



*Inspiring new ways*

# TOURISM RECOVERY STRATEGY

MIPTECH Presentation

June 2020

# FOUNDATION STATEMENTS

1. “South Africa is following a Risk-Adjusted Strategy based on levels of lockdown, *not dates*. These levels are defined according to relevant epidemiologic facts and are announced by the President”
2. The priority and objective remains to resume operations as early as it is safe to do so for South Africa and its visitors
3. The recovery plan therefore proposes measures to enable re-opening and position the country to outcompete in the global recovery market.

I



## South African Tourism Hosted Webinars



SAT Webinar 1

**2,181**

participants

**225**

questions

SAT Webinar 2

**2,177**

participants

**155**

questions

SAT Webinar 3

**1,457**

participants

**86**

questions

SAT Webinar 4

**3,800**

participants

**250**

questions

SAT Webinar 5

**4,700**

participants

**174**

questions

SAT Webinar 6

**2,438**

participants

**38**

questions

Tourism  
Update  
Webinar

**450**

participants

Tourism  
Update  
Webinar

**384**

participants

INDUSTRY  
WEBINARS

DESTINATE

**120**

participants

PROPERTY  
ONLY

**400**

participants

VA

**545**

participants

CNN  
AFRICA

**2,400**

participants

CNBC  
AFRICA

**500**

participants

## SURVEYS

Tourism Survival Survey

**1,570** RESPONDENTS

Tourism Industry Survey  
of South Africa: COVID-19

**1,600** RESPONDENTS

SATSA Inbound Survey

**266** RESPONDENTS

SUBMISSIONS

Industry Safety  
and Operational  
Protocols

**1,968**

participants

Consultations  
with Provincial  
Tourism Bodies

**5**

## Private/Public Work Streams



Inbound



Domestic/Outbound



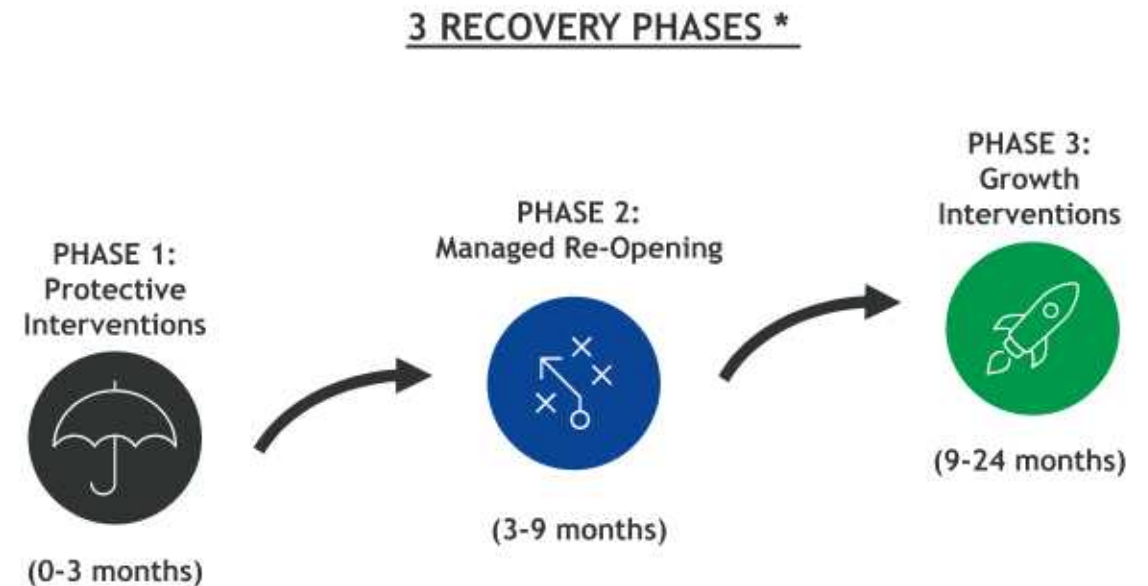
Aviation



Health Protocols

# RECOVERY PRINCIPLES

Three strategic themes are central to recovery: Re-Igniting Demand, Protecting and Rejuvenating Supply and Strengthening Enabling Capability. Execution should occur in three phases; Protective Interventions (0-3 months), Managed Re-Opening (3-9 months) and Growth Interventions (9-24 months).

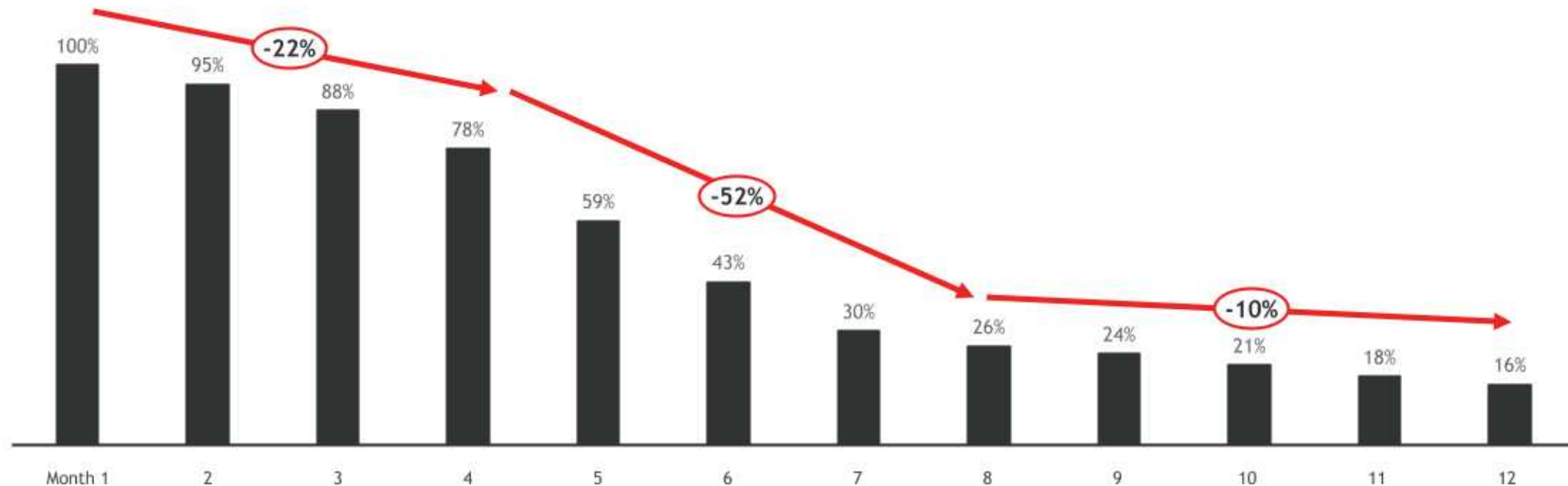


\* Periods are determined by analysis of survey feedback from industry and ongoing assessment of global developments

# SUPPLY INFRASTRUCTURE CRISIS

Prolonged travel restrictions will have a devastating impact on tourism business survival. Businesses need on average 53% of revenue to cover essential fixed costs and many (especially SMMEs) cannot survive beyond three months.

SUPPLY SURVIVAL RATE All Sectors, No Demand Scenario

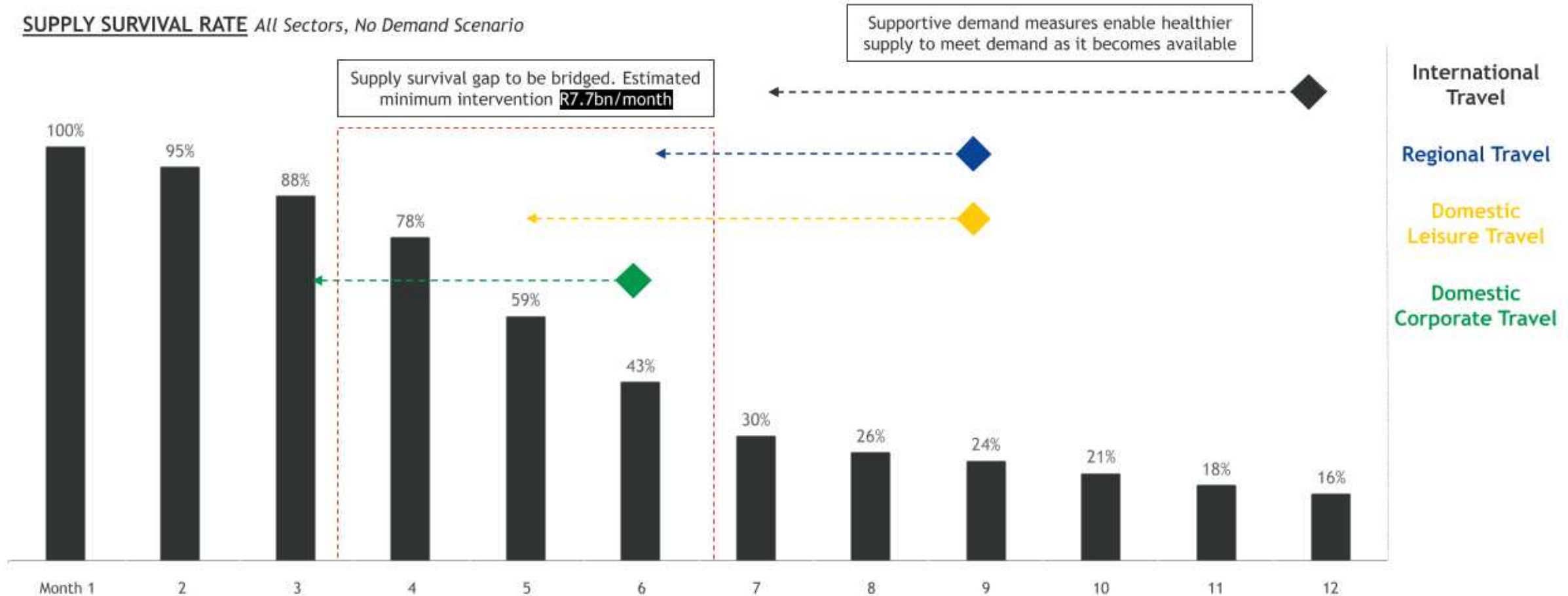


Potential support measures can either be to support the trade to weather the crisis (supply) or by allowing full operations to resume (demand), or a combination of interventions between.

# BALANCING SUPPLY & DEMAND

By enabling earlier re-opening (eg biosecurity protocols), supporting supply (eg support package, air access) and boosting demand (eg domestic and international marketing push) we preserve output and avoid job losses.

SUPPLY SURVIVAL RATE All Sectors, No Demand Scenario

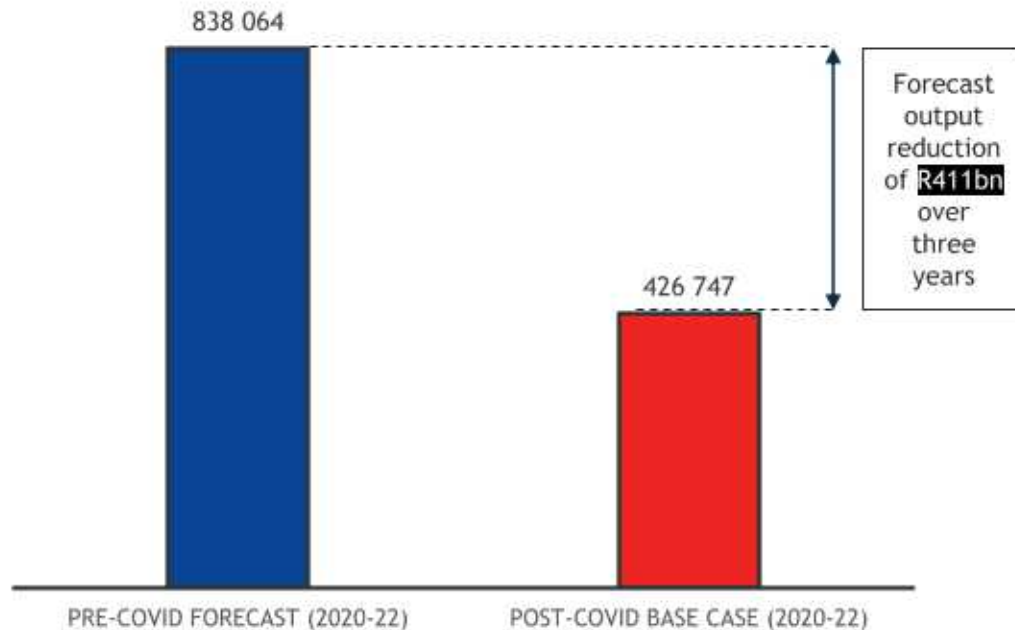




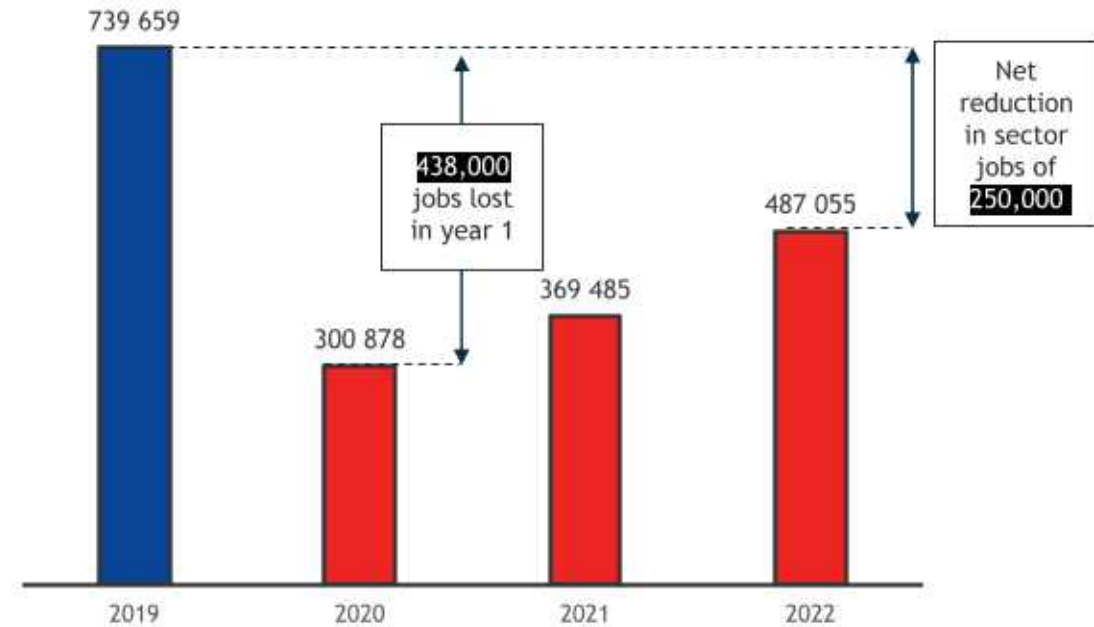
# VALUE & JOBS AT RISK

The forecast loss of output for the sector to the end of 2022 is R411bn. This would include the loss of 438,000 jobs in 2020 alone.

IMPACT ON OUTPUT (2020-22), R millions



IMPACT ON EMPLOYMENT (2020-22)



Without further support, the pandemic crisis risks becoming an infrastructure crisis (supply), while a slow re-entry will constrain our ability to outcompete in a hyper-competitive recovery market (demand).

# RECOMMENDATIONS

We propose 10 measures to support South Africa's tourism recovery - a combination of supply and demand side interventions as well as changes to the enabling environment.

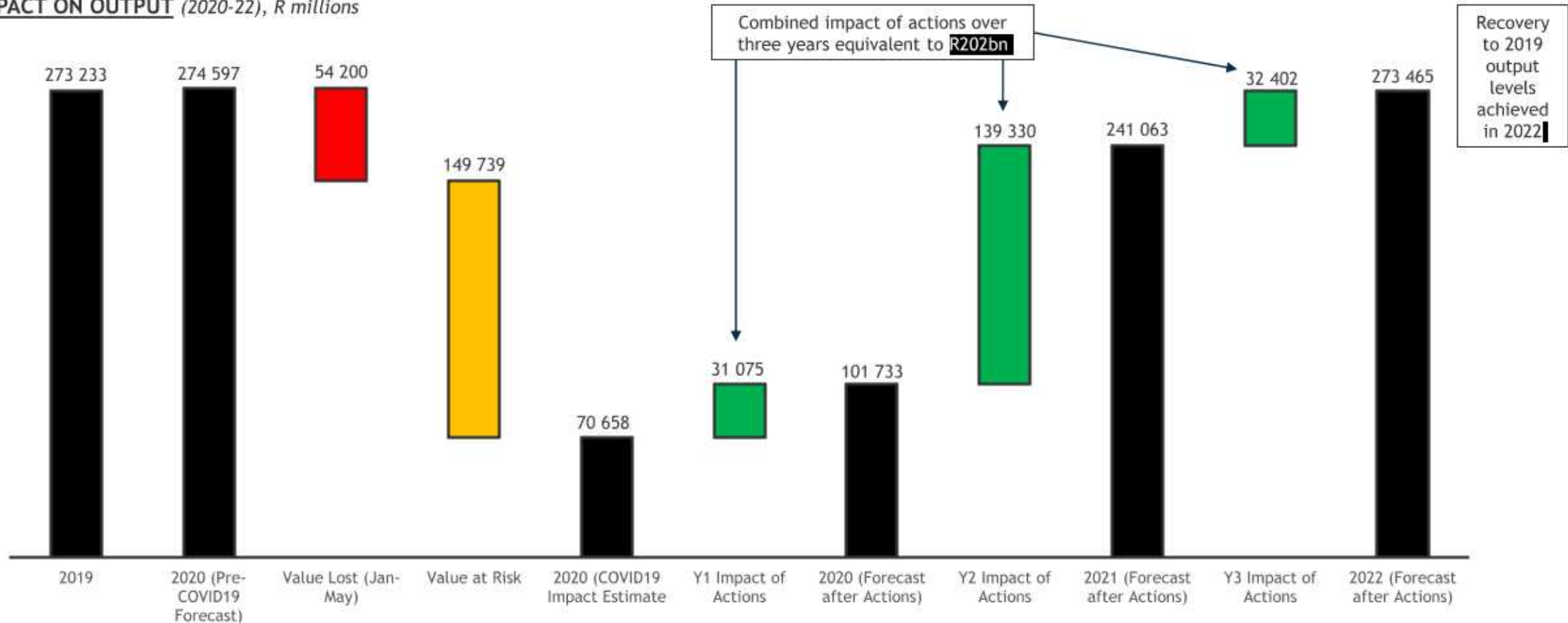
- 1 **INDUSTRY/GOVERNMENT RECOVERY PARTNERSHIP:** Conclude a comprehensive industry/government recovery partnership to collaborate on all aspects of tourism recovery
- 2 **TOURISM SUPPLY SUPPORT PACKAGE:** Deploy an enhanced Tourism Supply Support Package to protect tourism assets and core infrastructure and to support re-opening
- 3 **BIOSECURITY PROTOCOLS:** Implement globally recognised biosecurity protocols across the value chain to enable safe travel and rebuild traveller confidence
- 4 **NATIONAL AIR ACCESS TEAM:** Convene a national air access team and implement an air service development programme to reconnect South Africa to the world
- 5 **REMOVE BARRIERS TO TRAVEL:** Partner with accountable departments to remove barriers to travel and enable freer entry, reduced tourist crime and provide stronger personal safety and security guarantees
- 6 **CATALYSE DOMESTIC DEMAND:** Catalyse domestic demand through the phases of re-opening with informative and inspirational messaging that encourages safe tourism and domestic vacation experiences
- 7 **TARGETED GLOBAL MARKETING PROGRAMME:** Execute a global marketing and travel trade programme, targeted at highest-potential source markets and intrepid travel consumer segments, to reignite international demand
- 8 **INVESTMENT AND MARKET-ENTRY FACILITATION:** Launch an investment and market-entry facilitation programme to stimulate capital investment, sector transformation and product diversification
- 9 **REGIONAL VALUE PROPOSITION:** Prioritise cooperation with neighbouring destinations towards a regional value proposition and a seamless visitor experience
- 10 **TRANSFORM THE INSTITUTIONAL ARCHITECTURE:** Review and transform the tourism institutional architecture to deliver efficient, effective and purpose-led support for sector growth and development



# IMPACT FORECAST

In combination, these interventions can preserve R202bn in output over three years and reduce net job losses to 110,000, returning the sector to 2019 output levels by 2022.

IMPACT ON OUTPUT (2020-22), R millions



**THANK YOU**



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