

ILEMBE DISTRICT MUNICIPALITY

COVID-19

TOURISM INDUSTRY IMPACT & RECOVERY PLAN

PROVINCIAL TOURISM & INVESTMENT COMMITTEE

17 SEPTEMBER 2020

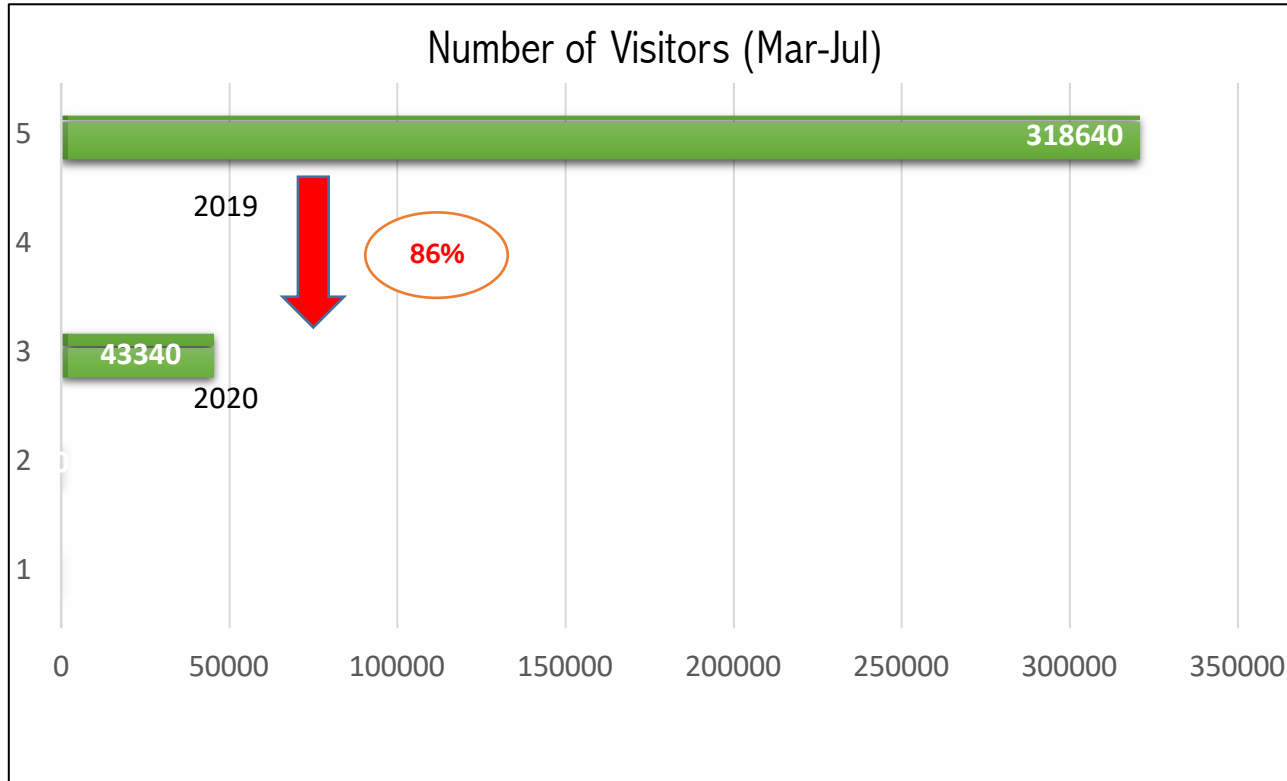


INTRODUCTION

- According to StatsSA (March 2020) Tourism is now the second biggest in terms of job creation and contribution to the GDP of South Africa, tourism is also a major contributor to the economy of the iLembe District contributing significantly to the GDP of the District and creating much needed direct and indirect jobs,
- In 2019 the tourism industry research conducted by Enterprise iLembe reflected the following statistics;
 - ✓ Total number of visitors - 1 022 510
 - ✓ Direct Expenditure - R3,353bil
 - ✓ Contribution to GDP of iLembe - R5,298bil
 - ✓ Job Opportunities Created - 11 335 jobs (accommodation, catering, wholesale & retail trade
- Based on this historical data and direct engagement with the tourism sector, Covid-19 Impact Assessment Studies were conducted on monthly basis – the following is consolidated for the period March -July 2020.

COVID - 19

TOURISM IMPACT ASSESSMENT

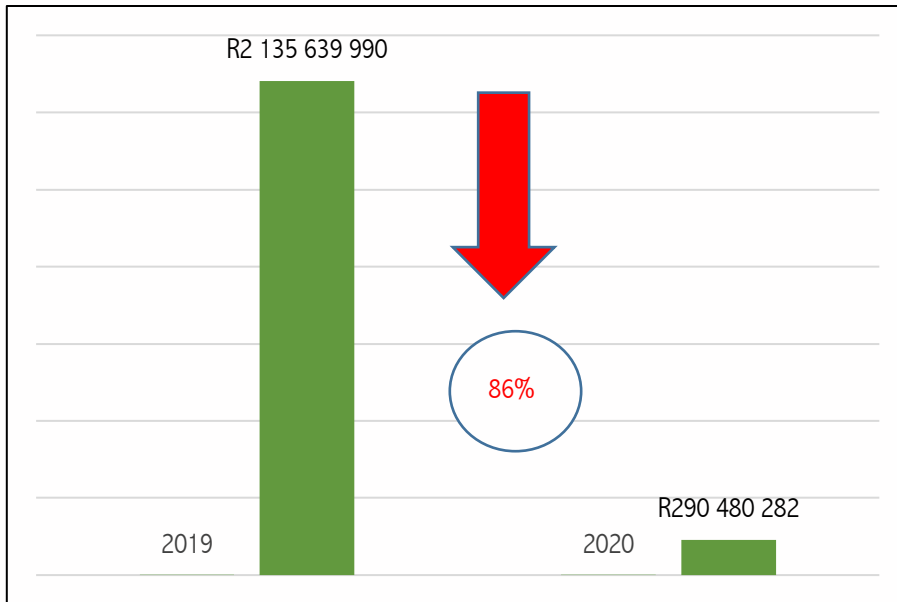


In 2019 the district recorded 318 640 visitors during the months of March to July. During this same period in 2020 the total number of visitors recorded was 43 340, reflecting a significant decrease of 86%.

	Mar 20	Apr 20	May 20	June 20	July 20	Total
Number of visitors	11 072	0	2 582	11 246	18 440	43 340

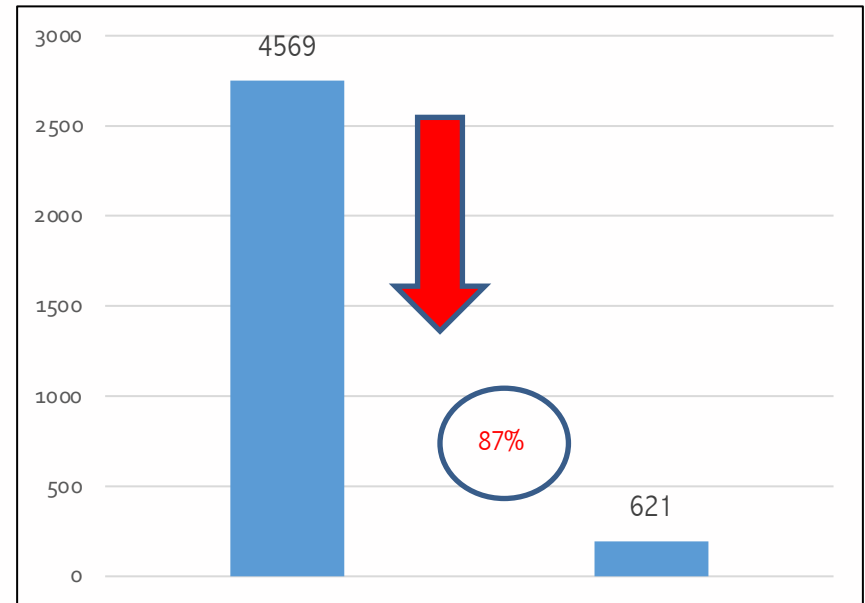
COVID-19 TOURISM IMPACT ASSESSMENT

GDP Contribution/Loss



The District lost 86% of its GDP over the period in review in comparison to the same period in 2019

Job Opportunity Loss



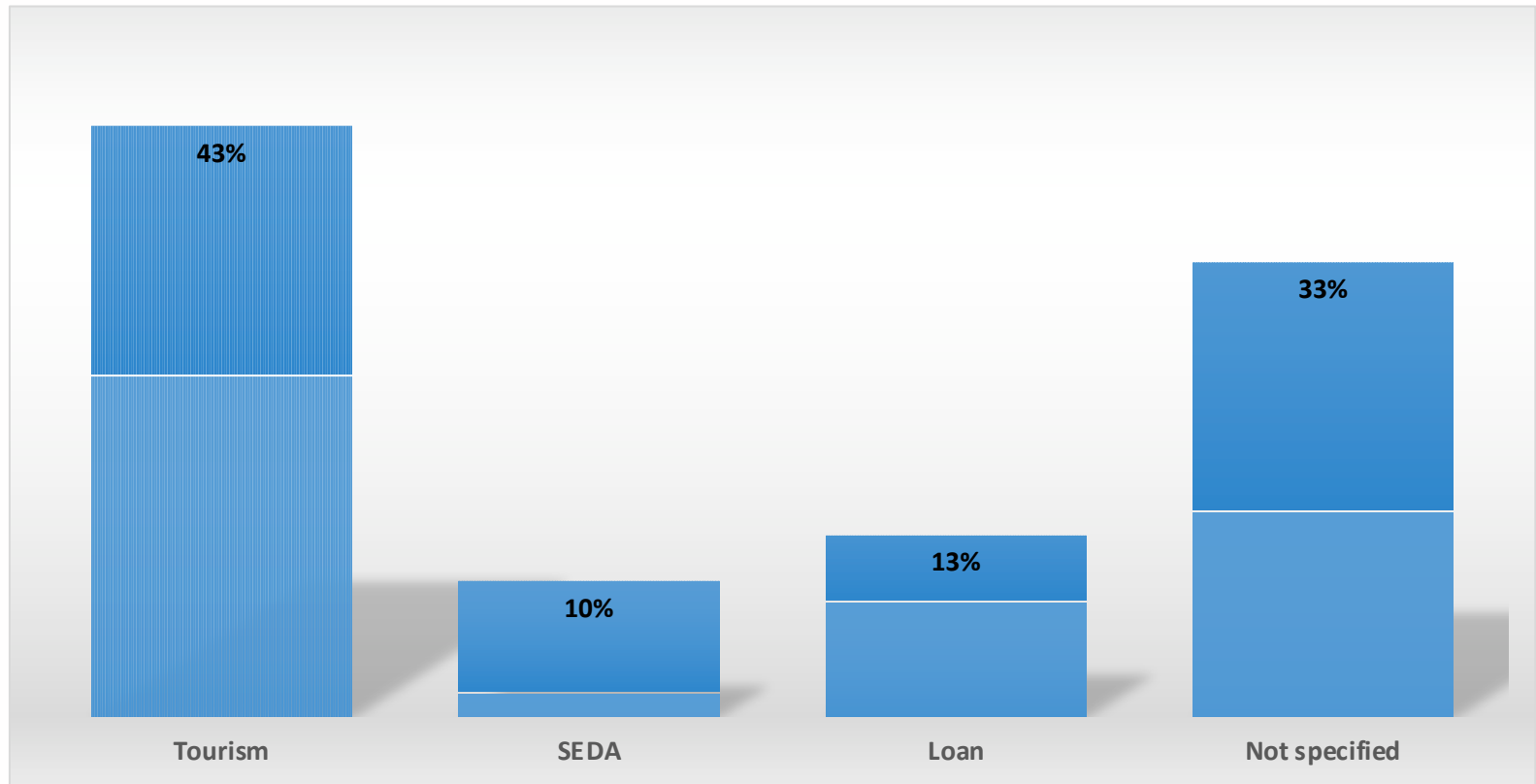
The district tourism sector lost 87% of its job creation propensity over the period in review in comparison to the same period in 2019

COVID - 19 TOURISM IMPACT ASSESSMENT

- Only 20% of establishments applied for permits and accommodated essential service workers
- 70% of establishments opened to accommodate business travellers during level 3
- 70% of establishments indicated implementation of staff salary cuts (some of up to 100%)
- Despite the devastating effects of Covid-19 on the industry, 80% of establishments indicated they had no plans to retrench employees.
- Establishments reported losing in excess of R17mil a month during lockdown
- 80% of establishments reported having applied for relief funding, with only 25% receiving approvals (as per chart below).

RELIEF FUNDING SCHEMES

- A majority of 80% of establishments applied for at least one form of relief assistance or another
- Relief assistance applied for:



TOURISM RELIEF FUND

Thirty-two (32) tourism businesses received the R50 000 Tourism Relief Grant – R1.6mil value

	NAME
1	Ayer Rock Guest House
2	Baz Crab Trade cc trading as Driftwood Estates
3	Bundu Beach
4	Donkath Travel cc T/A Travel Pals
5	Ezulwini Guesthouse
6	Global Travel
7	Heidi Barkhuizen
8	Home And Away Travels And Tour
9	Ixperience Tours PTY Ltd
10	Lalaria Lodge
11	Lanark Property Trust
12	Local and Abroad Travel
13	Lujafra Properties cc
14	Lusizoh trading and Projects
15	Mahomed Sadeck Ahmed Paruk
16	Mapumulo Mail Service (Pty) Ltd

	NAME
17	Marcell B&B
18	Marloth Havens (Pty) Ltd
19	Mayenziwe Hospitality Group
20	Nutrivita (Pty) Ltd
21	Our African Footprints (Pty) Ltd
22	Phindile Catering Services
23	Progrowth Investments
24	Provence Hotels and Resorts
25	Tasis Trading Enterprise (Pty) Ltd
26	The Inside Edge Travel (Pty) Ltd
27	Travel VIP
28	Umhlaba Trust
29	Relax Inn
30	Zanray Investments
31	Zimbali View CC
32	Zinkwazi Park Pty Ltd

UIF TERS PAYMENTS

A total of thirty nine (39) tourism businesses applied for UIF TERS between April and August 2020, benefitting 918 employees. Some establishments have reported not having received any UIF TERS payments for staff and others stating that they still awaiting payouts for July 2020.

	ESTABLISHMENT NAME
1	Ocean Reef Hotel
2	Ballito Backpackers
3	AlMarrakesh
4	Umzanzi Lodge B&B
5	Palm Dune
6	Fairmont Zimbali
7	Ocean Gorge
8	Ballito Accommodation
9	Kleinmark Homes
10	Hampshire Hotel
11	Zinkwazi Lagoon Lodge
12	The Vineyard on Ballito
13	Rainfarm Game and lodge
14	Clubventure
15	Salt Rock Hotel
16	Ebandla Hotel
17	Kasias Guesthouse
18	Relax Inn
19	Ayer Rock Guesthouse
20	Ezulwini Guesthouse

	ESTABLISHMENT NAME
21	Entendeni Guesthouse
22	Comfort House
23	The Saffron House
24	Coco Der Mer
25	Mama G's
26	Kearsney Manor
27	Family Getaway
28	Marigold Restaurant
29	Petite Provence
30	Sak & Pak
31	Al Pescatore
32	Gianni's Restorante
33	Hops Bar & Restaurant
34	Grandstand Sports Bar
35	Magugwane B&B
36	Vetho House
37	Ixperience Tours
38	Regal Inn
39	Zimbali View

REPORTED BUSINESS CLOSURES

- There has been four (4) reported business closures to date:
 - Three (3) Restaurants: Giannis, Katmandu and Grandstand Sports Bar
 - One (1) Bed & Breakfast: Saffron House
- There is currently one (1) temporary business closure:
 - Fairmont Zimbali Resort (awaiting directive from owners on re-opening date), Zimbali Lodge re-opened on 1 September 2020
- There are two (2) establishments contracted to provide quarantine & isolation facilities (until end September 2020)
 - eBandla Hotel & Conference Centre
 - Hampshire Hotel

JOB LOSSES/RETRENCHMENTS

To date the number of job losses are reported to be one hundred and fifty one (151). There are some establishments who are still busy with retrenchment processes and so we are expecting this number to increase over the next few months.

	ESTABLISHMENT NAME	
1	Katmandu	50
2	Giannis	34
3	Grandstand Sports Bar	18
4	Marigold Restaurant	4
5	Relax Inn	10
6	Hops Bar & Restaurant	10
7	Ballito Accommodation	10
8	Rainfarm Game and lodge	5
9	Entendeni Guesthouse	4
10	The Saffron House	3
11	Sak & Pak	2
12	Al Marrakesh	1
	Total	151

DISTRICT ECONOMIC RECOVERY PLAN

A District Economic Recovery Framework & Plans was developed by all local municipalities and the development agency Enterprise iLembe. The Consolidated Economic Recovery Implementation Plan identified 12 key intervention areas and the tourism sector cuts across most of the intervention areas. The interventions specific to the sector are highlighted in the slides to follow.

Health sector
demands

Labour support

Temp. financial
support

Boosting public
investment

Local
purchasing

Destination
marketing

Municipal
finances

Vulnerable
business
support

Communication
and support

Planning Dept.
reforms

Sector planning

General &
Economic Policy

TOURISM ECONOMIC RECOVERY PLAN

ENTERPRISE ILEMBE

- ✓ Tourism Industry Engagement & Support
 - Created platforms to communicate and assist the sector during lockdown to facilitate access to information incl. Covid-19 Funding Relief Schemes, Adjusted Risk Levels allowed activities, process for permit applications.
- ✓ Developed Destination Visitor Guide and eBook for digital marketing
- ✓ Support local tourism establishments with access to marketing platforms –virtual tours
- ✓ Facilitate and promote lockdown specials and packages
- ✓ Develop and promote #seeyousoon destination video (aligned to KZN Believe it Campaign)
- ✓ Promote #supportlocal and #buylocal campaigns
- ✓ Conduct monthly tourism impact assessment surveys to measure impact of Covid-19 on industry
- ✓ Support local municipalities with new tourism product development – KwaShuShu & Ntunjambili, Sibudu Caves, Nonoti Beach Resort, Blythedale Coastal Resort, Club Med Development
- ✓ Develop Investor Prospectus and Incentives Strategy
- ✓ Facilitate implementation of the KZN One Stop Shop with Trade & Investment KZN

TOURISM ECONOMIC RECOVERY PLAN

KWADUKUZA MUNICIPALITY

- ✓ Tourism Businesses Relief (Guest Houses and B&B) – Approved two types of relief, which are as follows:
 - 1\ 50% rates rebates for the period of 12 months (for those who will continue to trade, including those who are providing accommodation to essential services/quarantine facilities).
 - 2\ Reclassification or recategorisation of the establishment to residential. This will allow the guest houses and B&Bs who applied for reclassification scheme to pay residential rates for the period of 12 months.
- ✓ Tourism Business Relief for Restaurants and prepared food outlets) as follows:
 - 1\ 50% rates rebates for the period of 12 months
 - 2\ 100% exemption on business license renewal fees.
- ✓ Informal Traders Support
 - (a) Grant a 50% waiver on the informal traders fee.
 - (b) Provide a once-off support stipend of R1500, to all legal informal traders which will be expected to be spent on buying their business stock and sanitizes/protective clothes (masks) in order for them to trade safely.
- ✓ Property Sector Business Continuity Scheme
 - a) Electronic building plans submissions, town planning applications and queries process online.

TOURISM ECONOMIC RECOVERY PLAN

- ✓ Building plans and town planning received prior lockdown - 103 applications processed during the lockdown. Letters of approval or referral or disapproval issued in the same period.
- ✓ Municipal Planning Tribunal - Three (3) virtual MPT meeting sat to consider 6 development applications.
Record of decisions will be issued before end of this month.
- ✓ Continue to support development of tourism infrastructure
 - KwaDukuza Museum Rebuild
 - Ongoing development & upgrade of beach facilities
- ✓ Develop a strategy to retain flagship events and ensure adaption to the new normal
- ✓ Provide support for the businesses to enlist with the Government Central Supplier Database, in order to qualify for government work.
- ✓ Facilitate and market special tourists' packages for the destination
- ✓ Market tourism Products within the municipality
- ✓ Accelerate Business to Business linkages

TOURISM ECONOMIC RECOVERY PLAN

MANDENI MUNICIPALITY

- ✓ Rates rebates relief of 50% for a period of 12 months to all B&Bs and Guesthouses
- ✓ Maintain Mandeni Municipal Blue Flag Status
- ✓ Prioritize the development of tourism infrastructure development projects (Ngwenya nature reserve, Inyoni craft market, Thukela Wellness Resort)
- ✓ Marketing tourism products including tourism attraction signage
- ✓ Communicate and support the industry

MAPHUMULO MUNICIPALITY

- ✓ Procure and supply masks to SMMES
- ✓ Assist the local tourism and hospitality businesses with branding, advertisement and signage to boost their visibility thus attracting more visitors
- ✓ Development of a comprehensive investment prospectus / marketing for tourism attractions
- ✓ Develop a Arts & Craft Market on R74 and facilitate training and market access for local crafters.
- ✓ Promote area for film industry

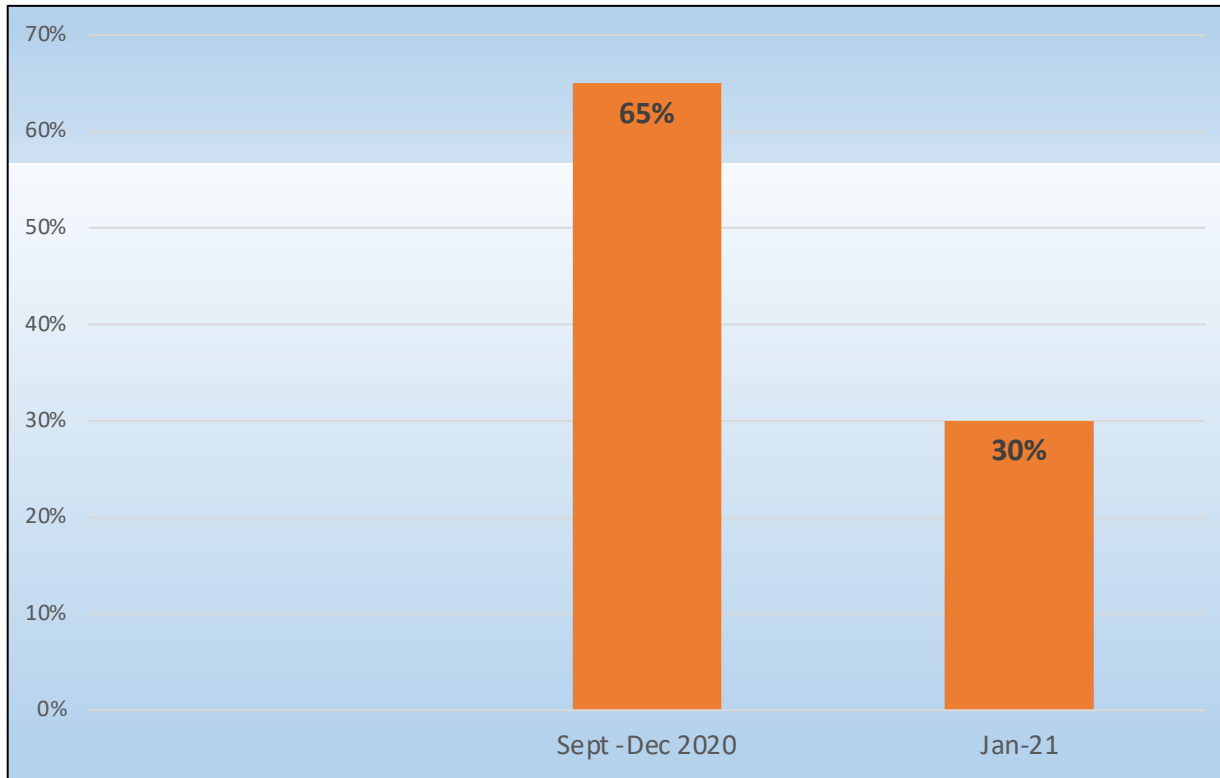
TOURISM ECONOMIC RECOVERY PLAN

NDWEDWE MUNICIPALITY

- ✓ Assisted local businesses with application for tourism relief – constraint is lack of formal registration.
- ✓ Developing database of all tourism establishments
- ✓ Assisting businesses with business license applications
- ✓ Promote local tourism products

LOOKING AHEAD

A survey was conducted to assess the accommodation bookings for the new few months. Most establishments indicated that they have been receiving a lot of enquiries; to date the confirmed bookings are approximately 65%.



CHALLENGES

- ✓ Not all establishments qualified for the Tourism Relief or other Covid-19 Relief funds
- ✓ Challenges with the UIF TERS application processes and delayed payments (some establishments reporting that they still waiting for July payments)
- ✓ Implementation of the Covid-19 Protocols for Operations – some establishments can not afford the cost due to no income generation
- ✓ Whilst the sector is open for tourism – beaches remain closed for swimming and recreational purposes. Establishments report that tourists don't confirm the bookings because the main reason for visiting the destination is for the beaches.
- ✓ Funding for:
 - Increased marketing and promotions of the destination during and post lockdown
 - SMME assistance and support, capacity and skills development
 - New Tourism Product Development
 - Upgrading of tourist attractions and facilities

THANK YOU

Questions

