> <li>- Visitor Spend</li> <li>- Mode of Transport to access the event</li> <li>- Day visitor or overnight</li> <li>- Type of accommodation other activities experiences while in the destination</li> </ul> | Draft Event Framework being developed by national department (Kamilla Swart) |                           |                     |                   |               | Some studies has been completed on the economic value of major events. However, the information is not readily available |
| Number of main events              |   | No of main events  |  |                           |                     |                   |               | No information readily available   |

## IMPACT INDICATORS

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"KEY : Indicators highlighted - indicators addressed"

| Impact Indicators         | Frequency (Proposed)  | Indicators   | Type of Survey/ Report  | Primary or Secondary Data | Frequency (Current) | Number of surveys | Organisations           | Comments                          |
|---------------------------|---|--|-------------------------|---------------------------|---------------------|-------------------|-------------------------|-----------------------------------|
| Renewable energy sources  | Constructed via other indicators. Latest value and variation over the last year         | Type of renewable sources<br>Number of renewable sources                       | No                      | No                        | No                  | No                | No                      | No information                    |
| CO2 Emissions             | Latest value and variation over the last year   | Per capita carbon footprint is approximately 7.8 tonnes annually (target is 5) | COCT Smart City reports | Yes                       |                     |                   | COCT : Health           |                                   |
| Water consumption         | Volume of fresh water. Latest value and variation over last year                        | Per capita water usage at 215 litres daily (target is 180)                     | COCT Smart City reports | Primary : SAP             | Monthly             | All erven         | COCT : Water department |                                   |
| Generation of solid waste | Latest value and variation over the last year   | 7.7% reduction in waste to landfill between (target 20% reduction)             | COCT Smart City reports | Primary : SAP             | Monthly             | All erven         | COCT : Waste department |                                   |
| Tourism pressure          | Number of tourists per day per 100 residents. Latest value and variation over last year | No   | No                      | No                        | No                  | No                | No                      | No but can use population figures |

| Impact Indicators   | Frequency (Proposed)  | Indicators   | Type of Survey/ Report  | Primary or Secondary Data | Frequency (Current) | Number of surveys                           | Organisations                                       | Comments  |
|---|---|--|---|---------------------------|---------------------|---|---|---|
| Resident satisfaction   | Constructed via other indicators. Latest value and variation over the last year | Tourism Question :<br><br>Have visitors have been hosted and if so what attractions or activities have been recommended to the visitors<br><br>Questions relating to satisfaction with nature reserves, parks, stadiums, resorts, beaches etc. | COCT Community Satisfaction Survey<br>Household Survey            | Primary                   | Annually            | population                                  | COCT  | Yes, but not sure if questions currently asked is relevant and have not specifically reported on outcome of the household survey. |
| Tourists' use of essential services (hospital, ambulance, etc.) | Constructed via other indicators. Latest value and variation over the last year | No   | No  | No                        | No                  | No  | No  | No information  |
| Congestion and intrusion arising from visitors                  | Constructed via other indicators. Latest value and variation over the last year | Number of interventions - stop and go and road closures  | Camps Bay<br>Sea Point and Granger Bay<br>Bo Kaap<br>Gordon's Bay | No                        | No                  | No  | No  | No, but have access to some information.  |
| Conservation  | Constructed via other indicators. Latest value and variation over the last year | Approximately 50.87% of the BioNet is either under conservation management or formally conserved (target is 60%)   | COCT Smart City reports   | Primary                   | Annually            | all areas formally and informally conserved | CoCT : Environmental Resource Management department | No but can produce a report.  |

## NEW RESEARCH PROPOSED

Future Demand and Forecasting Model

Economic Value of Tourism Study for 2016-2020

Identifying indicators to monitor tourism projects





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