National Tourism Stakeholder Forum

A private sector perspective on the state of tourism, plans & priorities for 2017/18

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TRAVEL & TOURISM TRADE ASSOCIATIONS AFFILIATED TO TBCSA

Why Travel & Tourism Matters

BENCHMARK

1 Fastest growing economic sectors in the world

JOBS

4.5% of total employment in 2015

VISITOR EXPORTS

ZAR115.0bn (9.1% of total exports) in 2015

INVESTMENT

ZAR63.7bn or 7.8% of total investment in 2015

GDP

ZAR 375.5bn or 9.5% GDP contribution in 2015

Presentation Outline

1. **The State of the Travel and Tourism**
   - Demand and Performance Overview
   - Sector Performance Snippets
   - Macro-economic BIG Issues
2. **Looking Ahead: Key Priorities**
3. **TBCSA Plans for 2017**
   - Member Relations
   - TOMSA Sales and Marketing
   - Policy Analysis
   - Research and Strategic Projects
4. **Concluding Remarks**

State of Travel &Tourism: An overview

Global

2016

Robust, 3.9% growth intl. tourism compared to 2015

2016:

7TH consecutive year of growth since 2009 global economic crisis

2017

Europe is expected to grow at 2% to 3%, the Americas at 4% to 5% and the Middle East at 2% to 5%, given the higher volatility in the region

Africa

2016

+8% rebound in international arrivals in 2016 after 2 troubled years

2016

Sub-Saharan Africa (+11%) led growth, while a gradual recovery started in North Africa (+3%)

2017

Asia, the Pacific and Africa are all expected to grow at a rate of 5% to 6%,

S. Africa

2016 DECEMBER

Overseas tourists (259 724), increased by 10,7% from 234 523 in December 2015.

2016: OCTOBER - DECEMBER

15% decline in number of domestic trips

2016: OCTOBER – DECEMBER

TBI records better than expected business performance but accommodation index declines

State of Travel & Tourism: Sector snippets

Accommodation

- Global performance for Jan 2017 reveal a slight decline in occupancies (-1.6%**) for the Southern Africa region**, but minor improvements in ADR & REVPAR
- Despite the resurgence in arrivals, overall business performance proved unpredictable in 2016 compared to 2015

Transport:

- Globally, air transport ended 2016 on a strong footing despite terrorist attacks, geopolitical tensions and economic uncertainty. Locally, by December 2016, 39.7 million passengers had been facilitated through ACSA's nine airports, **a 5.4% increase from 2015**
- Car rental sector achieved slightly **above normal TBI performance in Q4 2016**, but lower than anticipated

Outbound Travel:

- Past forecasts estimated that outbound tourist volume would post a compound annual growth rate of 5%, driven by "relaxed" visa regulations and an "increase" in spending power. In the current environment, this remains to be seen

State of Travel & Tourism: Sector snippets cont.

Outbound Travel (cont.):

- **Corporate Travel:** sector remains resilient, there is **a level of stagnation in terms of growth** (except for mergers & acquisitions). Some businesses in the sector are beginning to explore expansion opportunities in the leisure travel market

Business Events:

- **Positive outlook for the global exhibitions industry** - The situation is relatively stable in the Middle East and Africa
- SANCB: Bidding fund announced and additional funding confirmed by Tourism Minister
- So far secured 54 bids for 2017 (10 pending as at Q3 2016)

=258 conference days

63194 delegates expected

ZAR820m estimated economic impact

State of Travel & Tourism: Big issues

Policy	Economy	Environment	Transformation	Beneficiation
• Creating a certain and enabling regulatory environment for travel and tourism	• The effect of the shared economy • The trickle down effect of travel & tourism in terms of jobs – where are the jobs	• Maximising sector contribution towards sustainable & responsible tourism practices – especially in terms of energy and water usage	• Is this happening, to what extent and where? • Facilitating a transformed, inclusive economy that creates sustainable employment	• Are local communities deriving any value from Travel and Tourism activities?

State of Travel & Tourism: Big issues cont.

- Education and Skills Development for current and future work in the industry
- Growth and Mentorship of Small and medium tourism enterprises
- Funding for destination marketing initiatives – Domestic and International
- Integrated Transport and Tourism Infrastructure Development
- Tourism Safety and Security

Key Priorities

Safety & Security

Transformation

Destination Marketing

Research

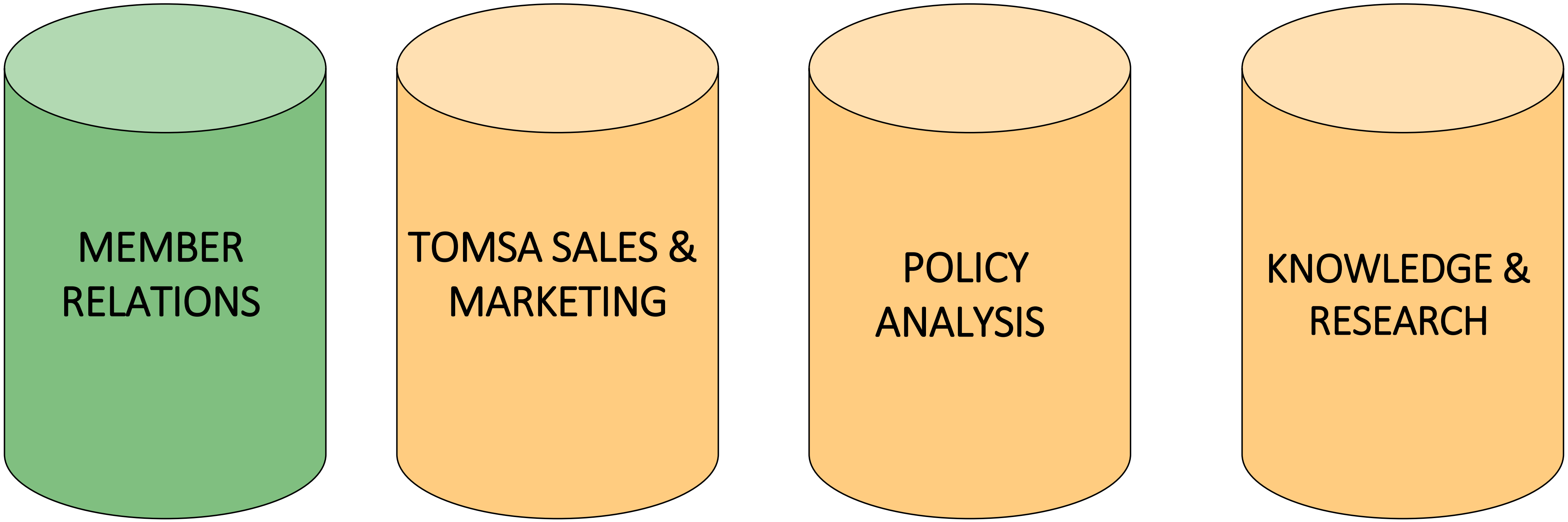
Messaging on economic case for Travel & Tourism

SMME Development & Mentorship

Policy & Legislation

TBCSA Plans for 2017

THE FOLLOWING KEY PILLARS UNDERPIN THE WORK OF THE TBCSA



TBCSA Plans for 2017 cont.

Member Relations

- Membership growth – our focus in 2017 will be working to **update our membership structure and member code of conduct;**
- Transformation - an innovation that will be introduced in the new year is a programme aimed at encouraging **established businesses within our membership-base to mentor and support SMEs;**
- Membership ROI - We will pay special attention to ensure that our members see the return on investment in affiliating to the TBCSA by analysing member needs periodically to ensure that **we reposition and enhance the TBCSA value proposition;**

TBCSA Plans for 2017 cont.

TOMSA Sales & Marketing

- **Leveraging on the publicity generated from the 2016 Finders Keeper's Campaign** will be a key focus for the sales and promotions of TOMSA; explore other avenues to provide benefits to levy contributors including leveraging on the **TOMSA collaborative fund;**
- Our TOMSA Growth and Sales strategy will use platforms presented by the Tourism Grading Council, the FTT client base and OTAs amongst **others to generate new sales prospects and increase our levy contributor base;**
- **Face to face engagement is key, thus we plan to host 3 industry workshops for levy contributors** in the three major cities – Durban, Cape Town and Johannesburg.

TBCSA Plans for 2017 cont.

Policy Analysis

- **Policy Analysis will include the production of position papers based on the ten macro-economic priorities** of the organisation; we will also work to ensure that industry views and input is provided where comment is sought on Government Bills, Policies and Regulations.
- **Lobbying** - With respect to the advocacy function of the organisation, we plan to develop **a lobbying strategy** to enable TBCSA to continue to engage BUSA and Government even more effectively
- **Representation** - We will continue to **represent the travel and tourism voice in key structures such as NEDLAC and BUSA**, sharing the TBCSA (and thereby the industry's) voice on a broad range of issues discussed

TBCSA Plans for 2017 cont.

Research & Strategic Projects

- **Research and Knowledge Management** – with the support of research partners, we plan to commission and publish a number of research reports in the coming year. This will include Trend Reports, a bi-annual TBCSA Journal, and research papers based on the ten priority macro-economic factors
- **Tourism Dashboard Project –** We will continue to collaborate with SA Tourism and the NDT to produce quarterly Tourism Dashboard Reports
- **CSI Industry Project** – We will continue to facilitate the private sector's involvement in the Legacy Project, developing a programme of action which will be piloted in the new financial period.

TBCSA Plans for 2017 cont.

Research and Strategic Projects

- **Tourism Safety Initiative** – Key activities will include:
  - The launch of a TSI Awareness Campaign
  - Hosting of trade workshops
  - Finalise the Crisis Management documents and implementation plan
  - Formalising our partnerships with key internal and external stakeholders (GTA, SABRIC, NDT, SA Tourism, Hotel Forum, SAPS)
  - Production and publication of TSI-related data and other products
- **Tourism Business Index** – The focus will be on upgrading the TBI report, including the incorporation of sub-sectors.
- **TBCSA Career Guidance** – This project should be seen within the broader scope of addressing skills development and human resources development challenges within the sector. We will continue to work with other stakeholders including CATHSSETA and NDT to develop and implement a relevant programme.
- Other key industry projects which will develop project implementation plans for include **Responsible Tourism** and **Service Excellence**

Concluding Remarks

- We trust this presentation provides a high-level overview of the state of the sector, the BIG ISSUES for the private sector and insight into WHAT are we as the TBCSA Secretariat going to do – what is our plan of action?
- Given various dynamics in the current operating environment, TBCSA recognises that many of the BIG issues faced by the sector are often complex and may not be easily resolved overnight
- We applaud the ongoing effort of the NTSF to foster a positive spirit of working together and collectively planning for the future growth and sustainability of travel and tourism

THANK YOU

A presentation by Tourism Business Council of South Africa

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