





## Domestic Tourism Performance Indicators: January to March 2017

### Key highlights of South Africa's domestic tourism performance in Q1 2017:

- Fewer trips were taken in Q1 2017 relative to Q1 2016
  - The decrease in total trips was largely driven by a substantial decrease in VFR (visiting friends and relatives) trips, from 5,2 million in Q1 2016 to 2,5 million in Q1 2017.
  - Holiday trips increased from 661k in Q1 2016 to 989k in Q1 2017 and thus accounted for approx. one in five trips taken in the quarter (up from approx. one in ten)
  - Business trips also decreased in the quarter
- Total direct domestic spend (TDDS) generated in Q1 2017 was R5,4 billion, which represents a 39% decline when compared to Q1 2016
  - Overall average spend trip remained relatively flat (up by R10) however average spend per VFR trips decreased from R790 to R630 whilst that of holiday decreased from R3,230 to R2,210.
  - As VFR remains the main contributor to total trips, the decrease in both VFR trips and spend per trip, drove an overall decline in TDDS. In Q1 2017, VFR spend accounted for 27% of TDDS and amounted to R1,6 billion (down from R4,1 billion).
  - Holiday trip spend contributed the most to TDDS in Q1 2017, with approx. 38% of TDDS generated from holiday travel
  - Business related spend accounted for approximately one quarter (24%) of TDDS
- Shift in public holiday affected travel patterns in the quarter
  - Easter weekend occurred in April in 2017 thus moving the long weekend from Q1 in 2016 to Q2 in 2017. As most domestic travel remains VFR related and seasonally geared toward holidays, a lot of VFR travel was likely deferred to April.
  - Human Rights Day fell on a Tuesday in 2017, thus creating an opportunity for a long weekend if people took leave on Monday, 20 March. Given the rise in holiday trips it is likely that most people took advantage of the public holiday to travel for holiday purposes.
- The average length of trips decreased slightly from 3.6 nights to 3.4 nights. Together with the decrease in trips taken, total bednights decreased by 43% in this period.
- Limpopo received the most trips (27%) followed by Gauteng (19%) and KZN (14%)

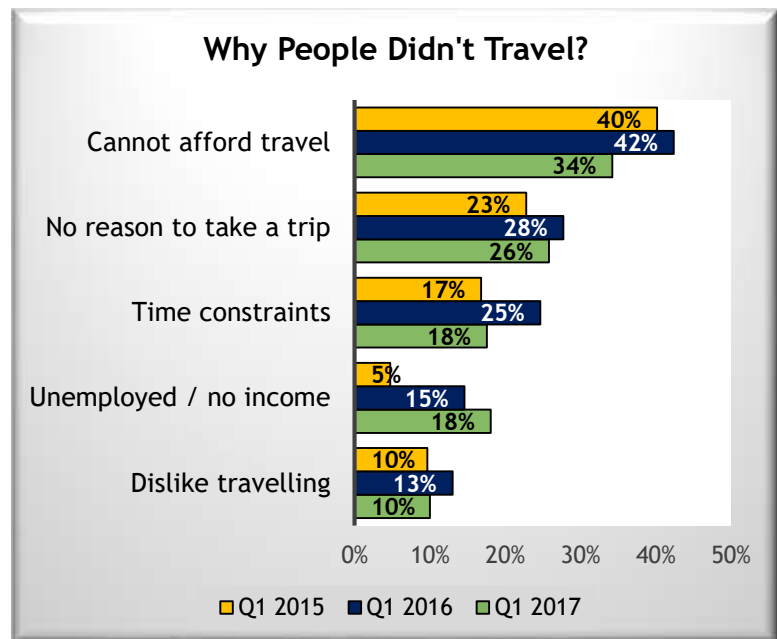
Key Metrics		Q1 2015	Q1 2016	Q1 2017	% growth ('17 vs '16)	
	Total Trips	4.6 million	7.3 million	4.4 million	-40%	
	Trips by Purpose Number ('000) Share (%)	VFR	3,035 66%	5,152 70%	2,525 55%	-51%
		HOLIDAY	674 -15%	661 -9%	989 22%	50%
		BUSINESS	389 -8%	841 11%	396 9%	-53%
	Total Domestic Direct Spend	R4.6 billion	R8.8 billion	R5.4 billion	39%	
	TDDS by Purpose Rands (billion) Share (%)	VFR	R2.1 45%	R4.1 46%	R1.6 27%	-61%
		HOLIDAY	R1.4 29%	R2.1 24%	R2.2 38%	2%
		BUSINESS	R1.0 21%	R2.1 24%	R1.4 24%	-32%
Average Spend	R1,020 / Trip R270 / Day	R1,210 / Trip R340 / Day	R1,220 / Trip R360 / Day	1% 6%		
	Total Bednights	17.0 million	26.0 million	14.9 million	43%	
	Average Nights	3.7 nights	3.6 nights	3.4 nights	-5%	
	Provincial Share of Trips	GP: 25%	GP: 25%	Lim: 27%		
		KZN: 22%	Lim: 24%	GP: 19%		
		Lim: 22%	KZN: 17%	KZN: 14%		
		EC: 11%	WC: 10%	WC: 12%		
		EC: 8%				

Note: Purpose and Provinces with sample sizes of less than twenty (20) have been excluded  
Source: South African Tourism Domestic Tourism Survey 2017

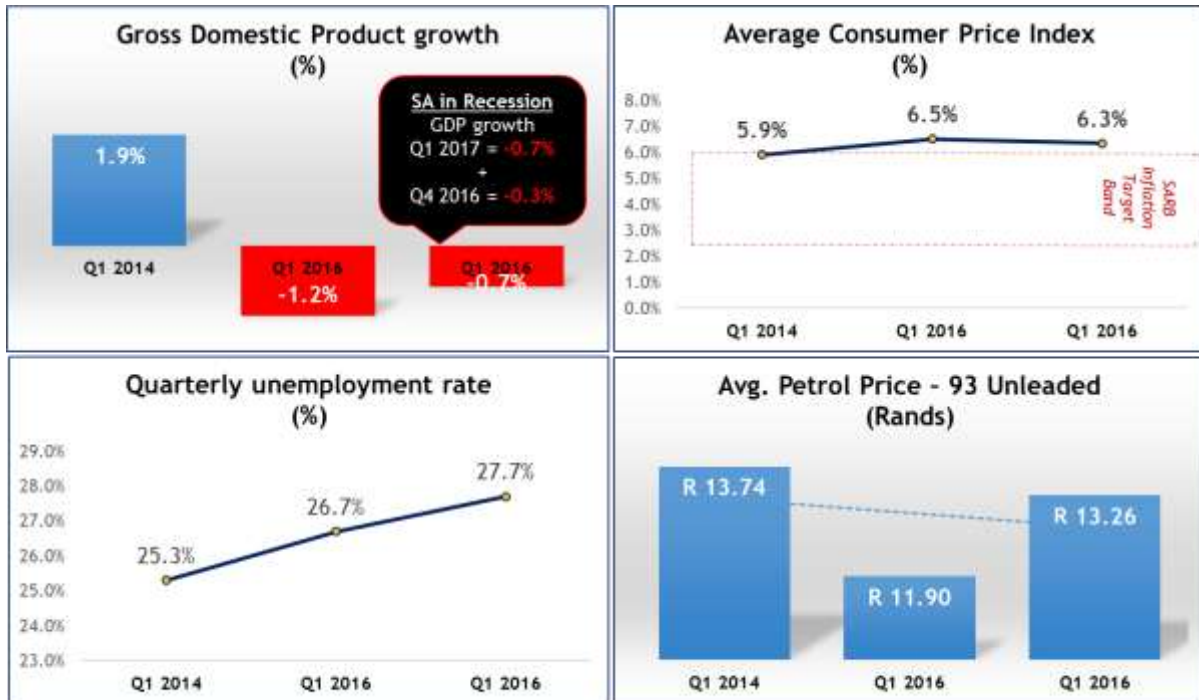
Among the people who didn't take a trip in the quarter, the majority stated affordability as the main deterrent. About one in five respondents said they didn't have a reason to take a trip whilst a few reinforced unaffordability through a lack of income/unemployment

### South African economy falls into recession

With respect to the economic state of the country, Gross Domestic Product (GDP) declined by 0.7% in Q1 2017. Following a 0.3% decrease in Q4 2016, South Africa is officially in a recession. Although the country has suffered negative economic growth in previous quarters this is the first recession since the 2009 recession (which came alongside the global economic crisis).



A contracting economy, increasingly high unemployment as well as an out-of-band inflation rate, are not conducive for consumer confidence and are likely to reinforce consumer's constrained spending patterns. The effects of the recession are likely to continue into the year as consumers and businesses will have to gain confidence in the country's economic potential before their spending and investment takes a positive turn.



Source: Statistics South Africa, AA of South Africa, South African Reserve Bank (SARB), FNB/BER Consumer Confidence Index (CCI)