





Domestic Tourism Performance Indicators: October to December 2016

Key highlights of South Africa's domestic tourism performance in Q4 2016:

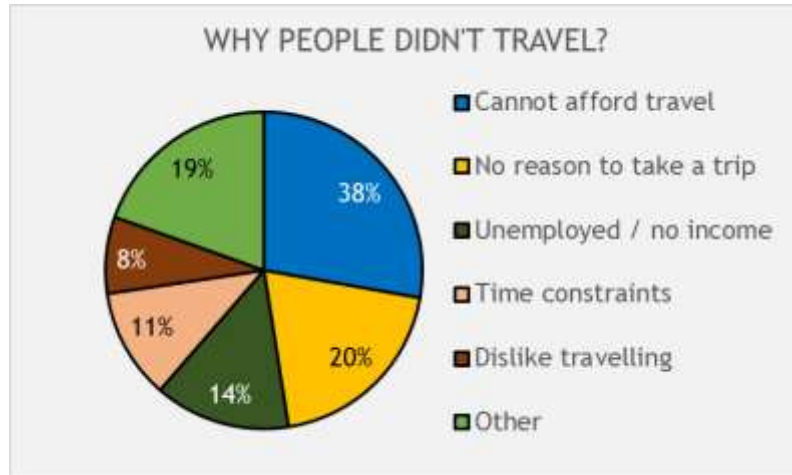
- Domestic tourism generated a total of R7,7 billion in Q4 2016, which is a 10% decrease from the same period in 2015
 - The decline in revenue came from an overall decline in number of trips taken in this period. Domestic tourists that took trips in this period increased their length of their trips but were budget conscious as they did not increase their average expenditure.
 - Revenue from visiting friends and relatives (VFR) orientated trips remained the biggest contributor but the share thereof decreased from 46% to 45%.
 - Holiday trip contribution accounted for about a third of revenue - down from 34% to 32%.
 - Almost 2 in 5 (38%) South Africans could not afford to take a domestic trip in Q4 2016. A constrained economy alongside high unemployment deterred people from taking a trip.
 - The decrease in total trips was largely driven by a decrease in leisure related trips (VFR and holiday trips).
 - Business trips increased in this period
- Limpopo continued to receive the most number of trips, followed by KwaZulu Natal and Gauteng

Key Metrics		Q4 2014	Q4 2015	Q4 2016	% growth ('16 vs '15)
	Total Trips	8.2 million	8.4 million	7.1 million	15%
	Trips by Purpose	VFR: 71% Holiday: 12% Business: 4%	VFR: 71% Holiday: 14% Business: 5%	VFR: 69% Holiday: 13% Business: 8%	15% 13% 36%
	Total Revenue	R8.4 billion	R8.6 billion	R7.7 billion	10%
	Spend by Purpose	VFR: 58%, Holiday: 26% Business: 10%	VFR: 46%, Holiday: 34% Business: 7%	VFR: 45% Holiday: 32% Business: 16%	10% 13% 105%
	Average Spend	R1,020 / Trip R210 / Day	R1,020 / Trip R190 / Day	R1,080 / Trip R190 / Day	6% 2%
	Total Bednights	39.9 million	44.7 million	39.4 million	12%
	Average Nights	4.9 nights	5.3 nights	5.6 nights	4%
	Provincial Share of Trips	KZN: 21% Lim: 20% EC: 17% GP: 14% WC: 9%	Lim: 25% KZN: 21% EC: 14% GP: 13% MP: 7% WC: 6%	Lim: 37% KZN: 18% GP: 14% EC: 11% WC: 7%	

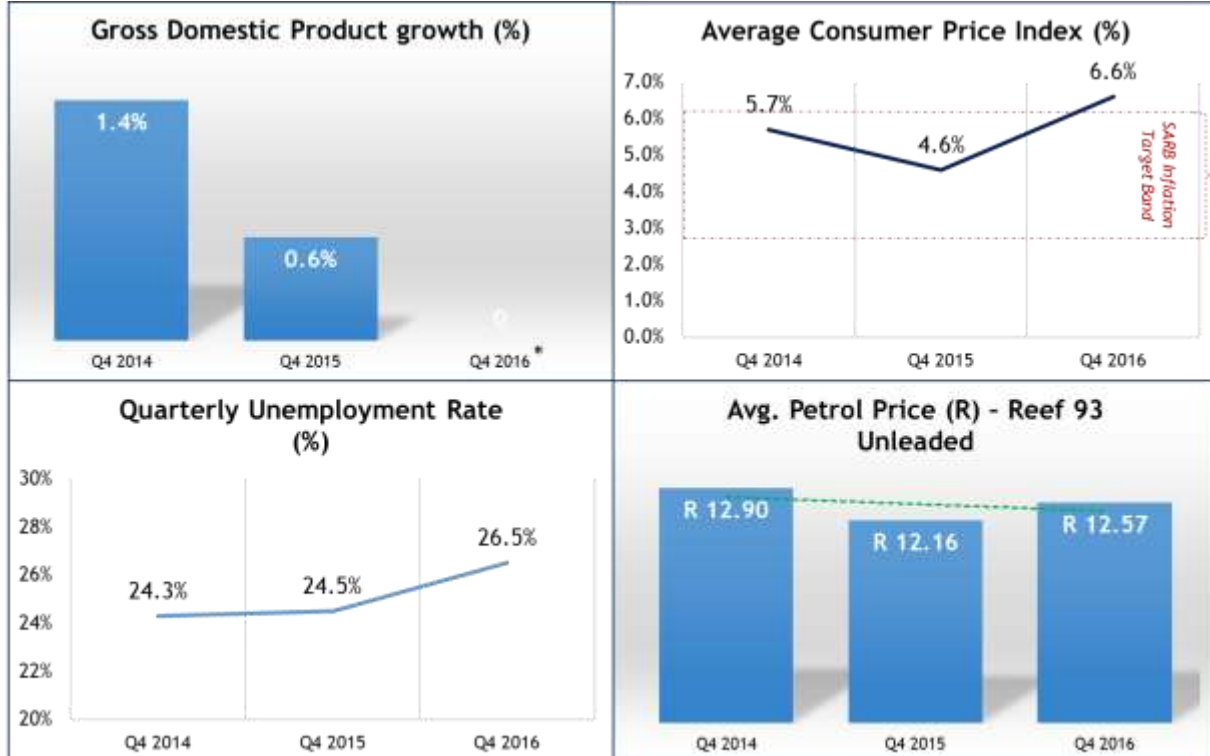
Note: Purpose and Provinces with sample sizes of less than twenty (20) have been excluded

Source: South African Tourism Domestic Tourism Survey 2016

Similar to previous quarters throughout the year, affordability continues to be the main deterrent to taking a trip with over 50% of the respondents citing unaffordability/ no income as a barrier to travel. Second to affordability, approximately one in five respondents felt that they didn't have a compelling reason to travel.



Although the Gross Domestic Product (GDP) growth has not been released yet by Statistics South Africa, other indicators pointed to a sluggish economy for the quarter. Inflation was considerably above the desired limit at 6.6% in Q4 2016. Additionally, unemployment was notably high at 26.5% - up two percentage points from Q4 2015. According to KPMG, retail spending was also on the downturn in December 2016, further indicating a constrained economy. Together with the ongoing drought - which impacted food prices and availability as well as water consumption - consumers were generally restrained in their spending in spite of the usual season's festivities.



Source: Statistics South Africa, AA of South Africa, South African Reserve Bank (SARB), FNB/BER Consumer Confidence Index (CCI)
 *Note: Q4 2016 GDP growth not yet released by Statistics South Africa. Report to be updated post 07/03/2017