



**nelson mandela bay**  
**T O U R I S M**  
PORT ELIZABETH | UITENHAGE | DESPATCH

# **Nelson Mandela Bay Tourism**

## **2011 Annual**

### **Tourism Research Report**

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# NMBT Tourism Research Fact Sheet 2011

## Foreign Tourism

	2009	2010	2011	Difference	Increase
Total Foreign Tourist Arrivals	7 011 865	8 073 552	8 339 354	265 802	3.29%
Total Overseas Tourists	1 885 977	2 216 994	2 176 729	-40 265	-1.82%
EC Share of Arrivals	315 094	354 957	307 658	-47 299	-13.33%
NMB Share of Arrivals	239 028	282 922	236 422	-46 500	-16.44%
Foreign Bednights SA	55 802 589	66 852 503	66 153 429	-699 074	-1.05%
<i>Land markets</i>	24 890 556	30 151 762	28 583 660	-1 568 102	-5.20%
<i>Air markets</i>	30 912 033	36 700 741	37 569 769	869 028	2.37%
Foreign Bednights EC	2 684 244	3 371 051	3 304 452	-66 599	-1.98%
Foreign Bednights NMB	N/A	547 964	504 499	-43 465	-7.93%
Average spend per foreign tourist	R 8 900	R 9 300	R 8 900	-R 400	-4.30%
Land markets	R 7 300	R 8 300	R 8 100	-R 200	-2.41%
Air markets	R 13 000	R 11 800	R 11 100	-R 700	-5.93%
Average spend per day	R 1 060	R 1 080	R 1 080	R 0	0.00%
Land markets	R 1 400	R 1 560	R 1 640	R 80	5.13%
Air markets	R 780	R 690	R 630	-R 60	-8.70%
Tourism contribution to GDP Rand	R67,9bn	R74,8bn	n/a		
Tourism contribution to GDP %	2.80%	3.10%	n/a		
Tourism contribution to NMB GDP	N/A	R 4 162 454 097	R 4 085 878 422	-R 76 575 675	-1.84%
Foreign	N/A	R 591 801 165	R 544 858 955	-R 46 942 209	-7.93%
Domestic	N/A	R 3 570 652 932	R 3 541 019 467	-R 29 633 465	-0.83%
Direct employment in tourism	N/A	N/A	N/A		
Number of people employed SA	538 394	567 378	n/a		
Share of total employment	4.1%	4.3%	n/a		
Average Length of Stay	8.0 nights	8.3 nights	7.9 nights	-0.4	-4.82%
Land markets	5.1 nights	5.3 nights	4.9 nights	-0.4	-7.55%
Air markets	16.6 nights	16.9 nights	17.6 nights	0.7	4.14%

Direct employment in tourism resulting from domestic tourism is not included in SAT tourism reports. However, according to surveys undertaken by Statistics South Africa, about 4.0% of total employment can be apportioned to direct employment in the tourism sector.

## Domestic Tourism

	2009	2010	2011	Difference	Increase %
Domestic Trips in SA in Millions	30.3	29.7	26.4	-3.3	-11.11%
Domestic Travellers in Millions	14.6	13.5	13.9	0.4	2.96%
Total Direct Domestic Spend	R22,4bn	R21,1bn	R20,3bn	-0.8	-3.79%
Trips to EC %	19%	13%	11%	-2%	-2.00%
Trips to EC	5.757	3.861	2.904	-0.957	-24.79%
Inter %	22%	42%	48%	6%	6.00%
Intra %	78%	58%	52%	-6%	-6.00%
Inter Trips in Millions	1.27	1.62	1.39	-0.23	-14.04%
Intra Trips in Millions	4.49	2.24	1.51	-0.73	-32.57%
Day Trips in SA in Millions	214.6	222.7	274.5	51.8	23.26%
Day Travellers SA in Millions	11.5	12.2	12.3	0.1	0.82%
Day Trips EC %	13.3%	12.3%	7.6%	-4.7%	-4.73%
Day Trips EC in Millions	28.6	27.5	20.9	-6.6	-24.00%
Avg Spend per Trip	R 730	R 710	R 780	R 70	9.86%
Avg Spend Per Day	R 170	R 160	R 170	R 10	6.25%
Income Generated Trips EC in Millions	R 4 202.61	R 2 741.31	R 2 265.12	-R 476	-17.37%
Avg Revenue per Day Trip	R 287	R 342	R 411	R 70	20.38%
Income Generated Day Trips EC in Millions	R 8 200	R 9 400	R 8 600	-R 800	-8.51%
Domestic Bednights SA	128.4m	130.8m	115.2m	-15.6	-13.54%
Domestic Bednights EC	25.7m	22.3m			
Domestic Bednights NMB (Sold)	N/A	2 248 829	2 249 225	396	0.02%
Domestic Bednights NMB (VFR)	N/A	4 541 750	5 086 400	544 650	11.99%
Domestic Bednights NMB	N/A	6 790 579	7 335 625	545 046	8.03%
Average Nights per Domestic Trip	4.2	4.4	4.4	0.0	0.00%
Domestic visitors to NMB	N/A	7 318 313	6 056 187	-126 2126	-17.25%
Staying in Formal Accommodation	N/A	511 097	511 187	90	0.02%
VFR Visitors	N/A	1 032 216	1 156 000	123 784	11.99%
Day Visitors to NMB	N/A	5 775 000	4 389 000	-1 386 000	-24.00%
Day Visitors to NMB spend	N/A	R 1 974 000 000	R 1 806 000 000	-R 168 000 000	-8.51%

# NMBT Tourism Research Report 2011

## 1. Introduction

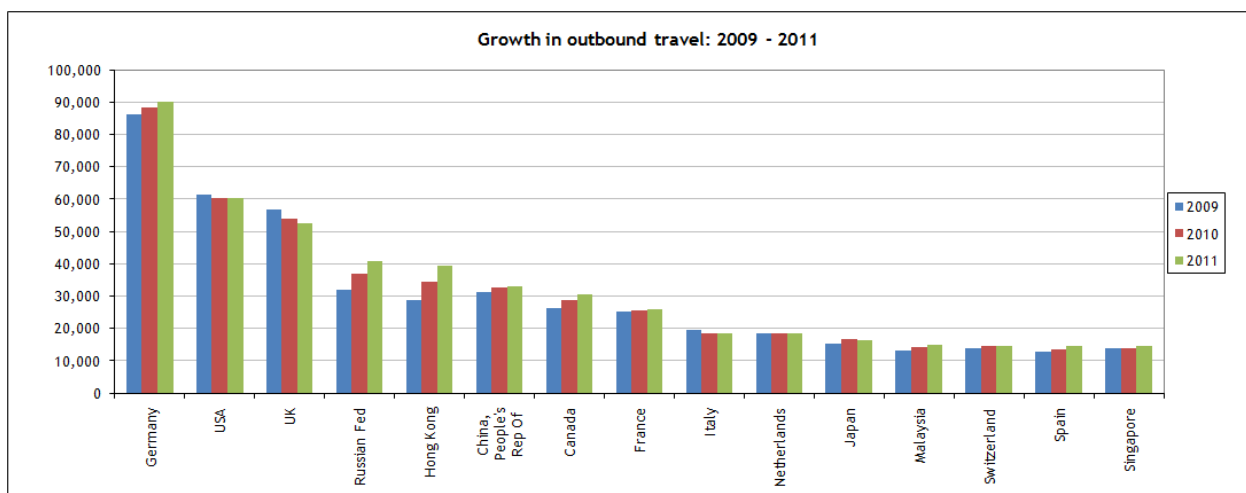
Prior to 2010, SA Tourism could only report on foreign visitor arrivals as there was no way of separating out day visitors from the overall arrivals. In 2009, Statistics SA for the first time was able to make the distinction between tourists and day visitors and started a data series for tourist arrivals that was aligned to the globally accepted definition of a tourist. As a result of this change, the weighting methodology has been revised and the results in this report are now not comparable to reports prior to 2009. The 2010 Annual Report represents the beginning of a new series of Annual Reports and is identified by its green tables on the front page. This aim of this report is to put Nelson Mandela Bay into perspective when reviewing the tourism performance of South Africa and the Eastern Cape Province. In this regard it must be pointed out that in South Africa no local data is captured for cities and towns. It is left to cities and towns to capture their own data and develop a methodology and system for measuring their own tourism performance.

## 2. Global Tourism

Worldwide, international tourist arrivals grew by 4.4% in 2011 to reach 980 million. The growth was mainly driven by advanced markets, where arrivals grew by 5.0% while emerging markets grew by 3.8%. France remained the top international destination with an impressive 79 million visitors in 2011, a growth of 2.8% from 2010. USA, Spain, China and Italy also retained their positions as the top 5 destinations. Indonesia showed impressive growth from 37<sup>th</sup> position to 34<sup>th</sup> position, growing by 10.9% over 2010. Thailand and Greece also showed good growth of 14.0% and 13.7% respectively.

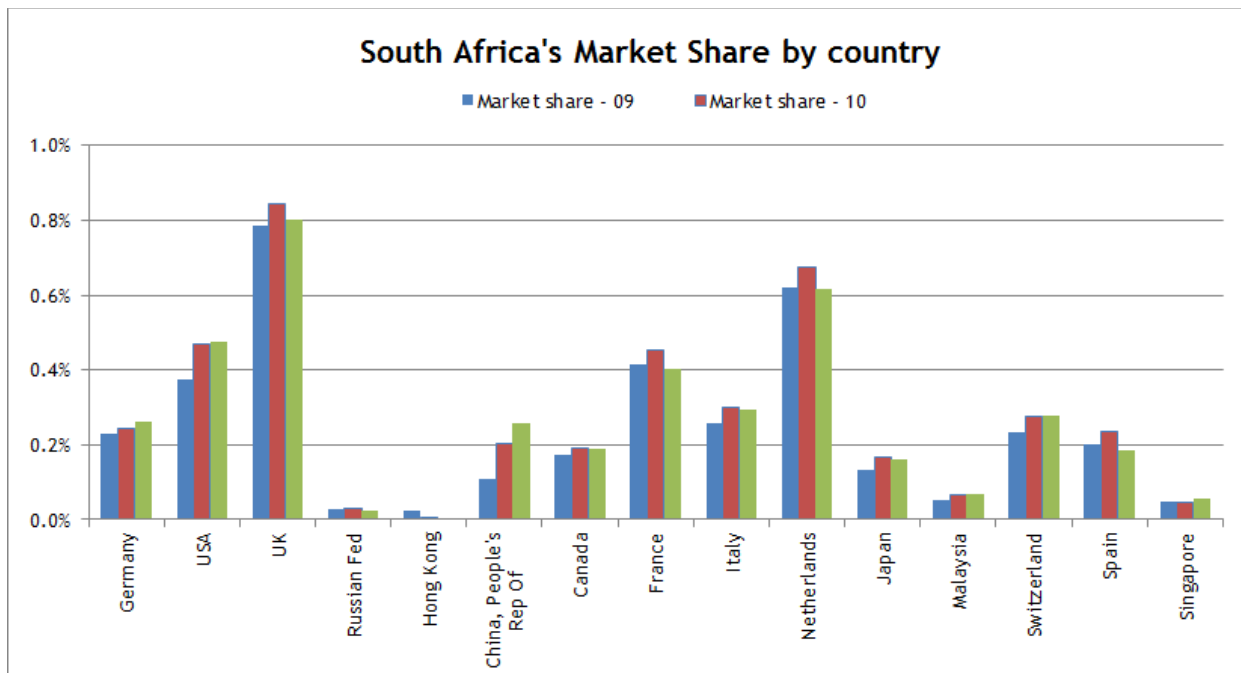
## 3. Outbound Travel from Key Markets

Over the past three years Germany, the USA and UK remained the three largest outbound travel markets in the world. Outbound travel from all markets improved from 2010 with the exception of the UK which declined by -2.6%. Outbound travel from Europe is expected to decline as the continent still suffers the effects of the economic crisis while the Air Passenger Duty put increased pressure on consumers. Outbound travel has recovered faster than expected in other countries behind the global financial crisis and economic recession. This is attributed to a strong rebound in business and leisure travel from emerging markets.



(Source: Euromonitor 2011)

South Africa gained market share in the USA, France and Netherlands, a trend that started in 2009.



(Source: Euromonitor International 2010)

#### 4. Foreign Arrivals to South Africa

Foreign tourist arrivals to South Africa grew by 3.3% over 2010, an additional 265,802 tourist arrivals. Despite the growth in tourist arrivals, revenue generated from foreign tourism decreased by -2.2% (-R1.6 billion) during the same period.

#### 5. Tourism Business Index Q4

For the last quarter of 2011, the TBI registered a performance index of 87.3 against a normal of 100. When compared to the expected industry performance index of 80.7 for the fourth quarter, the industry performed better than expected, and much better than in quarter 3 (an increase of 17.3 index points from 70.0 at the end of quarter 3 to 87.3 at the end of quarter 4). It is encouraging that the TBI recorded a higher actual performance than expected during the last quarter of 2011, as the TBI has been in a steady decline since the start of 2011.

At the end of the 4<sup>th</sup> quarter of 2010, the Tourism Industry had performed exactly as expected; however, for the first three quarters of 2011, the Tourism Industry performed well below expectations. For the first time since the pilot phase, we see the Tourism Industry performing above the Industry's expectations.

The 4<sup>th</sup> quarter's actual performance index (87.3) is also the highest actual index achieved during 2011. The future expected performance is still a more modest index of 82.2 for the first quarter of 2012. This indicates that businesses remain cautious on whether the improvement will be sustained. This may be due to the strength of domestic leisure business and a major event (Cop 17) in the last quarter of 2011, which are not expected to manifest in the first quarter 2012, especially as Easter is in the 2<sup>nd</sup> quarter of the year.



The accommodation sector performance index for the fourth quarter of 2011 was 98.9 compared to the expected performance index of 84.9 for this quarter. The result indicates that overall accommodation businesses have had a much better than expected quarter, and very nearly returned to normal operating levels. The accommodation sector performance was also significantly better than the third quarter of 2011 (an increase of 31.2 index points from an index of 67.7 in the third quarter to an index of 98.9 in fourth quarter). The accommodation sector has indicated a slightly improved outlook for the first quarter of 2012 of 85.8. However when compared to the actual performance index (98.9) achieved by this sector during the last quarter, the sector is certainly indicating that they do not expect a repeat of the almost normal performance levels of late 2011 in early 2012.

The fourth quarter's higher accommodation sector performance index is largely influenced by the independent hotels and self catering and camping establishments which, during the last quarter of 2011, recorded better than normal performance levels. The index was also assisted by the hotel groups, the independent lodges, B&Bs and guest houses, the timeshare establishments and backpacker operators, which all recorded normal or very close to normal performance levels. In contrast to the last two quarters, the other tourism businesses indicated a lower performance level than the accommodation sector. During the fourth quarter of 2011 the other tourism businesses recorded an actual performance index of 78.3. However, this sector of the Tourism Industry performed close to their expectations during the last quarter of 2011, with an expected index of 77.4 compared to an actual performance index of a slightly higher 78.3.

This other sector of the Tourism Industry recorded a more conservative outlook regarding the expected performance levels for the first quarter of 2012. They report an expected performance index of 79.4 for the first quarter of 2012, a prediction which is slightly higher than the last quarter's performance index (in contrast to the accommodation sector which expects a poorer 1<sup>st</sup> quarter 2012 compared to last quarter 2011). This expected performance index still implies some improvement in the next quarter over last quarter performance levels. However, noticeably other tourism businesses also expect to perform worse than the accommodation sector (85.8 compared to 79.4). The future performance expectations among both sectors are still well below normal levels.

The fourth quarters actual past performance index within this sector of the Tourism Industry, was influenced by the conference and event organizers as well as the vehicle rental companies which recorded higher than normal levels of performance, while activities and attractions, tour operators, airlines and coach operators recorded worse than normal performance levels.

#### Tourism Business Index Summary

Year	Quarter	Overall		Accommodation		Other	
		Actual	Forecast	Actual	Forecast	Actual	Forecast
2011	1 <sup>st</sup> Quarter	79.6	89.1	85.3	85.5	75.1	91.9
	2 <sup>nd</sup> Quarter	74.5	94.1	67.8	94.0	79.6	94.1
	3 <sup>rd</sup> Quarter	70.0	81.0	67.7	73.9	71.8	86.4
	4 <sup>th</sup> Quarter	87.3	80.7	98.8	84.9	78.3	77.4
2012	1 <sup>st</sup> Quarter		82.2		85.8		79.4

## 6. Overview of Tourism in South Africa 2009 – 2011

Table 1: Analysis of SA Annual Tourism Reports 2009 – 2011

	2009	2010	2011
Total Foreign Tourist Arrivals	7,011,865	8,073,552	8,339,354
Total Overseas Tourists	1,885,977	2,216,994	2,176,729
TFDS (excl capital expenditure)	R59,2bn	R72,6bn	R71,0bn
• Land markets	R35,1bn	R47,1bn	R47,2bn
• Air markets	R24,1bn	R25,5bn	R23,8bn
Average spend per foreign tourist	R 8,900	R 9,300	R 8,900
• Land markets	R 7,300	R 8,300	R 8,100
• Air markets	R13,000	R11,800	R11,100
Average spend per day	R1,060	R1,080	R1,080
• Land markets	R1,400	R1,560	R1,640
• Air markets	R 780	R 690	R 630
Tourism contribution to GDP Rand	R67,9bn	R74,8bn	n/a
Tourism contribution to GDP %	2.8%	3.1%	n/a
Direct employment in tourism			
• Number of people	538,394	567,378	n/a
• Share of total employment	4.1%	4.3%	n/a
Average Length of Stay	8.3 nights	8.5 nights	8.3 nights
• Land markets	5.1 nights	5.3 nights	4.9 nights
• Air markets	16.6 nights	16.9 nights	17.6 nights
Total bed nights spent in SA	55,8m	66,9m	66,2m
• Land markets	24,9m	30,2m	28,6m
• Air markets	30,9m	36,7m	37,6m
Average number of provinces visited	1.3	1.3	1.2
• Land markets	1.1	1.1	1.1
• Air markets	1.7	1.7	1.6
Number of domestic tourism trips	30.3m	29.7m	26.4m
Number of domestic tourists	14.6m	13.5m	13.9m
Total Direct Domestic Spend	R22,4bn	R21,1bn	R20,3bn
Average Spend per Domestic Trip	R730	R710	R780
Average Nights per Domestic Trip	4.2 nights	4.4 nights	4.4 nights
Total Annual Domestic Bed Nights	128.4m	130.8m	115.2m

(Source: Compiled from SA Annual Tourism Reports)

The original figures included in the 2009 SA Annual Tourism Report have been adjusted to incorporate the new methodology. The columns in the above overview are therefore comparable.

## 7. Foreign Tourism Bed Nights spent in South Africa

Bed nights spent in South Africa by foreign tourists are divided into land markets and air markets. Land markets are those countries where at least 60% of arrivals from the country arrive by land (foreign countries within Africa). Air markets are those countries where at least 60% of arrivals from the country arrive by air (mainly overseas markets).

**Table 2: Purpose of visit by all foreign tourists**

	Leisure	Business	Medical	Religion	Other
<b>2009</b>	59.6%	29.6%	5.0%	0.6%	5.1%
<b>2010</b>	57.1%	30.8%	4.7%	0.3%	7.1%
<b>2011</b>	57.9%	30.1%	4.5%	0.5%	7.0%

(Source: SA Annual Tourism Reports)

Leisure tourism accounts for nearly 58.0% of South Africa's foreign arrivals. The above table clearly indicates that the leisure tourism market is extremely vulnerable to the impact of the global recession. Globally, long-haul foreign tourists are traveling closer to home and in some cases opting not to travel overseas. A survey conducted in the UK indicated that 40% of British tourists decided not to travel away from home in 2011.

NMBT has started conducting surveys at the various VIC's and is investigating the purpose of visit by all visitors in order to identify if NMB's market share is different. Data captured until June 2012 suggest 76.3% of foreign visitors to NMB is for leisure purposes. The sample points would have to be extended in order to get a more accurate result as Business tourists is less likely to visit a VIC than for example a Leisure tourist.

**Table 3: Foreign Tourists Bed Nights spent in SA, Eastern Cape and NMB**

	2009	2010	2011	2011 vs 2010	% Change
<b>Bednights in SA</b>	55 802 589	66 852 503	66 153 429	-699 074	-1.0%
<i>Land Markets</i>	24 890 556	30 151 762	28 583 660	-1 568 102	-5.2%
<i>Air Markets</i>	30 912 033	36 700 741	37 569 769	869 028	2.4%
<b>Foreign Bednights in EC</b>	2 684 244	3 371 051	3 304 452	-66 599	-2.0%
<b>Foreign Bednights in NMB</b>	N/A	547 964	504 499	-43 465	-7.93%

In 2011 the Eastern Cape received 5% of the foreign bednights spent in South Africa. Nelson Mandela Bay received 15.27% of the provincial share of foreign bednights totaling 804 256 foreign bednights. This was down 7.93% from the 2010 number of bednights sold and is mainly due to the 2010 FIFA World Cup. The Nelson Mandela Bay share of the provincial foreign tourism market is based on previous SA tourism surveys which unfortunately have been discontinued.

**Table 4: Provincial Distribution – All Foreign Tourist Arrivals**

	2009	%	2010	%	2011	%
Gauteng	3,313,344	37%	3,991,656	39%	3,861,941	38%
Western Cape	1,316,795	15%	1,504,698	15%	1,391,228	14%
Mpumalanga	1,035,328	12%	1,135,697	11%	1,316,869	13%
Limpopo	893,714	10%	1,046,647	10%	1,009,562	10%
KwaZulu-Natal	861,484	10%	956,550	9%	908,277	9%
Free State	573,494	6%	589,708	6%	684,686	7%
North West	444,501	5%	531,869	5%	500,350	5%
Eastern Cape	315,094	4%	354,957	4%	307,658	3%
Northern Cape	99,810	1%	96,329	1%	102,718	1%
<b>TOTAL</b>	<b>8,853,564</b>	<b>100%</b>	<b>10,208,111</b>	<b>100%</b>	<b>10,083,289</b>	<b>100%</b>

(Source: SA Annual Tourism Reports)

The Eastern Cape is ranked 8<sup>th</sup> out of 9 provinces in South Africa according to the number of foreign arrivals. However, when the bed nights spent in the province are taken into consideration then the Eastern Cape moves up into 7<sup>th</sup> place (refer to Table 5). In 2011 the Eastern Cape dropped from 5<sup>th</sup> to 7<sup>th</sup> place in the rankings. Port Elizabeth received about 80% of foreign visitors to the Eastern Cape according to the SA Tourism Data Cut.

	2009	2010	2011	2011 VS 2010	% Change
<b>Foreign Visitors to NMB</b>	239 028	282 922	236 422	-46 500	-16.44%

Nelson Mandela Bay received 236 422 foreign visitors in 2011 down 16.44%. However in 2010 there were 48 304 foreign visitors that specifically visited NMB for the FIFA World Cup. If these visitors are removed from the overall 2010 figure then NMB had an **increase of 0.77%** (1 804 visitors) when comparing 2010 with 2011.

**Table 5: Total Foreign Tourism Bed Nights spent in SA – Provincial Distribution**

Rank	Province	Bed Nights 2009	Bed Nights 2010	Bed Nights 2011
1.	Gauteng	20,355,631	24,800,436	25,658,189
2.	Western Cape	15,680,688	19,971,821	16,961,520
3.	KwaZulu Natal	5,840,370	6,297,103	6,631,958
4.	Mpumalanga	3,702,292	4,010,610	4,417,748
5.	Limpopo	2,994,981	3,224,761	3,454,139
6.	Free State	2,651,085	2,963,599	3,445,399
7.	Eastern Cape	2,808,346	3,371,051	3,304,452
8.	North West	1,365,628	1,685,022	1,735,841
9.	Northern Cape	527,669	528,101	544,184
	<b>TOTAL</b>	<b>55,926,691</b>	<b>66,852,503</b>	<b>66,153,430</b>

(Source: SA Annual Tourism Reports)

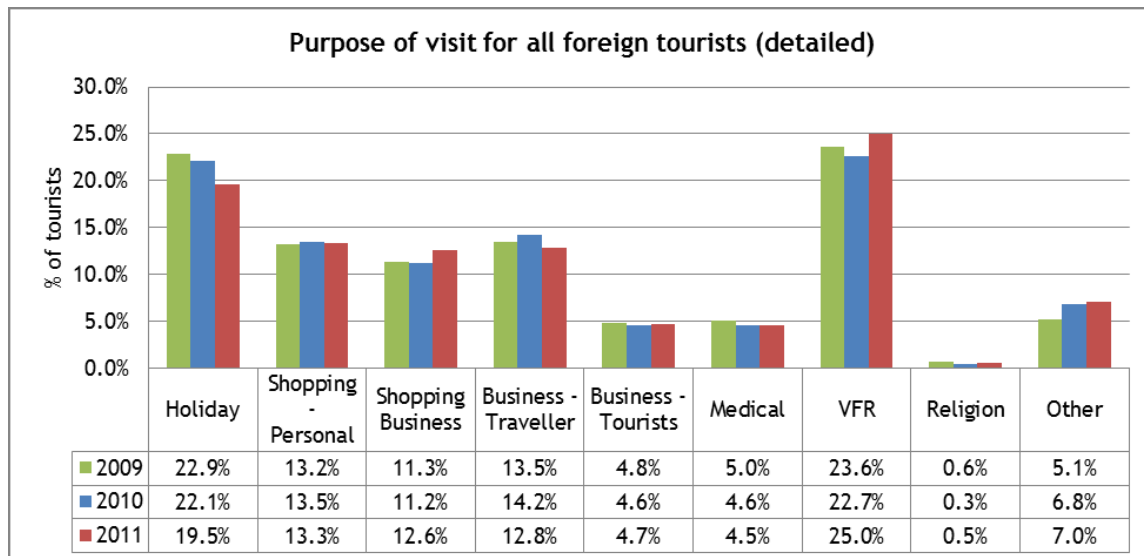
The Eastern Cape's share of total bed nights spent in South Africa was 5.0% in 2011. Gauteng and Western Cape account for over 64% of the total bed nights spent in South Africa.

**Table 6: Foreign Tourism Bed Nights spent in the Eastern Cape Province by Quarter**

Quarter	Q1	Q2	Q3	Q4	Total	Distribution %
2009	874,950	606,925	630,319	696,152	2,808,346	4.3%
2010	737,251	758,487	826,003	1,049,310	3,371,051	5.1%
2011	957,685	836,782	739,796	770,189	3,304,452	3.7%

(Source: SA Tourism Index Quarterly Reports)

**Table 7: Purpose of visit for all foreign tourists**



(Source: Compiled from SA Annual Tourism Reports)

Note: n/a means that this information was not included in the 2011 SA Annual Tourism Report.

**Table 8: Total Foreign Direct Spend (excluding capital expenditure) per Province**

Province	2009	2010	2011	Increase
Gauteng	R21,6bn	R26,9bn	R27,5bn	0,6bn
Western Cape	R16,6bn	R21,7bn	R18,2bn	-3,5bn
KZN	R 6,2bn	R 6,8bn	R 7,1bn	0,3bn
Mpumalanga	R 3,9bn	R 4,4bn	R 4,7bn	0,3bn
Limpopo	R 3,2bn	R 3,5bn	R 3,7bn	0,2bn
Free State	R 2,8bn	R 3,2bn	R 3,7bn	0,5bn
Eastern Cape	R 2,9bn	R 3,7bn	R 3,5bn	-0,2bn
North West	R 1,4bn	R 1,8bn	R 1,9bn	0,1bn
Northern Cape	R 0,6bn	R 0,6bn	R 0,6bn	0,0bn
<b>TOTAL</b>	<b>R59,2bn</b>	<b>R72,6bn</b>	<b>R70,9bn</b>	<b>-1,7bn</b>

(Source: Compiled from SA Annual Tourism Reports 2009 – 2011)

For the Foreign Tourism Direct Spend in Nelson Mandela Bay, Refer to page 30.

**Table 9: Total Foreign Direct Spend (TFDS) in SA by Category 2009 – 2011**

	2009	%	2010	%	2011	%
Accommodation	R 7,8bn	11.6%	R 9,0bn	14.0%	R 8,2bn	12.0%
Local Transport	R 4,7bn	7.0%	R 5,5bn	8.6%	R 5,3bn	8.0%
Food & Drinks	R 7,5bn	11.2%	R 8,7bn	13.5%	R 8,6bn	12.0%
Leisure & Entertainment	R 4,2bn	6.3%	R 4,5bn	7.0%	R 3,7bn	5.0%
Medical	R 1,8bn	2.7%	R 1,9bn	3.0%	R 1,7bn	2.0%
Shopping Personal	R20,9bn	31.2%	R17,5bn	27.2%	R19,7bn	28.0%
Shopping Resell	R16,7bn	24.9%	R12,1bn	18.8%	R18,5bn	26.0%
Other	R 3,4bn	5.1%	R 5,1bn	7.9%	R 5,1bn	7.0%
<b>TOTAL</b>	<b>R67,0bn</b>	<b>100.0%</b>	<b>R64,3bn</b>	<b>100.0%</b>	<b>R70,8bn</b>	<b>100.0%</b>

(Source: Compiled from SA Annual Tourism Reports)

The figures above relate to all foreign tourists arriving in South Africa. Generally, the daily spend of overseas tourists is much higher than for foreign tourists arriving from within Africa. Africa air markets include much higher levels of expenditure related to shopping and medical expenses. Shopping includes expenditure for personal use (leisure travel) and goods for resale (business travel).

**Table 10: Total Cost per trip for foreign tourists 2009 – 2011 Excluding CAPEX**

	2009	2010	2011
Total cost of trip including airfare	R16,000	R17,600	R16,800
Total prepaid expenses	R 6,400	R 7,300	R 6,900
Total expenditure in SA	R 8,900	R 9,300	R 8,900
Total cost	R31,300	R34,200	R32,600

The total trip cost per foreign tourist fluctuates according to the different exchange rates mainly driven by increasing or decreasing prepaid costs. This is attributed to the increasing or decreasing price of air tickets as oil prices fluctuate.

**Table 11: Activities Undertaken by Foreign Tourists in South Africa 2009 – 2011**

Activities	2009	2010	2011
Shopping	97%	96%	96%
Nightlife	84%	82%	83%
Social	39%	37%	37%
Visiting natural attractions	23%	22%	20%
Cultural, historical & heritage	19%	18%	20%
Beach	15%	15%	14%
Wildlife	16%	15%	14%
Business	23%	22%	20%
Theme Parks	11%	11%	11%
Visited a Casino	6%	6%	5%

(Source: Compiled from SA Annual Tourism Reports)

The figures do not add up to 100% because tourists participate in more than one activity. Furthermore, shopping, nightlife and social activities are activities that occur naturally in every country and tend to skew the results when calculated on a percentage basis.

**Table 12: Main Interests of Foreign Tourists in NMB**

According to surveys conducted by NMBT, visitors to NMB were asked what their main interests are. The table below shows the results for data collected December 2011 until June 2012:

Interests	Respondents	Percentage
Adventure & Sports	42	12.5%
Arts/Culture/Museums	45	13.4%
Business & Conferencing	4	1.2%
Entertainment & Shopping	18	5.4%
Festival & Events	8	2.4%
Historical	39	11.6%
Nat Park/Wildlife	94	28.0%
Scenic Beauty/Beaches	71	21.1%
Friends & Relatives	12	3.6%
Other	3	0.9%

*(Source: Compiled from NMBT VIC Surveys)*

Table 7: on page 12 represents a sample of the total bed nights spent in South Africa by accommodation type. Visiting friends and relatives account for 52% of the foreign tourist bed nights spent in South Africa followed by hotels with 19% of the foreign tourist bed nights. For some reason the corresponding information was not included in the 2011 SA Annual Tourism Report.

However, tourists can be counted more than once e.g. a foreign tourist staying with friends and relatives in South Africa (unpaid accommodation) could also visit a nearby national park and stay overnight (paid accommodation), attend a three-day conference in another city or town (business tourism), and also conduct business in another city or town (business travel).

This is why the yardstick for measuring tourism growth is bed night sales rather than headcounts. However, foreign arrivals can be counted individually because each arrival has to complete a form on arrival and departure for the Department of Internal Affairs.

There was an increase of 4.3 million bed nights in 2010 compared to 2009. It is assumed that the 2010 FIFA World Cup was the main driver of this increase.

## 8. National Tourist Accommodation Statistics 2011

Table 13: National Tourist Accommodation Statistics by Accommodation Type Q1

Accommodation Type	January 2011	February 2011	March 2011
<b><u>Hotels</u></b>			
Average Occupancy	41.9%	51.2%	52.4%
Average Income Accommodation Sales	R 537.60	R 615.80	R 665.00
Average Income from Restaurant & Bar Sales	R 218.80	R 256.10	R 295.00
Other Income	R 270.30	R 259.70	R 291.80
Total Income	R1,026.70	R1,131.60	R1,251.80
<b><u>Caravan Parks &amp; Camping Sites</u></b>			
Average Occupancy	12.1%	12.1%	17.6%
Average Income Per Stay Unit Sold	R 192.90	R 108.60	R 192.40
<b><u>Guest-houses &amp; Guest-farms</u></b>			
Average Occupancy	49.50%	48.1%	45.8%
Average Income Per Stay Unit Sold	R 498.90	R 501.70	R 467.90
<b><u>Other Accommodation</u></b>			
Average Occupancy	42.40%	45.20%	45.8%
Average Income Accommodation Sales	R 272.20	R 240.90	R 290.30
Average Income from Restaurant & Bar Sales	R 46.60	R 55.70	R 55.40
Other Income	R 34.00	R 27.60	R 32.30
Total Income	R 352.80	R 324.20	R 378.00

*(Source: Compiled from Statistics SA Tourist Accommodation Monthly Release)*

The results presented in the Stats SA statistical releases are derived from the monthly survey of the tourist accommodation industry. The survey is based on a sample of approximately 900 enterprises using stratified simple random sampling. The survey is conducted by mail, fax and telephone.

A stay unit is the unit of accommodation available to be charged out to guests, for example, a powered site in a caravan park or a room in a hotel. Other accommodation includes lodges, bed & breakfast establishments, self-catering establishments and other establishments not elsewhere classified.

The average rate per stay unit is calculated by dividing the total income from accommodation by the number of stay unit nights sold in the survey period. The occupancy rate is the number of stay unit nights sold, divided by the product of the number of stay units available and the number of days in the survey period, expressed as a percentage.



**Table 14: National Tourist Accommodation Statistics by Accommodation Type Q2**

<b>Accommodation Type</b>	<b>April 2011</b>	<b>May 2011</b>	<b>June 2011</b>
<b><u>Hotels</u></b>			
Average Occupancy	46.4%	43.7%	45.0%
Average Income Accommodation Sales	R551,70	R530,10	R501,50
Average Income from Restaurant & Bar Sales	R238,00	R231,50	R218,30
Other Income	R291,30	R288,70	R279,20
Total Income	R1,081.10	R1,049.90	R998.00
<b><u>Caravan Parks &amp; Camping Sites</u></b>			
Average Occupancy	22.4%	11.1%	10.8%
Average Income Per Stay Unit Sold	R200,60	R84,7	R110,00
<b><u>Guest-houses &amp; Guest-farms</u></b>			
Average Occupancy	47.4%	43.0%	43.2%
Average Income Per Stay Unit Sold	R473,00	R376,70	R383,90
<b><u>Other Accommodation</u></b>			
Average Occupancy	52.6%	37.2%	35.4%
Average Income Accommodation Sales	R304,50	R211,60	R204,90
Average Income from Restaurant & Bar Sales	R 42,90	R 46,10	R 43,60
Other Income	R 26,00	R 21,00	R 19,90
Total Income	R373,40	R278,70	R268,40

*(Source: Compiled from Statistics SA Tourist Accommodation Monthly Release)*

The above accommodation statistics clearly indicate the impact of improved occupancies on the average stay unit sold. The Statistics SA information should be used for benchmarking purposes only. Accommodation statistics vary according to the services offered e.g. self-service, limited service and full-service. Rates can vary from accommodation only per person or per room, breakfast included and in some cases fully inclusive of all meals.

The Statistics SA monthly releases provide a national average based on a sample of 900 enterprises. This information is useful for trends analysis but more in depth research is required for more accurate comparative purposes. In this regard any researcher can contact the reservations manager directly in the different accommodation categories for more detailed information. Accommodation providers are unlikely to refuse a request for daily rates and special offers when contacted telephonically, by email or by personal visitation.

**Table 15: National Tourist Accommodation Statistics by Accommodation Type Q3**

Accommodation Type	July 2011	August 2011	September 2011
<b><u>Hotels</u></b>			
Average Occupancy	48.5%	47.5%	54.1%
Average Income Accommodation Sales	R 669,10	R 645,50	R 712,60
Average Income from Restaurant & Bar Sales	R 323,50	R 311,30	R 367,00
Other Income	R 369,50	R 339,50	R 348,40
Total Income	R1,362.10	R1,296.30	R1,428.00
<b><u>Caravan Parks &amp; Camping Sites</u></b>			
Average Occupancy	16.3%	9.2%	10.4%
Average Income Per Stay Unit Sold	R252,90	R275,50	R305,90
<b><u>Guest-houses &amp; Guest-farms</u></b>			
Average Occupancy	37.00%	39.00%	44.30%
Average Income Per Stay Unit Sold	R519,60	R543,30	R574,80
<b><u>Other Accommodation</u></b>			
Average Occupancy	38.5%	38.8%	42.5%
Average Income Accommodation Sales	R220,70	R250,40	R 244,00
Average Income from Restaurant & Bar Sales	R 49,50	R 50,70	R 55,90
Other Income	R 28,00	R 27,20	R 29,50
Total Income	R298,20	R328,30	R 329,40

*(Source: Compiled from Statistics SA Tourist Accommodation Monthly Release)*

A hotel building boom in South Africa ahead of the 2010 FIFA World Cup resulted in an oversupply of rooms, while foreign arrivals declined due to the lingering recession. The Protea Hotel Group (PHG) has predicted that many of South Africa's 80 hotel brands will disappear. In their opinion the banks are sitting with too much hotel stock and the hotel owners are not managing to service their debts. Most of a hotel's costs are fixed and remain the same, whether fully occupied or not.

The fitter and better companies will thrive and the situation has created a lot of opportunity for a company like PHG. According to PHG the economic cycle is turning but it will take time. Meanwhile the number of hotel rooms in the country needs to stabilize. The hotel industry in South Africa is "under-demolished. According to PHG there is not a lot that one can do with a failed hotel. Equally, if the location is wrong, no matter what or who you are, you cannot fix it. However, a good location is also not everything. A bad hotel in a good location will not survive either. According to PHG you can try and turn a failed hotel into residences for university students or homes for the aged but they are difficult to turn into apartments and don't convert well into offices. Sometimes they are just locked up.

**Table 16: National Tourist Accommodation Statistics by Accommodation Type Q4**

Accommodation Type	October 2011	November 2011	December 2011
<b><u>Hotels</u></b>			
Average Occupancy	55.3%	59.9%	53.2%
Average Income Accommodation Sales	R 801,90	R 865,90	R 828,40
Average Income from Restaurant & Bar Sales	R 375,30	R 422,80	R 415,00
Other Income	R 362,90	R 385,30	R 436,90
Total Income	R1,540.10	R1,674.00	R1,680.30
<b><u>Caravan Parks &amp; Camping Sites</u></b>			
Average Occupancy	10.9%	26.5%	55.2%
Average Income Per Stay Unit Sold	R309,60	R178,80	R477,80
<b><u>Guest-houses &amp; Guest-farms</u></b>			
Average Occupancy	46,90%	49,90%	52,20%
Average Income Per Stay Unit Sold	R599,60	R598,70	R591,80
<b><u>Other Accommodation</u></b>			
Average Occupancy	47.6%	44.4%	56.6%
Average Income Accommodation Sales	R282,70	R262,60	R 376,20
Average Income from Restaurant & Bar Sales	R 64,70	R 62,50	R 73,20
Other Income	R 37,20	R 36,80	R 61,10
Total Income	R384,60	R361,90	R 510,50

*(Source: Compiled from Statistics SA Tourist Accommodation Monthly Release)*

1. Hotels

Total income improved in the last quarter of 2011 as a result of improved room occupancies. The average hotel room occupancy in 2011 was: Q1 (48.5%), Q2 (45.00%), Q3 (50.00%) and Q4 (56.0%).

2. Caravan Parks & Camping Sites

Occupancies improve considerably in the holiday periods i.e. April, July, November and December. The average occupancy for caravan parks in the year 2011 was 18% but increased to an average of 30% during the holiday periods with a peak of 55% in December.

3. Guest-Houses and Guest Farms

The average room occupancy for guest-houses and guest farms in 2011 followed the hotel trend with improved performance in the last quarter: Q1 (47.8%), Q2 (44.5%), Q3 (40.1%) and Q4 (49.6%).

4. Other Accommodation

The average room occupancy for other accommodation in 2011 per quarter was: Q1 (36.7%), Q2 (41.7%), Q3 (39.9%) and Q4 (49.5%). A noticeable trend is the higher occupancies in April (52.6%) and December (56.6%) clearly indicating the demand for self-catering and budget-type family accommodation during the Easter holiday and peak summer holiday seasons.

5. Airline Access and Hotel Occupancies

New BRIC tourism markets such as India and China could make a huge difference, especially to the business tourism market. However it is doubtful the country will ever experience a real tourism boom unless it gets more bums on airline seats. South African Airways, as the national flag carrier, should promote tourism notwithstanding whether a route is profitable or not. Every B747 or A340 is equivalent to a new hotel being built.

6. Charter Flights an untapped opportunity?

Encouraging charter flights into the country is a great way to capitalize on South Africa's untapped potential according to Allan Moore, Board of Airline Representatives South Africa (BARS) CEO. There is a market for seasonal charter airlines because they target a whole different market to that attracted to legacy airlines. It is important to know that the type of traveller who is targeted is the one normally looking for an FIT-type holiday and this is a sector of the market that is currently not catered for.

According to Moore, government should do more to create an attractive environment for charter flights. He believes that so much could be done to make it more attractive for airlines to fly to this South Africa. There are proven examples around the world of destination marketing organizations (DMOs) or governments creating climates conducive to airlines to fly to their destinations. The only obstacle to charter airlines flying to South Africa is cost. The Department of Transport has a capable and proactive team that approves temporary operating permits in a relatively short time.

However, Thomas Cook explains the onus is not only on the government or the destination country when it comes to wooing charter airlines. No encouragement can help sufficiently if the demand from the source market isn't large enough to operate a charter flight. However, if the demand is large enough several factors can be encouraging such as the accessibility of the airport and tourism attractions; slot flexibility; qualitative handling agents as well as accommodation for crew near the airport.

As an example South Africa is not one of the top-ranked countries visited by Belgians and so charter flights are not immediately on the map. With 11 million inhabitants, Belgium is too small and South Africa too far away to build a successful charter operation between both markets. Nevertheless, BARS strongly believe in the potential of South Africa and they will continue to develop roundtrips. South African tour operators are equally skeptical about the viability of charter flights. Tourvest Destination Management believes that there are several reasons why charter flights are doomed to fail in South Africa i.e. too far, too high a crew cost, too high a land arrangement cost, too low a pax volume. According to Tourvest current capacity on the route is sufficient and already leads to price pressure.

## 9. NMBT Local Tourist Accommodation Statistics 2011

Table 17: Nelson Mandela Bay Accommodation Statistics per Quarter

Quarter 1	Facilities in NMB	Beds available	Beds Sold in Quarter	Average Occupancy	Average bed Rate	Total Income generated	Foreign %	Domestic %	Average Length of stay
Hotel	33	5706	214532	41.78%	R 543.74	R 116 649 931	29.52%	70.48%	1.7
Self-Catering	105	3971	191346	53.54%	R 243.31	R 46 555 492	10.46%	89.54%	3.1
B&B	108	1541	65506	47.22%	R 355.80	R 23 307 260	14.47%	85.53%	3.0
Guest House	141	2140	95857	49.76%	R 355.11	R 34 039 702	14.70%	85.30%	3.4
Camping & Caravanning	5	1448	80922	62.10%	R 140.94	R 11 405 196	2.59%	97.41%	2.3
Backpackers	14	757	23556	34.57%	R 121.34	R 2 858 160	60.30%	39.70%	2.0
<b>TOTAL</b>	<b>406</b>	<b>15564</b>	<b>671720</b>	<b>47.96%</b>	<b>R 349.57</b>	<b>R 234 815 741</b>	<b>18.34%</b>	<b>81.66%</b>	<b>2.6</b>
Difference 2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Quarter 2	Facilities in NMB	Beds available	Beds Sold in Quarter	Average Occupancy	Average bed Rate	Total Income generated	Foreign %	Domestic %	Average Length of stay
Hotel	33	5737	203351	39.38%	R 541.48	R 110 111 009	25.94%	74.06%	2.1
Self-Catering	103	3941	183949	51.86%	R 242.35	R 44 579 211	9.33%	90.67%	2.8
B&B	106	1513	55943	41.08%	R 393.75	R 22 027 518	7.89%	92.11%	3.5
Guest House	143	2188	85057	43.19%	R 383.02	R 32 578 520	7.89%	92.11%	3.2
Camping & Caravanning	5	1448	73357	56.29%	R 147.95	R 10 853 478	2.40%	97.60%	2.6
Backpackers	14	757	26360	38.69%	R 163.48	R 4 309 427	45.30%	54.70%	3.7
<b>TOTAL</b>	<b>404</b>	<b>15584</b>	<b>628017</b>	<b>44.78%</b>	<b>R 357.41</b>	<b>R 224 459 162</b>	<b>15.08%</b>	<b>84.92%</b>	<b>3.0</b>
Difference 2010	-2	10419	343473	-16.43%	R -79.34	R 100 186 424	-5.65%	5.65%	N/A

Quarter 3	Facilities in NMB	Beds available	Beds Sold in Quarter	Average Occupancy	Average bed Rate	Total Income generated	Foreign %	Domestic %	Average Length of stay
Hotel	34	5732	225315	43.68%	R 556.87	R 125 470 499	20.99%	79.01%	2.1
Self-Catering	103	3868	154290	44.32%	R 217.96	R 33 629 579	10.08%	89.92%	3.5
B&B	106	1513	65224	47.90%	R 386.35	R 25 199 139	2.04%	97.96%	2.6
Guest House	148	2224	94873	47.41%	R 388.29	R 36 837 686	2.99%	97.01%	2.7
Camping & Caravanning	5	1448	63043	48.38%	R 135.62	R 8 549 567	1.75%	98.25%	3.1
Backpackers	14	757	32098	47.11%	R 129.13	R 4 144 876	39.55%	60.45%	3.9
<b>TOTAL</b>	<b>410</b>	<b>15542</b>	<b>634842</b>	<b>45.39%</b>	<b>R 368.33</b>	<b>R 233 831 345</b>	<b>12.73%</b>	<b>87.27%</b>	<b>3.1</b>
Difference 2010	4	45	60256	4.19%	R -26.11	R 7 188 865	-7.49%	7.49%	N/A

Quarter 4	Facilities in NMB	Beds available	Beds Sold in Quarter	Average Occupancy	Average bed Rate	Total Income generated	Foreign %	Domestic %	Average Length of stay
Hotel	34	5732	209947	40.70%	R 518.48	R 108 853 569	22.42%	77.58%	2.4
Self-Catering	103	3905	191395	54.46%	R 234.69	R 44 918 409	6.12%	93.88%	3.6
B&B	106	1513	76706	56.33%	R 385.80	R 29 592 639	4.90%	95.10%	3.8
Guest House	148	2261	106503	52.34%	R 386.55	R 41 168 436	5.90%	94.10%	3.6
Camping & Caravanning	5	1448	87963	67.50%	R 162.48	R 14 292 168	2.46%	97.54%	2.8
Backpackers	14	757	20506	30.10%	R 208.58	R 4 277 043	54.78%	45.22%	2.5
<b>TOTAL</b>	<b>410</b>	<b>15616</b>	<b>693020</b>	<b>49.31%</b>	<b>R 350.79</b>	<b>R 243 102 263</b>	<b>11.87%</b>	<b>88.13%</b>	<b>3.2</b>
Difference 2010	4	119	-6753	-0.86%	R 19.71	R 11 426 342	-9.90%	9.90%	0.1

Stats based on submissions received via NMBT occupancy surveys from some accommodation facilities and not all.

**Table 18: NMB Accommodation Statistics Consolidated Results Jan – Dec 2011**

	Facilities in NMB	Beds Available	Beds sold p.a	Average Occupancy	Average bed Rate	Total Income generated	Foreign %	Domestic %	Average Stay
Hotel	34	2090234	853145	40.82%	R 540.45	R 461 085 008.25	24.72%	75.28%	2.1
Self-Catering	105	1431307	720980	50.37%	R 235.35	R 169 682 689.80	9.00%	91.00%	3.3
B&B	108	554828	263379	47.47%	R 380.16	R 100 126 554.90	7.33%	92.67%	3.2
Guest House	148	804222	382290	47.54%	R 378.31	R 144 624 343.83	7.87%	92.13%	3.2
Camping & Caravanning	5	528520	305285	57.76%	R 147.73	R 45 100 408.08	2.30%	97.70%	2.7
Backpackers	14	276305	102520	37.10%	R 152.06	R 15 589 506.05	49.98%	50.02%	3.0
<b>TOTAL</b>	<b>410</b>	<b>5685416</b>	<b>2627599</b>	<b>46.22%</b>	<b>R 356.30</b>	<b>R 936 208 510.90</b>	<b>14.40%</b>	<b>85.60%</b>	<b>2.9</b>

(Source: Stats based on submissions received via NMBT occupancy surveys from some accommodation facilities and not all.)

## 10. Foreign to Domestic Tourist Ratio NMB Accommodation

**Table 19: Foreign to Domestic Tourism Ratio Overnight Visitors NMB Q1 2011**

	Foreign Tourists	Domestic Tourists	Average Length of stay
Hotel	29.52%	70.48%	1.7 days
Self-Catering	10.46%	89.54%	3.1 days
B&B	14.47%	85.53%	3 days
Guest House	14.76%	85.24%	3.4 days
Camping & Caravanning	2.59%	97.41%	2.3 days
Backpackers	60.30%	39.70%	2 days

**Table 20: Foreign to Domestic Tourism Ratio Overnight Visitors NMB Q2 2011**

	Foreign Tourists	Domestic Tourists	Average Length of stay
Hotel	25.94%	74.06%	2.1 days
Self-Catering	9.33%	90.67%	2.8 days
B&B	7.89%	92.11%	3.5 days
Guest House	7.89%	92.11%	3.2 days
Camping & Caravanning	2.40%	97.60%	2.6 days
Backpackers	45.30%	54.70%	3.7 days

**Table 21: Foreign to Domestic Tourism Ratio Overnight Visitors NMB Q3 2011**

	Foreign Tourists	Domestic Tourists	Average Length of stay
Hotel	20.99%	79.01%	2.1 days
Self-Catering	10.08%	89.92%	3.5 days
B&B	2.04%	97.96%	2.6 days
Guest House	2.99%	97.01%	2.7 days
Camping & Caravanning	1.75%	98.25%	3.1 days
Backpackers	39.55%	60.45%	3.9 days

**Table 22: Foreign to Domestic Tourism Ratio Overnight Visitors NMB Q4 2011**

	Foreign Tourists	Domestic Tourists	Average Length of stay
Hotel	22.42%	77.58%	2.4 days
Self-Catering	6.12%	93.88%	3.6 days
B&B	4.90%	95.10%	3.8 days
Guest House	5.90%	94.10%	3.6 days
Camping & Caravanning	2.46%	97.54%	2.8 days
Backpackers	54.78%	45.22%	2.5 days

**Table 23: Foreign to Domestic Tourism Ratio Overnight Visitors 12 months 2011**

	Foreign Tourists	Domestic Tourists	Average Length of stay
Hotel	24.72%	75.28%	2.1 days
Self-Catering	9.00%	91.00%	3.3 days
B&B	7.33%	92.67%	3.2 days
Guest House	7.87%	92.13%	3.2 days
Camping & Caravanning	2.30%	97.70%	2.7 days
Backpackers	49.98%	50.02%	3.0 days
<b>AVERAGE</b>	<b>14.40%</b>	<b>85.60%</b>	<b>2.9 days</b>

*(Source: Compiled from NMBT Data Capture)*

## 11. Foreign Tourism Source Markets

**Table 24.1: Foreign Tourist Arrivals SA Source Markets - Growth Trends 2009 - 2011**

Country of Residence	2009	2010	2011	Growth %
United Kingdom	446,369	453,030	420,483	-7.2%
USA	230,324	282,377	287,614	1.9%
Germany	196,643	215,000	235,774	9.3%
Netherlands	114,431	124,088	113,846	-8.3%
France	103,985	115,401	105,420	-8.6%
Australia	82,753	107,905	103,506	-4.1%
India	55,203	71,587	84,883	24.3%
China (including Hong Kong)	42,083	68,309	84,862	28.7%
Canada	45,330	55,263	57,767	4.5%
Italy	50,283	54,641	54,628	0.0%
<b>Total Top 10</b>	<b>1,374,651</b>	<b>1,613,289</b>	<b>1,548,783</b>	<b>- 4.0%</b>
Brazil	32,256	53,756	54,183	0.8%
Middle East	41,302	49,279	47,484	-3.6%
Sweden	36,335	40,662	38,754	-4.7%
Switzerland	31,719	39,725	40,728	2.5%
Belgium	36,720	39,304	40,478	3.0%
Portugal	26,759	40,655	40,301	-0.9%
Ireland	35,166	30,518	29,098	-4.7%
Spain	25,725	31,902	27,209	-14.7%
Japan	20,513	27,577	26,284	-4.7%
Denmark	22,540	24,212	22,970	-5.1%
<b>Total Next 10</b>	<b>327,062</b>	<b>378,475</b>		
<b>Total Overseas</b>	<b>1,885,977</b>	<b>2,216,994</b>	<b>2,176,719</b>	<b>-1.8%</b>
Indian Ocean Islands	16,387	19,538	19,730	1.0%
Africa Mainland	5,073,027	5,721,639	6,117,105	6.9%
<b>Total Africa</b>	<b>5,089,414</b>	<b>5,741,177</b>	<b>6,136,835</b>	<b>6.9%</b>
Unspecified	36,474	115,381	25,800	-77.6%
<b>Grand Total</b>	<b>7,011,865</b>	<b>8,073,552</b>	<b>8,339,354</b>	<b>3.3%</b>

*(Source: Table compiled from SA Annual Tourism Reports)*

Table 24.1 incorporates the new methodology which separates out day visitors from the overall arrivals. In 2009, Statistics SA for the first time was able to make the distinction between tourists and day visitors and started a data series for tourist arrivals that was aligned to the globally accepted definition of a tourist. As a result of this change, the weighting methodology has been revised and the results in Table 24.1 are now not comparable with previous reports.

Table 24.1 ranks foreign tourist arrivals by volume growth e.g. the United Kingdom is the biggest source market for South Africa by volume (number of arrivals). China and India have moved up into the top ten source markets. Germany has indicated a welcome increase after stagnating for the past three years. The top ten source markets account for 71% of the total overseas source markets.

**Table 24.2: Provincial Distribution: Share of Foreign Arrivals Eastern Cape 2009 - 2011**

Table 24.2 below indicates the percentage of foreign arrivals who visited the Eastern Cape but not where nights were spent. The totals will add up to more than 100% because tourists visit more than one province.

	2009	2010	2011
<b>Africa Land</b>	<b>0.8%</b>	<b>1.0%</b>	<b>0.7%</b>
Botswana	0.7%	0.6%	-
Lesotho	-	-	1.2%
Mozambique	0.7%	-	-
Zimbabwe	1.3%	1.8%	0.9%
<b>Africa Air</b>	<b>2.9%</b>	<b>4.8%</b>	<b>4.1%</b>
Angola	-	-	2.9%
Kenya	-	5.2%	4.9%
Nigeria	-	-	3.3%
Other Africa and Middle East	4.5%	6.5%	5.5%
<b>Americas</b>	<b>12.7%</b>	<b>12.3%</b>	<b>11.7%</b>
Brazil	7.0%	6.2%	6.7%
Canada	14.6%	16.1%	14.4%
USA	13.6%	11.7%	12.4%
Other Americas	7.9%	16.9%	8.5%
<b>Asia &amp; Australasia</b>	<b>7.6%</b>	<b>7.9%</b>	<b>6.8%</b>
Australia	12.8%	11.8%	11.4%
China (including Hong Kong)	4.2%	5.0%	4.4%
India	4.7%	6.1%	4.6%
Japan	4.9%	-	3.5%
Other Asia & Australasia	6.8%	8.2%	6.9%
<b>Europe</b>	<b>18.6%</b>	<b>17.3%</b>	<b>15.4%</b>
France	7.1%	11.3%	10.3%
Germany	24.7%	21.5%	20.6%
Italy	14.2%	13.4%	12.0%
Netherlands	24.7%	20.4%	21.4%
Sweden	18.6%	20.4%	18.7%
United Kingdom	18.7%	17.3%	13.8%
Other Europe	16.5%	15.6%	13.6%
<b>All Foreign Tourists</b>	<b>4.5%</b>	<b>4.4%</b>	<b>3.7%</b>

*(Source: Compiled from SA Tourism Annual Reports)*



There is an opportunity for NMBT to explore the tourism potential of secondary markets which are indicating growth by accompanying trade missions from the Eastern Cape to selected markets especially where there is bilateral trade or twinning agreements. If there are budget constraints on overseas travel then it would be worthwhile for NMBT to brief trade missions and provide them with information on Nelson Mandela Bay and the Eastern Cape as a future outbound tourism destination. The objective of destination marketing is to convert day trips into overnight stays. The Eastern Cape receives about 4.0% of the total foreign arrivals to South Africa of which Europe is the main source market (16%).

The NMBT Tourism Research Reports will include market profiles of the main source markets based on the latest market intelligence reports. Tourism is now more consumer-driven than destination-driven as a result of the global recession. Foreign tourists are more selective and are shopping around for the best deals. This does not mean that there should be a cut back on destination marketing activity. However, it does mean that destination product offerings should be designed to satisfy consumer demand.

Because it is very difficult for cities to determine exactly where foreign visitors are coming from they have to find ways of identifying where the visitors are coming from. NMBT analyses the data from SA Tourism’s annual reports for the country and the Eastern Cape. Together with data collected at the Visitor information Centers from enquiries received as well as the accommodation occupancy surveys a reasonable understanding of the source markets are determined. Below are the countries visitors were from according to the VIC Enquiries (Table 25.1) and the Accommodation Occupancy Surveys (Table 25.2)

**Table 25.1 and 25.2: Foreign Countries to NMB**

Table 25.1 Country From VIC Enquiries

	Country	Percentage
1	Germany	22.42%
2	United Kingdom	18.36%
3	United States	8.93%
4	Netherlands	5.25%
5	Australia	4.34%
6	France	3.49%
7	Switzerland	3.02%
8	Brazil	2.89%
9	Italy	2.60%
10	Sweden	2.18%
	Other	26.52%

Table 25.2 Country From Occupancy

	Country	Percentage
1	Germany	13.77%
2	United Kingdom	11.51%
3	Netherlands	6.98%
4	United States	6.67%
5	Australia	4.83%
6	Belgium	4.41%
7	France	4.28%
8	Switzerland	3.86%
9	Italy	3.43%
10	Ireland	2.51%
	Other	37.76%

## **12. SA Tourism Country Reports**

SA Tourism compiled comprehensive Country Reports in 2010. These reports are designed to help market South Africa in foreign countries. The reports provide about 80 pages of relevant information. Currently the following country reports are available for downloading from the SA Tourism website: [www.southafrica.net](http://www.southafrica.net)

- Marketing SA in Italy
- Marketing SA in India
- Marketing SA in Germany
- Marketing SA in Africa
- Marketing SA in Australia
- Marketing SA in Brazil
- Marketing SA in Canada
- Marketing SA in China
- Marketing SA in France
- Marketing SA in Japan
- Marketing SA in Sweden
- Marketing SA in the Netherlands
- Marketing SA in the UK
- Marketing SA in the USA

Summary profiles and the latest tourism trends in these country markets will be included in the NMBT Quarterly Tourism Research Reports.

### **12.1 The World's Largest Tourism Market**

Do you think that the world's largest market is China? Think again. Comprehensive research undertaken by *Tourism Intelligence International* clearly indicates just how important the lucrative 50+ market is. In terms of sheer numbers alone, the 50+ market exceeds the Chinese market. It is a well-known fact that one of the key consumer trends that will not escape the travel and tourism industry is the ageing population phenomenon.

This means that travelers will be older and, although healthier and fitter, will require special attention by travel suppliers to woo, win and keep them happy. The tourist industry, more than almost any other industry, is linked to its social and natural contexts. The advancing ageing of society will result in far-reaching changes, particularly on the demand side. There is a continuing rapid increase in the number of outbound travelers aged 50 years old and over.

### 13. Overview of Domestic Tourism

Key Markets		2007	2008	2009	2010	2011
Domestic Travel Incidence	Annual	43.5%	46.5%	47.6%	43.0%	44.0%
	Monthly	9.9%	9.0%	8.2%	7.9%	7.0%
Number of Trips	Annual	35.9 million	32.9 million	30.3 million	29.7 million	26.4 million
	By Purpose	VFR: 68% Hollid: 16% Bus: 7% Relig: 7% Medic: 1%	VFR: 71% Hollid: 16% Bus: 5% Relig: 5% Medic: 2%	VFR: 76% Hollid: 12% Bus: 5% Relig: 5% Medic: 1%	VFR: 74% Hollid: 13% Bus: 5% Relig: 6% Medic: 1%	VFR: 73% Hollid: 15% Bus: 5% Relig: 6% Medic: 1%
Spend	Total Annual Spend	R20,0bn	R25,8bn	R22,4bn	R21,1bn	R20,3bn
	By Purpose	VFR: 45% Hollid: 37% Bus: 14% Relig: 3% Medic: 0%	VFR: 45% Hollid: 39% Bus: 12% Relig: 3% Medic: 2%	VFR: 59% Hollid: 22% Bus: 17% Relig: 2% Medic: 1%	VFR: 51% Hollid: 31% Bus: 14% Relig: 3% Medic: 0%	VFR: 53% Hollid: 29% Bus: 13% Relig: 3% Medic: 1%
	Average Spend Per Trip / Per Day	R550 / Trip R120 / Day	R780 / Trip R170 / Day	R730 / Trip R170 / Day	R710 / Trip R160 / Day	R780 / Trip R170 / Day
Trip Length	Total Annual Bed Nights	157.8m	149.0m	128.4m	130.8m	115.2m
	Average Nights Per Trip	4.4	4.5	4.2	4.4	4.4

(Source: SA Annual Tourism Report 2011)

#### 13.1 Breakdown of Domestic Trips by Purpose South Africa

	VFR	Holiday	Business	Religious	Medical
2009	23.1m (76.2%)	3.6m (12.0%)	1.6m (5.3%)	1.4m (4.6%)	0.3m (1.0%)
2010	22.1m (74.3%)	4.0m (13.4%)	1.4m (4.7%)	1.9m (6.2%)	0.3m (1.0%)
2011	19.1m (72.6%)	3.9m (15.0%)	1.2m (4.5%)	1.6m (6.2%)	0.3m (1.1%)

#### 13.2 Breakdown of Domestic Trips by Purpose Eastern Cape

	VFR	Holiday	Business	Religious	Medical
2010	77%	7%	5%	7%	4%
2011	79%	8%	4%	9%	0%

NMBT is busy determining the purpose of all trips to Nelson Mandela Bay but currently the sample size and sample points need to be analyzed in order to ascertain the best methodology possible in order to get more accurate results.

A total of 13.9 million South Africans took a domestic trip in 2011, 3% more than the 13.5 million who took a domestic trip in 2010. On average there were 1.9 domestic trips taken in 2011 resulting in a total of 26.4 million domestic trips, compared to the 29.7 million in 2010. Despite a decrease in the share of VFR trips, they continue to be the major reason for domestic trips accounting for 73% of all domestic trips taken in 2011. Holiday trips accounted for 15% of all domestic trips in 2011, business trips 5%, religious trips 6% and medical trips 1%. While there was an overall decline in the number of domestic trips in 2011, the share of holiday trips increased from 13% in 2010 to 15% in 2011.

While the average spend per trip increased from R710 in 2010 to R780 in 2011, total revenue generated from domestic tourism decreased by 3.9% to R20,3 billion in 2011 due to decreased volumes of trips. The average amount spent per day increased from R160/day in 2010 to R170/day in 2011 whilst the average length of trips remained constant at 4.4 nights. As the length of stay remained constant, the total bed nights decreased by 12.2% from 131 million in 2010 to 115 million in 2011 driven by the decline in the volume of domestic trips.

Economic constraints remain the major barrier to taking a domestic trip which could explain the decline in domestic travel since 2007 as the South African consumer faced economic pressures due to the recession that brought about job losses in South Africa. Although there was a recovery in the economy in 2010, it didn't translate to more trips, but it did translate to more holiday trips. While overnight trips are affected, day trips increased from 22.7 million trips in 2010 to 274.5 million trips in 2011. There was also an increase in the number of people who took a day trip in 2011, from 12.2million in 2010 to 12.3 million in 2011.

A section on Domestic Tourism is now included in the SA Annual Tourism Reports. Based on the figures it is assumed that the drop in the number of domestic tourism trips in 2010 was mainly as a result of economic constraints. The majority of domestic tourists spend their holidays with friends and relatives (unpaid accommodation) rather than in paid accommodation.

Inter-provincial is travel between provinces and intra-provincial is travel within the province by local residents. The main domestic tourism source markets for the Eastern Cape are: Gauteng, Free State and Western Cape.

### 13.3 Domestic Tourism in Nelson Mandela Bay

	2010	2011	Difference %
Domestic Visitors	7 318 313	6 056 187	-17.25%
<i>Staying in Formal Accommodation</i>	<i>511 097</i>	<i>511 187</i>	<i>0.02%</i>
<i>VFR Visitors</i>	<i>1 032 216</i>	<i>1 156 000</i>	<i>11.99%</i>
<i>Day Visitors to NMB</i>	<i>5 775 000</i>	<i>4 389 000</i>	<i>-24.00%</i>
Domestic Bednights	6 790 579	7 335 625	8.03%
Domestic Direct spend	R 1 596 652 932	R 1 735 019 467	8.67%
Day Visitor Spend	R 1 974 000 000	R 1 806 000 000	-8.51%

There are no published tourism statistics relating to day trips to cities and towns in South Africa. The SA Annual Tourism Report indicates that 20.9 million day trips were made in the Eastern Cape during 2011. If it is assumed that 21% of these trips were to NMB this would equate to 4 389 000 trips to NMB. This is possible when taking into consideration the SANRAL traffic counts for NMB (Refer to Addendum 3 on page 37).

### 13.4 Activities undertaken on Domestic Trips 2009 - 2011

Activity	2009	2010	2011
Social	84%	87%	83%
Shopping	28%	25%	37%
Beach	9%	8%	9%
Nightlife	7%	7%	12%
Visiting natural attractions	4%	6%	6%
Visiting a Casino	5%	5%	4%
Wildlife	5%	5%	3%
Cultural, historical & heritage	4%	5%	3%

The activities do not add up to 100% because domestic tourists undertake more than one activity.

**Table 26: Domestic Tourism Trends Inter and Intra Provincial Distribution 2009 - 2011**

Province	% Inter 2009	% Intra 2009	% Inter 2010	% Intra 2010	% Inter 2011	% Intra 2011
KwaZulu-Natal	12.0%	88.0%	25.0%	75.0%	25.0%	75.0%
Eastern Cape	22.0%	78.0%	42.0%	58.0%	48.0%	52.0%
Gauteng	68.0%	32.0%	46.0%	54.0%	38.0%	62.0%
Western Cape	34.0%	66.0%	29.0%	71.0%	28.0%	72.0%
Limpopo	47.0%	53.0%	50.0%	50.0%	49.0%	51.0%
Mpumalanga	38.0%	62.0%	76.0%	24.0%	75.0%	25.0%
Free State	54.0%	46.0%	58.0%	42.0%	72.0%	28.0%
North West	70.0%	30.0%	64.0%	36.0%	64.0%	36.0%
Northern Cape	35.0%	65.0%	68.0%	32.0%	56.0%	44.0%

*(Source: Compiled from SA Domestic Tourism Reports)*

Domestic tourists made 26.4 million trips in 2011 compared to the 29.7 million in 2010. About 44% of the South African population traveled in 2010. Inter-provincial tourism accounted for 51% of the total domestic tourism trips in 2011 and intra-provincial accounted for 49%.

In 2011, some 52% of the domestic tourism trips in the Eastern Cape were intra-provincial and 48% inter-provincial. This is a significant change compared to 2009 when 22% of the trips were inter-provincial and 78% intra-provincial. This can be interpreted in two ways: either less Eastern Cape domestic tourists took a holiday in their own province in 2011 or there was an increase in domestic tourists from the other provinces. Table 33 clearly indicates a decline in annual trips and day trips in the Eastern Cape Province and hence it is likely that many local tourists decided to stay home in 2011 due to the impact of the recession. In the Eastern Cape intra-provincial tourism is mainly country-to-coast and coast-to-country movement.

**Table 27: Domestic Trips to the Eastern Cape Province**

	2009	2010	2011
Total number of annual trips	5.7m	4.0m	2.8m
Average revenue per annual trip	R730	R710	R780
Total revenue generated from annual trips	R4,2bn	R2,5bn	R2,2bn
Total number of day trips	28.6m	27.5m	20.9m
Average revenue per day trip	R287	R342	R411
Total revenue generated from day trips	R8.2bn	R9.4bn	R8.6bn

*(Source: Compiled from SA Domestic Tourism Reports)*

#### **14. Developing an Economic Model for Domestic Tourism Day Trips**

It would appear from the above tables that in South Africa for every annual domestic tourism trip there are seven domestic day trips (20.9 million day trips divided by 2.8 million annual trips). This is a 1 to 7 ratio of annual trips to day trips. However, before applying this 1 to 7 ratio model to Nelson Mandela Bay further research will need to be undertaken to benchmark this ratio against other destinations around the world where domestic tourism statistics are available.

According to the latest SA Annual Tourism Report, some 20 million day trips were made in the Eastern Cape during 2011. However, day trips made to cities and towns in the Eastern Cape are not included in the reports. If it is assumed that 21% of these day trips were made to NMB then this would equate to about 4.38 million day trips in 2011 which is a reasonable estimate when taking into consideration the SANRAL traffic counts (refer to Addendum 3 on Page 37).

According to the SANRAL Traffic Count Information Mega Yearbook 2010, the traffic count on the western side of Settlers on the N2 was 15.6 million vehicles and on the eastern side of Settlers on the N2 it was 11.5 million vehicles. This makes a total traffic count of 27.1 million vehicles in 2010. According to the traffic count 1.8 million of these vehicles were heavy vehicles. If the 1.8 million heavy vehicles are deducted from the 27.1 million total vehicles then this equates to 25.3 million light vehicles.

Of course, the traffic counts cannot differentiate if the same vehicle was counted twice i.e. once arriving from the eastern side of the N2 and twice departing from the western side of the N2. However, taking into consideration the 25.3 million traffic flow it is not unreasonable to estimate that 5 million of these vehicles could be domestic tourism day trips in and out of NMB.

NMBT will engage with SANRAL to investigate a traffic count methodology that will validate these assumptions.

## 15. Economic Impact of tourism in Nelson Mandela Bay 2011

### The Economic Impact of Tourism to Nelson Mandela Bay based on the Baseline Calculations

contributions	revenue generated	calculation	performance instrument
Total Foreign Direct Spend	R 544 858 955	NMBT data collection	Bed nights sold in NMB
Total Domestic Tourism Spend	R 1 735 019 467	NMBT data collection	Bed nights sold in NMB
Estimated VFR Spend	R 647 360 000	1,156,000 x R560	4 VFR x number of formal households
Estimated Day Trip Spend	R 1 806 000 000	4.389 million x R411	21% of day trips to EC
Events & Conferences		NMBT data collection	Universal methodology
Direct Employment in Tourism	33,600 jobs	4% of total employment	NMBM annual employment surveys
<b>TOTAL Revenue Generated</b>	<b>R 4 105 326 422</b>		

The above table based on the various calculations indicates that tourism generated a total of R4.1 billion for Nelson Mandela Bay in 2011. Total foreign direct spend (TFDS) contributed R544 million to the local GGP of Nelson Mandela Bay.

Total foreign direct spend (TFDS) is the total amount spent directly in Nelson Mandela Bay by all foreign tourists including amounts spent on goods for resale and capital investments. The tourism satellite account (TSA) methodology uses a multiplier of 1.06 to calculate the additional capital expenditure (CAPEX).

An estimate of income generated by events and conferences hosted in Nelson Mandela Bay during 2011 is included but it must be pointed out that this is still work in progress.

Based on all the information available it would appear that the contribution of tourism to local GGP is somewhere between 17% and 19%.

## NMBT Economic Impact Assessment of Conferences and Events

NMBT is currently developing an economic model for assessing the impact of all conferences and events hosted in Nelson Mandela Bay.

**Table 28: Conferences and Events hosted in NMB Q1 2011**

Number of Conferences Q1	Origin of Delegates	Number of Delegates
74	Local	8786
	National	307
	International	15
	<b>Total</b>	<b>9108</b>
Number of Events Q1	Origin of Participants	Number of Participants
16	Local	3272
	National	1919
	International	169
	<b>Total</b>	<b>5360</b>

*(Source: Compiled from NMBT data capture)*

**Table 29: Conferences and Events hosted in NMB Q2 2011**

Number of Conferences Q2	Origin of Delegates	Number of Delegates
86	Local	10,484
	National	267
	International	143
	<b>Total</b>	<b>10,894</b>
Number of Events Q2	Origin of Participants	Number of Participants
35	Local	62,273
	National	15,877
	International	60
	<b>Total</b>	<b>78,210</b>

*(Source: Compiled from NMBT data capture)*

Conferences and events hosted in Q2 of 2011 generated a total of R27.93 million in revenue for Nelson Mandela Bay based on estimates calculated by the conference organizers.

Duration of Events	Number of Events
1 day event	396
2 day event	58
3 day event	34
4 day event	20
5 day event	12
More than 5 days	44
<b>Total</b>	<b>564</b>

NMBT is attempting to collect data from event organizers but is not in a position to force them to provide information unless they are sponsored by NMBM. It is hoped that event organizers will eventually understand and appreciate the benefits of providing data for performance measurement.



### 15.1 NMBT Event Impact Assessment Neil Diamond Concert 8th April 2011

<b>Economic Impact Assessment of the Neil Diamond Concert</b>	
Number of delegates/ participants Local	8,846
Number of delegates/ participants National	12,730
Number of delegates/ participants International	Unknown
Conference/Event budget	R5.4m
Marketing budget	R330,000
Expenditure by locals	R14,14m
Expenditure by outside visitors	R17.11m
Expenditure flowing directly to the province	R 1.06m
Unallocated direct expenditure only a proportion flows to province	R 2.19m
<b>Total Impact</b>	<b>R34,50m</b>

### 15.2 Economic Impact Assessment IRB 7s Tournament 9th – 10th December 2011

<b>ECONOMIC IMPACT ASSESMENT OF IRB 7'S TOURNAMENT</b>	
<b>Expenditure</b>	<b>Amount</b>
Spend by Foreign Visitors	R 39,77m
Spend by Domestic Visitors	R 46,53m
Spend by Local Visitors: R8,97m	R 8,97m
Other spend including team spend, hosting spend, etc	R 4,27m
Tournament operating spend	R 12,00m
<b>Total Direct Impact on the NMB economy</b>	<b>R111,54m</b>
Multiplier impact (indirect and induced)	R 36,80m
<b>Total added to NMB GDP (direct, indirect and induced)</b>	<b>R148,34m</b>
Estimated contribution to Taxes	R 29,69m
<b>Advertising Value Equivalent</b>	
Print Media	R 5,48m
Online Media	R 2,75m
Broadcast Media	R 7,54m
<b>Total Value of Media Exposure</b>	<b>R15,77m</b>

Different methodology for assessing the economic impact of the above events has been used by the organizers. However, the data captured by NMBT during 2011 should lay a foundation for measuring all future events using the same methodology that is accepted internationally.

At a meeting held in Port Elizabeth during August 2012, the recently appointed National Conference Bureau agreed that there was a need for a national methodology and system for measuring the economic impact of conferences and events in South Africa. This would make it possible for all cities and towns to use the same methodology and system which is not the case currently.

### 15.3 Development of an Economic Model

At this stage, while the economic model is still work in progress, the model assumes a local spend of R200 per day for local conference delegates and event participants excluding registration fees. The model assumes a spend of R2500 per day for international and national conference delegates and national and international event participants,

If the economic impact assessment methodology on Page 15 is applied to the data captured by NMBT, then conferences hosted by NMB contributed a total amount of **R3.2 million** and events contributed a total amount of **R3.8 million** to the local economy in Q1 of 2011. However, this estimate does not include the economic impact of print and electronic media coverage which is quite substantial.

#### Conferences

In Q1 2011, a total of 9108 delegates attended 74 conferences and meetings in NMB over a total period of 115 days. This works out at an average of 123 delegates per conference.

#### Events

In Q1 2011, a total of 5360 participants competed in 17 events in NMB over a total period of 22 days. This works out at an average of 335 participants per event.

**It is estimated that the economic impact of conferences and events hosted in NMB for Q1 2011 contributed a total amount of R7 million to the local economy.**

The impact of media coverage has to be sourced from various offline and online news search services such as News Clip and Media Tenor. The 2010 FIFA World Cup was broadcast to 40 billion TV viewers in 204 countries.

### 15.4 Methodology for Conferences and Events Assessment Q1 2011

#### Conferences

6888 **local delegates** attended 74 conferences over a period of 115 days  
115 days divided by 74 conferences = an average of 1.6 days per conference  
6888 local delegates x 1.6 days x R200 = R2.2 million

115 **national delegates** attended 7 conferences over a period of 21 days  
21 days divided by 7 conferences = an average of 3 days per conference  
115 national delegates x 3 days x R2500 = R862 500

15 **international delegates** attended 1 conference over a period of 3 days  
3 days divided by 1 conference = 3 days per conference  
15 international delegates x 3 days x R2500 = R112 500

## Events

2615 **local participants** competed in 16 events over a period of 17 days

17 days divided by 16 events = an average of just over 1 day per event

2615 local participants x 1 day x R200 = R523 000

787 **national participants** competed in 11 events over a period of 16 days

16 days divided by 11 events = an average of 1.5 days per event

787 national participants x 1.5 days x R2500 = R2.9 million

142 **international participants competed** in 7 events over a period of 8 days.

8 days divided by 7 events = an average of 1.1 days per event

142 international participants x 1.1 days x R2500 = R390 500

**These preliminary figures indicate quite clearly the value of attracting and hosting national and international conferences and events.**

The injection of new expenditure has a multiplier effect within the Nelson Mandela Bay local economy. Archer (1976) identifies three components of a multiplier effect:

1. *A direct component* by the first round of expenditure.
2. *An indirect component* which increases revenue, employment and income due to the increased demand created by the first round of expenditure.
3. *An induced component* which increases employment, income and revenue still further due to local wages and salaries increasing local consumption.

The above estimates therefore only indicate the direct component and not the multiplier effect. The model will require further research and development. As a benchmark, the 2007 Society for Conservation Biology (SCB) international conference convened at NMMU which was attended by just over 1000 international delegates, yielded total direct cash injection of R12,1 million but stimulated an extra R16,5 million increase in gross output (*NMMU Department of Economics*).

### **15.5 Contribution of Conferences to the SA Economy**

The South African Association for the Conference Industry (SAACI) has estimated that conferences, meetings and exhibitions contribute about R20.0 billion to the South African economy. In previous surveys it was estimated that the Eastern Cape hosted about 4% of the national conferences which would equate to about R800 million. It is assumed that NMB hosts at least 25% of the provincial conferences which would equate to about R200 million. The assumption for NMB needs to be validated by conducting a research study.

### **15.6 Contribution of Sport Tourism to the SA Economy**

Research studies conducted by various institutions have estimated that sport tourism contributes about 4% of total tourism revenue in South Africa. This would equate to about R4 billion for South Africa. Assuming the same ratios for conferences, this would equate to about R160 million for the Eastern Cape and R40 million for NMB. Likewise this assumption needs to be validated by conducting a research study.

## 16. Desktop Research Business Tourism UK

Various studies on the Business Tourism sector have been undertaken in the UK which provides an economic model for conference and event tourism impact assessments. One major study conducted interviews with over 900 delegates at 29 conferences. The average spend per delegate day was estimated at £240 (R2640) in 2001. This has subsequently been adjusted recently to allow for the impact of inflation.

At this stage of developing an economic model for assessing the impact of conferences and events hosted in NMB, the amount of R2500 average daily spend per visiting delegates and participants is a conservative estimate. More research on delegate and participant expenditure patterns needs to be undertaken before final acceptance of the model.

**Table 30: Economic Impact Assessment of Business Tourism in the UK**

Business Tourism Category	Estimated Value £	Estimated Rand Value
Conferences and meetings	£10.3 billion	R113.3 billion
Exhibitions and trade fairs	£ 9.3 billion	R102.3 billion
Incentive travel	£ 1.2 billion	R 13.2 billion
Corporate events & corporate hospitality	£ 1.0 billion	R 11.0 billion
Outdoor events	£ 1.0 billion	R 11.0 billion
<b>Total</b>	<b>£22.8 billion</b>	<b>R250.8 billion</b>

*(Source: UK Business Tourism Partnership)*

### 16.1 Business Tourism Venues UK

- 53% of all venues are hotels
- 9% are dedicated conference and training centres
- 2% are major purpose-built convention and exhibition centres
- 6% are academic venues
- 12% are multi-purpose venues (e.g. leisure centres, community centres)
- 18% are unusual or unique venues

### 16.2 Breakdown of Average Expenditure

Item	Percentage
Accommodation	40%
Meals	22%
Events	12%
Entertainment	10%
Travel at destination	9%
Activities	6%
Other costs	2%
Total expenditure per participant day	100%

*(Source: UK Business Tourism Partnership)*

## 17. Addendum 1: Recommended Research Studies to be undertaken in NMB

research study	purpose	methodology	sample	performance instrument
Accommodation Survey	To quantify the total number of permanent staff employed in hotels and alternative accommodation.	Surveyors will have to engage mainly with hoteliers, B&B and Guesthouse establishments.	Interview at least 10% of the accommodation providers in each category.	Measure the annual growth in the accommodation facilities from data captured by NMBT.
Employment Survey	To calculate the number of people employed in the NMB travel and tourism industry.	Quantify the number of operators in NMB i.e. restaurants, travel agents and tour operators.	Interview at least 10% of the restaurants, travel agents and tour operators.	Measure the annual growth in the number of operators from NMBT data base.
Airport Survey	To quantify the number of coaches and micro buses that deliver passengers to the PE International Airport (PEIA).	Surveyors will have to be posted at the PEIA in shifts to identify the vehicles when they drop off passengers.	Interview the drivers of the regular tourism transport services and follow up with data collection from the coach tour operators.	Annual data collection from regular coach tour and micro bus operators to quantify growth in the number of passengers exiting from the PEIA e.g. foreign source markets.
Household Survey	To quantify the number of friends & relatives who visit Port Elizabeth.	Surveyors to conduct telephone interviews with householders in NMB.	Telephone interviews to be conducted with 1,000 households in the different suburbs of NMB	Measure the growth in the number of formal households from data captured by NMBM.

## 18. Addendum 2: SANRAL Traffic Count Information Mega Yearbook 2010

Traffic count station	ADT	ADTT	HV Road	Total Vehicles
Western Side of Van Stadens	9,637	1,130	412,624	3,517,458
Between Kragga Kamma I/C and Cape Road I/C	14,932	1,219	26,879	329,137
Between Kragga Kamma I/C and William Moffet I/C	36,227	1,965	41,830	771,335
Between William Moffet I/C and Stanford I/C	47,486	2,462	54,297	1,047,175
Inside Stanford Rd	34,965	2,051	45,483	775,427
Western Side of Settlers N2/M4 I/C	42,720	2,546	929,254	15,591,430
Eastern Side of Settlers N2/M4 I/C	32,906	2,621	918,936	11,538,227
Between John Tallant I/C and Blue Water Bay I/C	26,496	3,258	52,503	423,417
Between Port Elizabeth and Grahamstown	4,586	698	254,141	1,669,663

ADT            Average Daily Count

ADTT          Annual Average Daily Truck Traffic

HV Road      Heavy Vehicle Road

I/C            Intersection

## 19. Addendum 3: NMBT Visitor Information Centre Statistics 2011

### Summary:

(All)	Donkin	Boardwalk	Uitenhage	Airport	Overall
Number of Enquiries:	4194	5538	1306	8395	19433
Telephone Calls:	1142	1880	287	1346	4655
Walk In:	3044	3648	1013	7033	14738
E-mail:	8	10	6	16	40
International Enquiries:	1437	1590	87	2624	5738
Domestic Enquiries:	2757	3948	1219	5771	13695
International Foot Count	3569	3219	142	3664	10594
Domestic Foot Count	4233	4244	1586	5690	15753
Total Foot Count	7802	7463	1728	9354	26347
- Top 3 Queries:	Historical, Attractions, Brochures	Sanparks, Attractions, Accommodation	Internet Café, Accommodation, Directions	Internet Café, Sanparks, Brochures	Sanparks, Internet Café, Attractions
Accommodation Enquiries:	353	337	137	425	1252
Telephone Calls:	255	154	68	141	618
Walk In:	93	182	66	280	621
E-mail:	5	1	3	4	13

For the Full Visitor Information Centre Enquiry Report please visit: [http://www.nmbt.co.za/uploads/1/files/doc\\_2011\\_vic\\_enquiries\\_report.pdf](http://www.nmbt.co.za/uploads/1/files/doc_2011_vic_enquiries_report.pdf)