South Africa

SOUTH AFRICAN TOURISM

SOUTH AFRICA'S TOURISM PERFORMANCE

International & Domestic

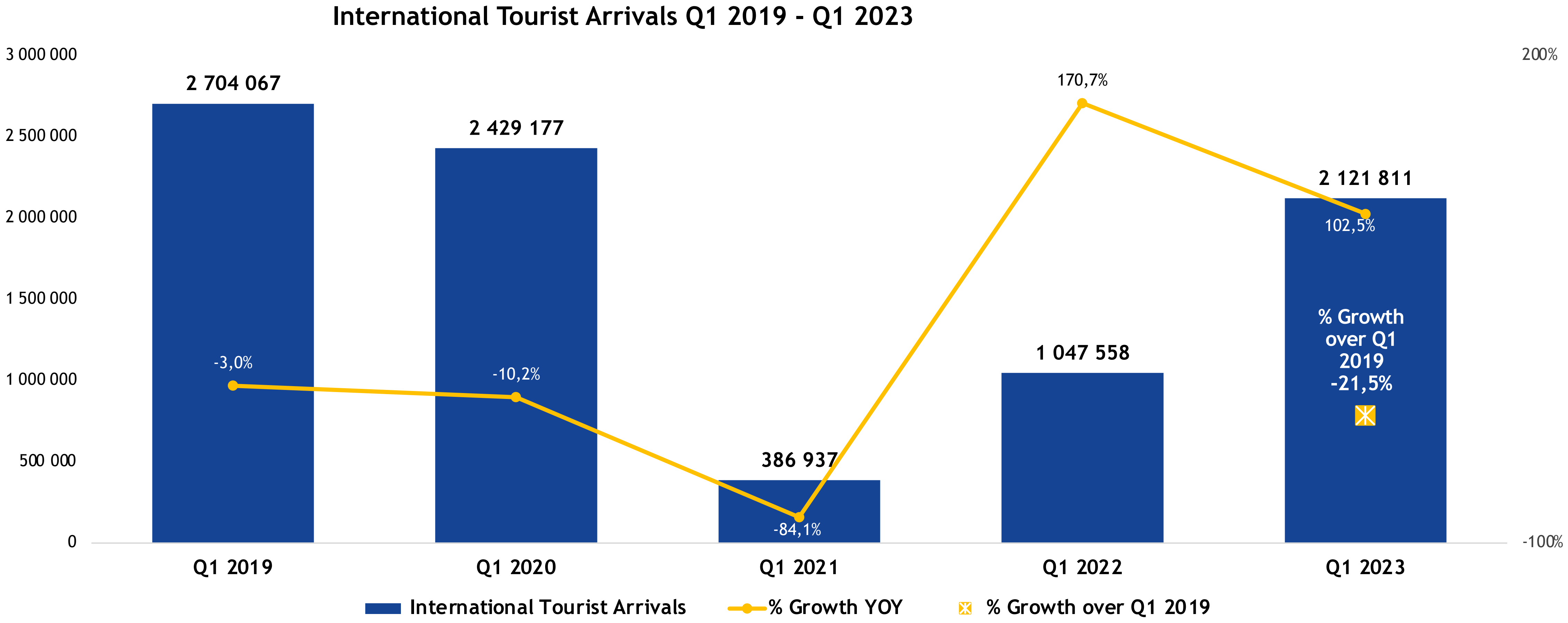
Q1 2023

SOUTH AFRICAN TOURISM

International Arrivals to South Africa Q1 2019 – Q1 2023

International Arrivals to South Africa Q1 2019 - Q1 2023

International tourist arrivals to South Africa continue to recover. In the first three months of 2023, international arrivals amounted to 2.1 million, which is a 102,5% increase when compared to the same period in 2022. This was however 21,5% below the Q1 2019 arrivals levels.



Source: Stats SA Tourism & Migration Report March 2023

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Tourist Arrivals by Regions Q1 2019 – Q1 2023

The African continent contributed the highest share of arrivals which amounted to 1,6 million, an increase of 99,3% compared to the same period in 2022. Out of the 1,6 million arrivals – 1,5 million came from African Land markets. Europe was the second biggest contributor of arrivals with 0,4 million.

Arrivals by Region	Q1 2019	Q1 2020	Q1 2021	Q1 2022	Q1 2023	Q1 2023 Performance over Q1 2019	Q1 2023 Performance over Q1 2022	Share of Arrivals
Africa	1 984 554	1 825 354	344 285	778 313	1 551 123	-21,8%	99,3%	73,1%
Africa Land	1 897 165	1 758 573	328 851	742 008	1 491 793	-21,4%	101,0%	70,3%
Africa Air	87 389	66 781	15 434	36 305	59 330	-32,1%	63,4%	2,8%
Europe	467 791	404 912	24 640	192 949	387 296	-17,2%	100,7%	18,3%
Americas	134 195	111 534	7 729	44 600	104 990	-21,8%	135,4%	4,9%
Asia	75 385	50 003	7 813	17 910	39 671	-47,4%	121,5%	1,9%
Australasia	26 634	23 520	640	7 152	24 623	-7,6%	244,3%	1,2%
Middle East	11 908	10 859	1 158	4 976	11 075	-7,0%	122,6%	0,5%
Total	2 704 067	2 429 177	386 937	1 047 558	2 121 811	-21,5%	102,5%	100,0%

Source: Stats SA Tourism & Migration Report 2023

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Total Foreign Direct Spend (TFDS) Q1 2019- Q1 2023

Total Foreign Direct Spend (TFDS) reached R25,3 billion, an increase of 143,9% over Q1 2022 and 0,9% below the levels of 2019. Interestingly, tourists from Europe contributed the most spend of R10,8 billion, followed by Africa with a collective spend of R9,3 billion.

Spend by Region	Q1 2019	Q1 2020	Q1 2021	Q1 2022	Q1 2023	Q1 2023 Performance Over Q1 2019	Q1 2023 Performance Over Q1 2022
Africa	R7 887 112 679	R7 780 063 324	R3 058 677 957	R3 823 026 005	R9 304 620 867	18,0%	143,4%
Africa Land	R6 504 898 608	R6 654 774 755	R2 921 840 890	R3 106 211 050	R8 046 671 033	23,7%	159,1%
Africa Air	R1 382 214 072	R1 125 288 569	R136 837 067	R716 814 955	R1 257 949 834	-9,0%	75,5%
Europe	R12 623 321 987	R7 879 007 505	R916 100 734	R4 755 925 036	R10 828 801 413	-14,2%	127,7%
Americas	R3 009 302 541	R2 264 929 425	R313 766 763	R1 230 189 959	R3 295 520 494	9,5%	167,9%
Asia	R1 297 761 189	R851 561 118	R115 978 794	R289 713 135	R932 098 015	-28,2%	221,7%
Australasia	R542 560 157	R485 925 600	R62 669 419	R193 978 575	R717 563 080	32,3%	269,9%
Middle East	R224 720 489	R181 170 928	R22 459 068	R99 553 743	R269 701 564	20,0%	170,9%
Total	R25 584 779 042	R19 442 657 899	R4 489 652 734	R10 392 386 454	R25 348 305 434	-0,9%	143,9%

International Arrivals Top 10 Source Markets in Q1 2019 – Q1 2023

Zimbabwe has consistently been the top source market for South Africa from 2019 to date. From the overseas source markets, the UK led with 118 479 arrivals, followed by Germany with 83 201 arrivals.

International Arrivals Top 10 Markets	Q1 2019	Q1 2020	Q1 2021	Q1 2022	Q1 2023	Q1 2023 Performance Over Q1 2019	Q1 2023 Performance Over Q1 2022
Zimbabwe	643 183	601 538	75 591	173 297	519 354	-19,3%	199,7%
Mozambique	382 548	356 101	92 696	225 452	354 592	-7,3%	57,3%
Lesotho	447 491	427 102	64 200	177 308	328 658	-26,6%	85,4%
Eswatini	216 538	195 084	28 820	69 198	158 590	-26,8%	129,2%
UK	135 867	118 353	12 233	65 969	118 479	-12,8%	79,6%
Germany	96 515	88 711	9 695	42 166	83 201	-13,8%	97,3%
USA	78 214	62 142	8 599	33 770	75 785	-3,1%	124,4%
Botswana	136 585	120 838	14 217	39 620	75 635	-44,6%	90,9%
Namibia	46 403	37 165	16 668	29 175	37 164	-19,9%	27,4%
The Netherlands	33 257	29 501	4 115	17 209	32 017	-3,7%	86,0%
All Arrivals	**2 704 067**	**2 429 177**	**386 937**	**1 047 558**	**2 121 811**	**-21,5%**	**102,5%**

South African Tourism Departure Survey 2019 - 2023.

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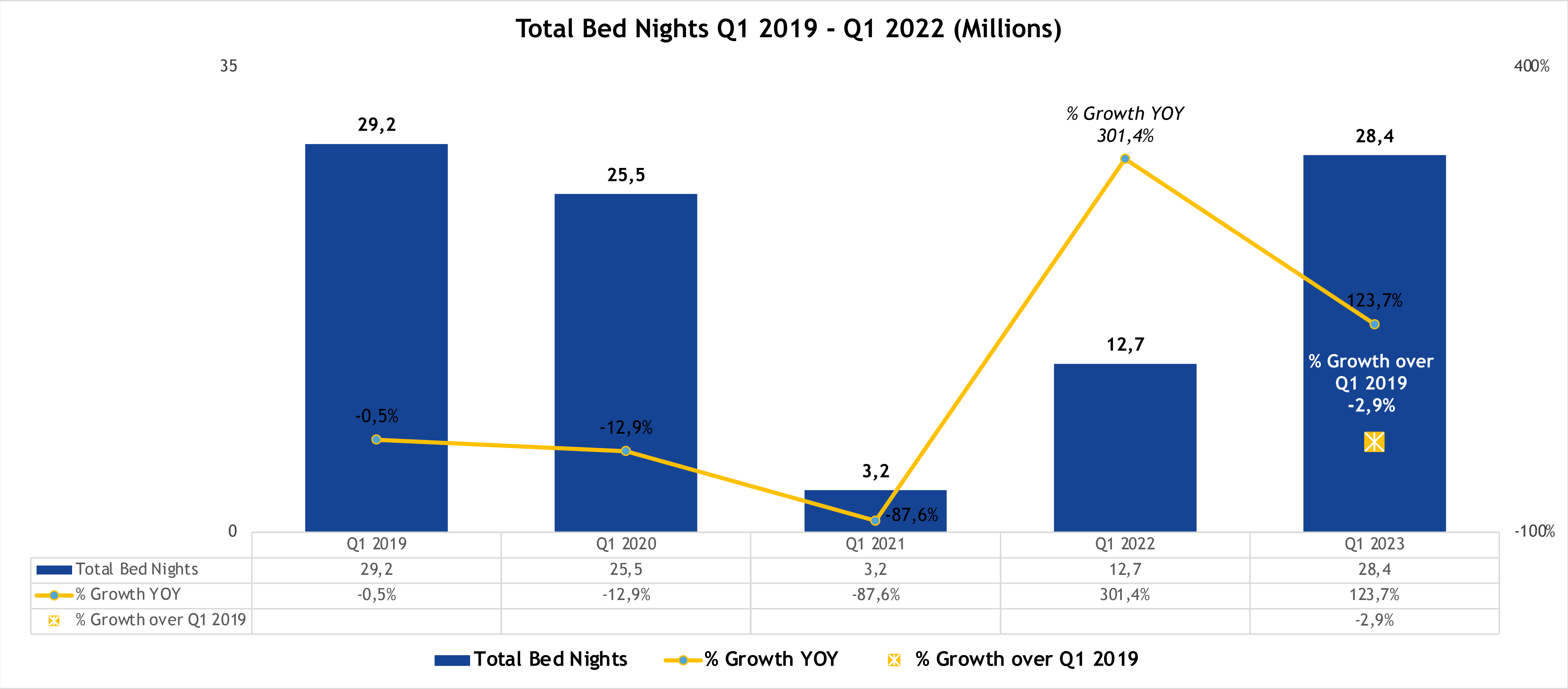
Total Bed Nights Q1 2019 - Q1 2023

The number of bed nights has also recovered in Q1 2023 but not to the Q1 2019 levels. Total bed nights amounted to 28.4 million, this being a 3% decline over Q1 2019 but a remarkable 124% increase over Q1 2022.



	Q1 2019	Q1 2020	Q1 2021	Q1 2022	Q1 2023
Total Bed Nights	29,2	25,5	3,2	12,7	28,4
% Growth YOY	-0,5%	-12,9%	-87,6%	301,4%	123,7%
% Growth over Q1 2019					-2,9%

Source: South African Tourism Departure survey 2019 - 2023.

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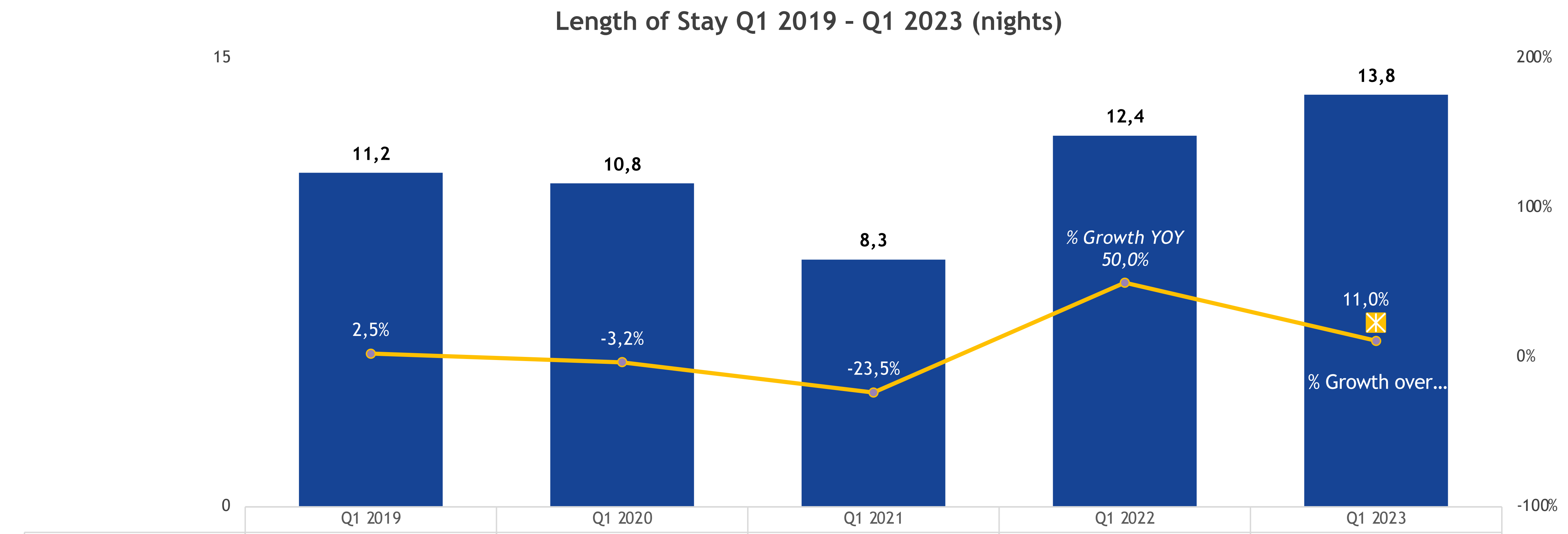
Average Length of Stay Q1 2019 - Q1 2023

The average length of stay in Q1 2023 has gone up by 11,0% over Q1 2022 and by 23,3% over Q1 2022. The average length of stay in South Africa was 13,8 days in Q1 2023.



	Q1 2019	Q1 2020	Q1 2021	Q1 2022	Q1 2023
Length of Stay	11,2	10,8	8,3	12,4	13,8
% Growth YOY	2,5%	-3,2%	-23,5%	50,0%	11,0%
% Growth over Q1 2019					23,3%

Source: South African Tourism Departure survey Q1 2023.

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Provincial Distribution of arrivals Q1 2023

Gauteng province had a dominant share of international arrivals, spend, and bed nights, compared to all other provinces in Q1 2023.

Province	International Arrivals(000)	Share Arrivals	Spend (ZAR Billion)	Share Spend	Average Spend (ZAR Thousand)	Bed Nights (Million)	Length of Stay (Nights)
Gauteng	849,9	40,1%	9,6	38,0%	11,8	11,5	14,1
Mpumalanga	458,6	21,6%	2,0	8,1%	4,8	4,3	9,7
Western Cape	363,8	17,1%	7,8	30,8%	22,2	5,1	14,4
Free State	245,7	11,6%	0,5	1,8%	2,1	2,3	9,7
KwaZulu-Natal	168,7	8,0%	1,7	6,7%	10,5	1,9	11,8
Limpopo	152,7	7,2%	1,4	5,7%	9,7	1,0	7,0
North West	91,9	4,3%	0,5	2,2%	6,4	1,0	11,8
Eastern Cape	84,0	4,0%	1,5	6,0%	19,1	1,0	12,2
Northern Cape	35,0	1,6%	0,2	0,8%	10,0	0,2	12,0

Source: Statistics South Africa Tourism & Migration report March 2023
South African Tourism Departure Survey 2019 - 2023.

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South Africa International Arrivals vs Competitor Markets

Tourism Recovery In South Africa And African Regions - 2022 Overview (2019-2022)

South Africa showcased its resilience and potential by experiencing a remarkable increase in tourist arrivals, boasting a **141.9% growth and reaching 5.7 million arrivals** compared to the same period in 2021. As the country continues to rebound, it demonstrates promise for future success. While North African countries are leading the recovery due to their short haul destinations, open skies, and easy air access, **South Africa's progress is commendable**. Additionally, within the Sub-Saharan Africa region, Ghana, Kenya, and Mauritius have emerged as top performers, with South Africa poised to further strengthen its position in the tourism sector.

Arrivals	2019	2020	2021	2022	2022 Performance over 2019	2022 Performance over 2021
South Africa	10 227 500	2 790 440	2 355 700	5 698 060	-44,3%	141,9%
Angola	218 000	62 280	42 360	60 300	-72,3%	42,4%
Botswana	1 838 460	419 210	588 100	758 850	-58,7%	29,0%
Egypt	13 061 000	3 105 570	3 898 270	5 761 420	-55,9%	47,8%
Ghana	1 153 930	363 280	583 200	938 430	-18,7%	60,9%
Kenya	1 632 380	446 660	728 860	1 220 500	-25,2%	67,5%
Morocco	13 060 700	2 608 070	3 775 490	10 681 010	-18,2%	182,9%
Mauritius	1 383 000	315 340	188 000	1 042 900	-24,6%	454,7%
Namibia	1 596 000	488 740	579 420	683 760	-57,2%	18,0%
eSwatini	680 000	204 000	118 650	136 610	-79,9%	15,1%
Tanzania	1 443 000	492 080	507 800	810 830	-43,8%	59,7%
Zambia	1 150 100	414 500	569 620	633 330	-44,9%	11,2%

Source: Statistics South Africa Tourism & Migration report 2022
Oxford Economics

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South Africa Compared to Long haul Destination (2019-2022)

South Africa's tourism industry has shown remarkable resilience and growth compared to other countries. Despite a 44.3% decrease in arrivals in 2022 compared to 2019, the country **achieved an impressive 141.9% performance increase** over 2021, outperforming major tourist destinations like China, France, Italy, and Brazil. On the other hand, India saw the highest growth rate from 2021 to 2022 at 287.5%, while Japan and the Philippines also demonstrated remarkable recovery with growth rates of 1588.1% and 1267.8%, respectively. As the world rebounds from the effects of the global pandemic, **South Africa stands out as a noteworthy destination for travellers, showcasing its adaptability and allure as a premier tourist hotspot.**

Arrivals	2019	2020	2021	2022	2022 Performance over 2019	2022 Performance over 2021
South Africa	10 227 500	2 790 440	2 355 700	5 698 060	-44,3%	141,9%
China	66 774 600	7 752 050	5 461 670	9 336 390	-86,0%	70,9%
Germany	39 563 000	12 449 100	11 687 860	28 462 570	-28,1%	143,5%
Spain	83 509 000	18 650 950	31 415 920	71 561 360	-14,3%	127,8%
France	90 914 000	44 406 380	42 950 450	81 763 000	-10,1%	90,4%
India	17 914 000	4 117 690	2 244 960	8 698 580	-51,4%	287,5%
Italy	64 513 000	25 688 050	26 813 010	50 052 390	-22,4%	86,7%
Japan	31 882 100	4 114 860	245 900	4 150 940	-87,0%	1588,1%
Philippines	8 188 480	1 568 260	150 650	2 060 590	-74,8%	1267,8%
Portugal	17 174 400	4 383 460	6 388 000	16 252 500	-5,4%	154,4%
Singapore	14 559 840	2 164 040	83 830	4 083 000	-72,0%	4770,6%
Thailand	39 916 270	6 702 400	427 870	11 153 030	-72,1%	2506,6%
Turkey	52 223 600	15 060 060	28 047 790	51 594 580	-1,2%	84,0%
Brazil	6 353 000	3 448 840	2 510 960	4 070 670	-35,9%	62,1%
United Kingdom	39 418 000	10 835 720	7 337 860	30 365 060	-23,0%	313,8%

Source: Statistics South Africa Tourism & Migration report 2022
Oxford Economics

International Arrivals Insights Q1 2023

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Q1 2023 INSIGHTS

Global Trends

The global environment has been challenging, including **inflationary increases**, the **rise of energy prices**, and the **Russian-Ukraine war**. There is a possible Global Recession on the cards.

IMF Chief Kristalina Georgieva mentioned at the start of 2023, it is their estimate that one-third of the global economy will experience a recession this year.

When will markets recover?

The UNWTO Panel of Experts survey indicates that 72% of respondents expect better performance in 2023. However, most experts (65%) also believe international tourism will not return to 2019 levels until 2024 or later.

According to Oxford Economics, South Africa is expected to recover by ***2025***

Favourable exchange rates, equates to VFM in SA

	2022	2023
$	R14,48	R17,96
€	R16,13	R19,54
£	R19,01	R22,19

Oanda March 31 comparison

Top Arrivals Markets

21,5%
Below 2019 - 2,1 m

Land		Overseas	
Zimbabwe **504,020**	**19%** Below 2019	UK **139,530**	**15%** Below 2019
Lesotho **319,009**	**26%** Below 2019	USA **102,133**	**12%** Below 2019
Mozambique **344,569**	**7%** Below 2019	Germany **83,185**	**5%** Below 2019
Eswatini **209,393**	**27%** Below 2019	France **49,292**	**35%** Below 2019

Jan – Mar 2023. % below 2019

DMO Trends…

Sustainability – there is a trend in promoting eco friendly activities and accommodations

Inclusivity is becoming a key consideration. Inclusivity includes: Accessible travel, LGBTQ+ travel, sustainable tourism and cultural diversity

DMOs are **collaborating** with local businesses, cultural organisations, and community groups to create these experiences.

Experiential Travel: Travellers want to immerse themselves in the local culture, such as food and wine tours, outdoor activities, and cultural events.

Top Motivators to Travel to SA

Beautiful scenery **44%**
Good value for money **36%**
Experience a different culture **34%**
Recommendation from F & F **31%**
Go on Safari **28%**

Source: Stats SA, Oxford Economics, Forward Keys, SAT Departure Survey, SAT Brand Tracker (2022)

Q1 2023 INSIGHTS

Top Spend Markets

0,9% Below 2019
R25,4Bn (Q1 2023)

Land (2023)		Overseas	
Zimbabwe R4,4 bn	50% Above 2019	UK R3,2 bn	27% Below 2019
Mozambique R1,1 bn	12% Above 2019	USA R2,6 bn	28% Above 2019
Zambia R0,845 bn	68% Above 2019	Germany R2,5 bn	2% Below 2019
Lesotho R0,533 bn	17% Below 2019	Netherlands R1,02 bn	12% Below 2019

Jan – Mar 2023 (% compared with 2019)

Top Provinces visited

Land	Overseas
Gauteng 39%	Western Cape 55%
Mpumalanga 25%	Gauteng 40%
Free State 15%	Kwa-Zulu Natal 13%

Jan – Mar 2023

Airlift

Average Fare Increase

R7 800 (Q1 2022) to ***R14 800*** *(Q1 2023)*

Capacity has increased

Q1 2023, up ***56%*** *over the same quarter in 2022, to reach 1.8 million seats*

of new routes

There is approximately ***23*** *new routes – see last slide for details*

Reasons for not visiting SA

Another appealing destination	26%
Concerns for my personal safety	24%
Afraid of the political climate	18%

Top competitors (plan to visit in the next 18 months

AUS	21%
THA	14%
KEN	6%
BRA	10%
SA	17%

Driver of Arrivals to SA Impact of Measures

Affordability	0,48
Stature	0,3
Macro Economic Environment	0,22
Awareness	0,12

Source: Stats SA, Oxford Economics, Forward Keys, SAT Departure Survey, SAT Brand Tracker (2022)

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Domestic Tourism Performance Q1 2019 - Q1 2023

Domestic Key Measures: January – March 2023

January to March of 2023 saw overnight trips exceed pre-pandemic levels as well as 2022 levels by 41,0%. Overnight domestic spend was also up 24,4% compared to Q1 2022. Average overnight spend was down 11,7% signifying that South Africans took more frequent trips and spent less. The total number of nights spent away from home reached 27,9 million and this was a 32,9% increase over the same period in 2022, the average length of stay per trip fell by 5,7% highlighting the global trend that travelers now opt to take shorter and more frequent trips than before.

Key measure	Q1 2019	Q1 2020	Q1 2021	Q1 2022	Q1 2023	%Δ Q1 2023 over Q1 2022
Domestic Overnight trips (Mn)	4,8	4,7	2,7	6,2	8,7	41,0%
Domestic Overnight spend (Bn)	R8,2	R9,0	R8,1	R18,9	R23,.5	24,4.%
Average domestic spend	R1,694	R1,890	R3,008	R3,050	R2,692	-11,7%
Total Bed nights (Mn)	18,5	11,9	9,8	21,0	27,9	32,9%
Average Length of stay	3,8	2,5	3,7	3,4	3,2	-5.7%

South African Tourism Domestic Tourism Survey 2019 - 2023

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Domestic Key Measures: January – March 2023

Domestic holiday trips from January to March 2023 were up 40,5% to reach 2,4 million. These holiday trips represented a 27,0% share of total overnight trips. The expenditure from holiday trips (R9,5 billion) accounted for 40,3% of total spend and drove the strong spend results in quarter 1 of 2023, this was a 19,9% increase over quarter 1 of 2022. There was a 12,3% increase in MICE trips taken during January and March 2023. Day trips grew by 26,9% to reach 44,7 million in quarter 1 of 2023.

Key measure	Q1 2019	Q1 2020	Q1 2021	Q1 2022	Q1 2023	%Δ Q1 2023 over Q1 2022
Overnight Holiday trips (Mn)	1,1	1,4	0,5	1,7	2,4	40,5%
Overnight Holiday spend (Bn)	R3,3	R4,8	R1,6	R7,9	R9,5	19,9%
Overnight MICE trips (Mn)	0,2	0,2	0,2	0,3	0,3	12,3%
Day trips (Mn)	34,9	39,5	21,5	35,2	44,7	26,9%

Domestic Performance and Insights

	Q1 2022	Q1 2023
Total Overnight Trips	6 203 151	8 745 358
Total Spend	R 18 922 250 956,73	R 23 547 750 668,95
Average Spend	R 3 050,43	R 2 692,60
Bednights	20 993 631	27 905 387
LOS	3,4	3,2
Holiday Overnight Trips	1 680 189	2 360 806
Total Holiday Spend	R 7 913 349 456,90	R 9 488 223 170,02
Day trips	35 231 586	44 695 576
MICE trips	287 556	322 955

Q1 performance: overall total trips and holiday trips have seen an increase in Q1 2023 compared with the same period in the previous year. Average spend (down by 11,7%) and length of stay has declined but the subsequent increase in arrivals compensated for this and total spend has increased to R23.5 billion. Both day trips and MICE trips has seen an increase in this quarter.

Economic performance: The domestic market is experiencing a decline in economic performance with declining GDP. Consumer price inflation continues to move upwards, inflicting more strain on household budgets.

Drivers of Domestic travel – Domestic travellers travel mostly for visiting friends and relatives, followed by holiday.

Province visited – The top three provinces visited were Gauteng, Limpopo and Eastern Cape. Fewer trips were taken to Northern Cape.

Spend: The average spend for domestic travel in Q1 of 2023 was R2,692. This average spend is higher than 2019 (R1,649) but lower than 2022 (R3,050).

South African tourism predominantly focus on three segments in the domestic market, build, convert and defend. The research insights from these three segments outlined below (Feb 2023).

For these three segments; ‘Go for a vacation’, ‘Watch movies/TV shows’ and ‘Dine out at restaurants’ are the top three preferred recreational interests. To ‘Shop for personal use’ replaces ‘Watch movies/ TV shows’ in top three preferred recreational interests when budget constraints are removed.

88% of travellers within the above segments are willing to go for a vacation in the next 12 months; while ‘Exploring beautiful scenery’ and ‘Relax at beach’ are the most considered reasons; ‘Other higher priority expenses’ and ‘Health issues’ are the key reasons to not consider travelling

When planning a holiday trip, travellers prefer to research the destination and feel travelling is a great way to learn. They feel travelling is a great way to learn about different cultures and choose destinations that offer a variety of activities. Most prefer to plan their own trips over the Internet rather than meeting with a travel agent.

When choosing activities, ‘Beaches and coastlines’, ‘Nature, breath-taking landscapes’ and ‘City Life and Entertainment’ are the most considered experiences.

Overall, travellers rely on ‘Recommendations from friends or family’ and ‘Social media’, while selecting their destination; half of the travellers in these segments use ‘Online travel aggregators’ for making their travel bookings

‘Social media’ and ‘In-person/telephonic conversation’ continue to be the most preferred channels to share experience during and after a trip. The preferred month of travel are April September and December.

‘Social media’ continues to be the most popular source to get travel-related information among travellers travelling within South Africa, distantly followed by ‘TV channels’ & ‘Online news, emails, etc.’

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APPENDIX

Americas

Arrivals Jan - Mar 23	% increase from 2022 Q1	% below 2019
104,990	135,4%	22%

Aviation Supply: USA Remains the only market in the region with direct flights. The seats available in this quarter were double (106% growth) the 2022 seats and have exceeded 2019 seats. 80 753 seats were allocated in Q1 2023 (40% more seats than in the same period in 2019). Canada and Brazil have no direct access however LATAM is expected to come back on the route expected in August/September 2023

Aviation Fares increased : Average fares have increased by 77% to an average of R36 000 up from R20 370 in 2022 Q1. This is double the fares in 2019 despite the intense competition between United and Delta.

Outbound travel - South Africa is recovering ahead of the world and ahead of the continent from the Americas with the Americas set to reach their pre-pandemic levels in 2024. The region is expected to reach 582 000 arrivals which are well over the 560 600 arrivals in 2019.

Drivers of travel:
The bulk of American travel remains deferred trips planned before the pandemic with over a quarter of trips planned well before the trip. The bulk of travel is for holidays and visiting friends and relatives while group travel remains relatively low.

Experiences sought from travel:
Their interest in South Africa is for Immersive Cultural Experiences to Socialise with locals and get an authentic perspective. Sustainable travel and giving back remain key and the African American tourists feel that more keenly. North American travellers are more inclined to include wildlife in their itineraries while Central and South Americans are more interested in experiencing Cuisine, Nightlife, and Shopping

Provinces visited:
Tourist from the Americas primarily travels to Gauteng and Western Cape however Mpumalanga and KwaZulu Natal also have key drawcards for Scenery and wide open spaces and immersion in nature.

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AAME

Arrivals Jan - Mar 23	% increase from 2022 Q1	% below 2019
75,369	150.9%	34%

Aviation Supply: The region had 508 595 seats available and 60% of this capacity is from Emirates and Qatar. Overall the region's capacity is up 71% over 2022 and is 75% of the capacity available pre-pandemic in 2019. Qatar and Singapore are the only routes not growing over 100%, Israel, Australia, China, and Turkey are leading the growth.

Aviation Fares: Fares in the region increased 105% over 2022 fares from an average fare of R11 970 in 2022 to R24 600 in 2023. Turkey, Israel, Australia, and Qatar are all drivers of the doubling fares while Fares on Chinese routes contracted slightly as the restrictions have enabled increased supply and provided tourists more options.

Outbound travel - The Middle East has fully recovered to pre-pandemic levels in their total outbound and outbound travel to the African continent. Arrivals to South Africa in 2023 are expected to be 54 800.
Asia Pacific arrivals to South Africa are expected to recover fully in 2024 driven by Oceania which in 2024 is expected to exceed the arrivals seen in 2019. 264 000 arrivals are expected to South Africa from the APAC region, with the following year closing the gap completely.

Drivers of travel: The bulk of Asian travellers come for leisure purposes however the tourists in Continental Asia are more likely to travel for business while the Australasian tourists are more inclined to travel for leisure and VFR. The revenge travel from Australasia continues while the other Emerging markets in the region see short-term term booking trends with the majority of bookings made within a month of travel. Australasians on the other hand see a third of bookings made well in advance of travel

Experiences sought from travel: The Asian tourist seeks a bumper-packed travel itinerary to experience the length and breadth of a destination and as much variety of different offerings. Culture, Adventure, Wildlife, and Scenery are at the top of their list but they also enjoy exploring relaxing experiences such as beaches, and spas, and reconnecting with their family. Family theme parks, educational experiences. Australasian tourists on the other hand prioritize Wildlife, Socializing with family, Experiencing scenery, Adventure, and contributing in a way that gives them the feeling of being Responsible Tourists.

Provinces visited: Western Cape and Gauteng are the top visited provinces, with Eastern Cape, KwaZulu Natal, and Mpumalanga with moderate levels of visitation. North West is particularly attractive to Chinese and Indian tourists due to its proximity to Johannesburg while the Aussies are more inclined to travel to Mpumalanga

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Europe

Arrivals Jan - Mar 23	% increase from 2022 Q1	% below 2019
387,296	100,7%	17%

Aviation Supply: Compared to Q1 2022, Europe has introduced five new airlines, and nine new routes into South Africa region including seasonal routes. However, these are fewer than the number of routes same quarter in 2019. British Airways has since dropped its London-Durban leg, while new airlines include Germany’s EW that runs the Frankfurt-Nelspruit leg. Germany's Condor airline introduced the Frankfurt-Cape Town leg, as well as the Frankfurt-Johannesburg. Air Belgium also introduced two new routes, the Brussels-Johannesburg and the Brussels-Cape Town routes. Other new routes include the London to Cape Town route by Virgin Atlantic (seasonal) and the Istanbul to Durban route by Turkish Airlines.

Aviation Fares: Fares in the region doubled when comparing Q1 2022 to Q1 2023, going from about R15 000 to R27 300 on average. With both German’s airlines driving the price hike, at an average of R36 690 and Belgium offering, friendly fares at an average of R11 200.

France, lower air Capacity: Although France has had triple digit growth for Q1 2023 compared to Q1 2022, it is showing a slower recovery for Q1 2023 compared to Q1 2019. From historical data, Feb and March are among some of France’s strongest months however, the slower recovery could be attributed to air capacity. The Paris Cape Town leg, ran for 5 days in 2019 and has since been adjusted to 3 times a week, the Johannesburg leg has also decreased from an average capacity of 596 capacity to 301.

Outbound travel – Europe arrivals are forecasted to reach 1 097 220 by close of the year, doubling its growth from 2022 by about 22% with the UK attributing to about 36% in share of the arrivals from this region. The region is anticipate to reach about 95% of arrivals when compared to 2019 arrivals figures, driving recovery will be the UK, as it is forecasted to exceed 2019 figures by about 20%.

Recovery: The markets that will drive Europe’s recovery are UK, and Spain reaching pre-covid figures by 2024 and the markets foreseen to see a later recovery are Germany and Italy, who will recover to 2019 figures by 2026

Drivers of travel: Europeans travel for holiday, and VFR and to a degree although marginal some travel as business travellers and for Business Events. Key VFR markets in this region are the UK and Ireland, with Russia having a higher number of business travel compared to the rest of the other markets in the region, as well as Portugal having a higher number of MICE travel in the region.

Activities & Attractions: Europeans travellers like to immerse themselves when visiting a destination. Their interests include gastronomy, they enjoy eating out, shopping, visiting natural attractions, enjoying the beach and socialising.

Provinces visited: The most visited provinces from this region, are Western Cape and Gauteng, followed by KwaZulu Nata. The Eastern Cape and Mpumalanga are also popular provinces frequented by Europeans.

SOUTH AFRICAN TOURISM

Africa Land

Arrivals Jan - Mar 23	% increase from 2022 Q1	% below 2019
1,491,793	101%	21%

Tough Economic conditions: Africa Land markets are experiencing tough economic conditions as inflation continues to rise above historical levels.

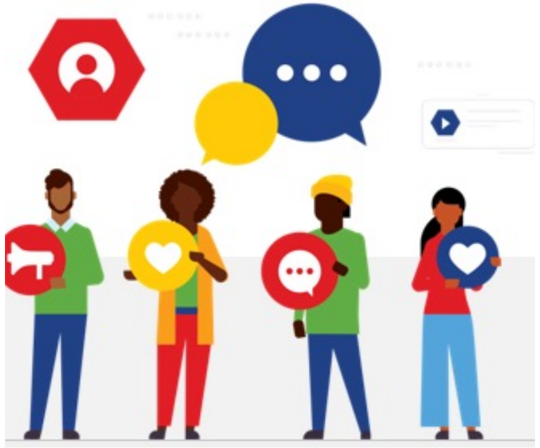
Drivers of travel – The top reasons for visiting SA was to Visit Friends and Relatives (more than 50%), Shopping for business purposes followed by general holiday and for personal shopping. Africa land travellers tend to be high repeaters and mostly travel alone.

Province visited – The top provinces visited were Gauteng, Mpumalanga and the Free State. These provinces have the highest arrivals for Africa Land travellers from Zimbabwe, Mozambique, and Lesotho respectively.

Spend: The average spend from the Africa Land markets in 2022 was R4,800. This average spend was lower than 2019 (R5,300)

Experience sought – The top activities conducted were shopping, social and eating out. The main reasons for visiting SA was to visit friends and relatives, the pricing and availability of merchandise and good value for money. The items that are most purchased are groceries and clothing.

Flights: Two Africa Land markets (Eswatini and Zambia) have launched flights between South Africa. The Kingdom of Eswatini launched a new flag carrier, Eswatini Air, and Zambia announced the resumption of ProFlights.



Africa Air

Arrivals Jan - Mar 23	% increase from 2022 Q1	% below 2019
59,330	63,4%	32%

New International Routes: Airlink has recently announced a major new international route, between Johannesburg and Nairobi, Kenya, making it the third East African country served by Airlink.

Drivers of travel – The top reasons for visiting SA was to Visit Friends and Relatives (more than 20%), holiday purposes, followed by MICE and business travellers. Africa Air travellers tend to be first timers and mostly travel alone.

Province visited – The top provinces visited were Gauteng, Western Cape and KwaZulu Natal.

Spend: The average spend from the Africa Air markets in 2022 was R25,900. This average spend was higher than 2019 (R23,000)

Key motivators to drive tourism in South Africa are 'beautiful scenery' and 'good value for money'

Experience sought – The top activities conducted were shopping, social and eating out. The main reasons for visiting SA was to visit friends and relatives, business investment interest and education and training facilities. The items that are most purchased were groceries and clothing.

Political-economic stability: The risks remain pronounced and are driven by political transitions in Nigeria as the country elects their first new president since 2015. Two months after the conclusion of the Nigerian national elections, members of the National Assembly have been elected. With the ruling party obtaining less than a majority win, decision making in the National Assembly will require coalition between all members of the assembly. These changes are envisioned to seriously impact Nigeria's tumultuous policy environment as the country faces record-high inflation, deteriorating fiscal and external balances, a liquidity crisis, and sub-par oil production.

Economic Stimulus: Kenya is set to receive economic stimulus from the World Bank and IMF in the next quarter.

SOUTH AFRICAN TOURISM