

# 1. 2021 ANNUAL TOURISM BASELINE, ECONOMIC IMPACT, AND VISITOR ENQUIRIES REPORT

## 1.1. PURPOSE

To provide updates to the Standing Committee on the economic impact of tourism during 2021 and the latest 2022 tourism indicators.

## 1.2. BACKGROUND

EDTA in partnership with Discover Mandela Bay conducts research on a monthly basis to assess the impact of tourism on the economy of Nelson Mandela Bay. Occupancy surveys are conducted with accommodation facilities within the metro and applied to the total available accommodation. The Economic Impact is worked out from the latest available indicators sourced from various sources such as South African Tourism, StatsSA and locally collected data. The baseline methodology has been established during 2010 and has since been refined in order to ensure that the assessment is accurate as can be bearing in mind the difficulty of collecting data on a local level.

The Annual Results for Nelson Mandela Bay is released annually in November due to the final indicators only being released by StatsSA at the end of September each year. Accommodation occupancy data and air traffic data is the is the most recent data available for reporting purposes but only 18 days after the end of the month and is reported on a quarterly basis.

- In South Africa there are no published tourism statistics for cities and towns.
- Cities and towns therefore have to capture their own data and develop their own research instruments to measure the true economic impact of tourism to their respective cities and towns.
- Unless cities and towns can measure the economic impact they will be unable to express tourism as a percentage contribution to local GGP.
- The methodology and system for capturing data may not be the same in each city and town.
- NMBT started collecting data monthly from June 2010. There has been minor changes in the methodology so the trends are reliable.
- Reliability of national statistics - require constant analysis

- Collection and submission of data not always meet requirements

The data that EDTA Tourism Research collects consists of:

- Tourism Infrastructure and Supply Side Data
- Visitor Numbers/Bednights
- Visitor Profiles and Demographics
- Accommodation Occupancies
- Air Traffic and Passenger Data
- Economic Impact of Tourism on GDP
- Job creation/sustaining figures
- Bookings and Enquiries
- Marketing platform trends and performance
- Event/Conference Impact Assessments (basic assessments)

The data is used for:

- Monitoring the performance of tourism in terms of visitor numbers, bednights, and impact on the economy.
- Providing valuable data for planning purposes and new developments.
- Identifying trends and seasons – when is action required i.e events etc.
- Building Visitor Profiles and Demographics for marketing and strategic purposes in order to attract more visitors.
- Monitoring performance – VIC Enquiries, Bookings etc
- Providing information in regards to Return On Investment (ROI) for both destination marketing and event sponsorship.

### 1.3. 2021 ANNUAL RESULTS SUMMARY

<b>Nelson Mandela Bay Tourism Baseline</b>	<b>Units</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<i>Foreign Visitors (EC)</i>	Pax	432,058	421,947	110,231	62,401
<i>Foreign Visitors (NMB)</i>	Pax	334,071	307,733	87,366	44,401
<i>Increase %</i>	%	4.0%	-7.9%	-71.6%	-49.2%
Foreign Bednights / Visitor Days	Bednights	1,514,731	728,998	238,882	241,830
- Foreign Bednights Paid		778,271	372,470	123,947	125,476
- Foreign Bednights VFR		736,459	356,527	114,935	116,354
- Average Bednights per Visitor (All)	Bednights	4.5	2.4	2.7	5.4
- Average Bednights per Visitor (Paid)	Bednights	2.3	1.2	1.4	2.8
Foreign Direct spend	Rand	1,058,091,336	606,961,157	199,537,503	189,307,137
- Average Spend per Visitor per day	Rand	699	833	835	783

<i>Domestic Visitor Profile</i>	Pax	2,420,321	4,266,384	1,122,158	1,258,558
<i>Increase %</i>		-0.2%	76.3%	-73.7%	12.2%
Staying in Formal Accommodation	Pax	627,808	847,829	338,138	448,872
VFR Overnight Visitors	Pax	1,093,062	1,954,911	371,924	379,229
Day Visitors to NMB	Pax	699,451	1,463,644	412,096	430,456
Domestic Bednights / Visitor Days	Bednights	6,761,592	9,308,135	2,367,561	2,856,823
- Domestic Bednights Paid	Bednights	2,466,765	2,815,711	1,127,452	1,548,541
- Domestic Bednights VFR	Bednights	4,294,828	6,492,424	1,240,108	1,308,283
Average Spend per Visitor / Per Day	Rand	536	718	872	1,055
Domestic Direct spend Overall	Rand	3,998,337,385	7,728,933,071	2,422,763,218	3,467,569,884

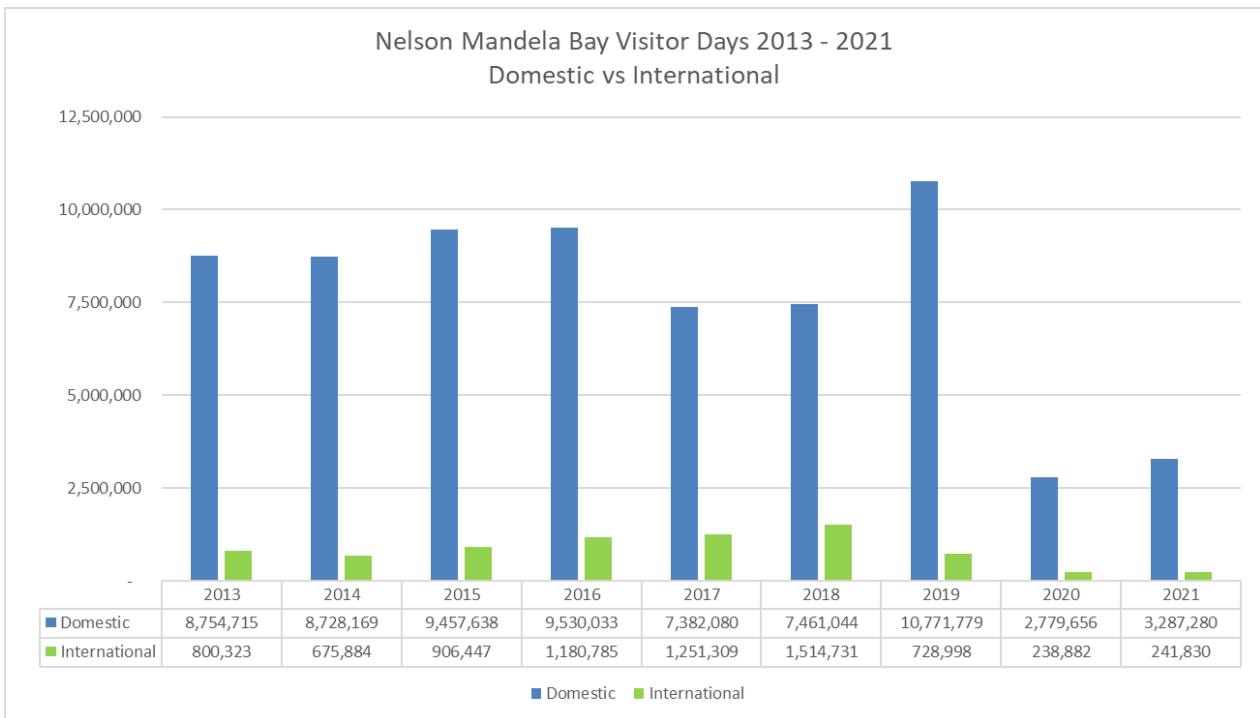
<b>Overall Direct Spend</b>	<b>Rand</b>	<b>5,056,428,720</b>	<b>8,335,894,228</b>	<b>2,622,300,721</b>	<b>3,656,877,021</b>
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#### 1.3.1. OVERALL PERFORMANCE:

The total number of visitor days increased by 16.91% from 3 018 539 in 2020 to 3 529 110 in 2022. Of these domestic visitor days accounted for 93.1% (3 287 280) and foreign visitor days accounted for 6.9% (241,830).

Due to an increase in the Domestic Direct spend the Total Direct Spend generated by Tourism in Nelson Mandela Bay grew by 39.45% to reach an estimated total of **R 3 656 877 021** in 2021 up from **R 2 622 300 721** in 2020.

The Total Contribution (Direct and Induced) of Travel and Tourism to the Nelson Mandela Bay GDP in 2021 was estimated to be in the region of R 6.77 Billion. This total contribution of Travel & Tourism directly and indirectly supported around 56 056 jobs in 2021.



### 1.3.2. FOREIGN TOURISM:

Global tourism experienced a mild 4% upturn in 2021 vs. 2020 but was still 72% below pre-pandemic levels. The small recovery in 2021 was mainly in the 3rd and 4th quarters of 2021.

Rising vaccination rates combined with softer travel restrictions due to increased cross-border coordination and protocols, have all helped release pent up demand in 2021. Europe and the Americas recorded the strongest results. Africa remained 74% below 2019 levels.

International tourist arrivals to South Africa reached 2.3 million in 2021 – 0.5 million less than the 2.8 million recorded in 2020. This makes sense being given a strong Q1 2020. This result represents a -77.9% decline vs. 2019 or -19.5% vs. 2020 and is reflective of Covid-19's continued impact although travel restrictions had been lifted on 1st October 2020.

The geographic distribution of tourist arrivals in 2021 continued to show the dominance of African tourists and it's clear that the Covid-19 crisis further strengthened Africa's foothold as it constituted 83.1% of arrivals, up by 8.8% from 2019. The next major source region remains Europe, but its share has been almost halved to reach 9.6%. All other regional shares have also been negatively affected with the Americas coming down to 4.4%, Asia 1.9%, and Australasia 0.2%.

Tourists from Africa and Europe accounted for the bulk of foreign expenditure. This was expected given that the two were the largest sources of arrivals (92.7%). However, their shares of spend are inversely related to their share of arrivals, with Africa accounting for much less spend than arrivals

(50.8% vs. 83.1%) and Europe inversely so with 9.6% share of arrivals but 29.1% of spend. Most regions' expenditure had decreased.

The Eastern Cape received 62 401 international visitors during 2021 and Nelson Mandela Bay received **44,401** foreign visitors (89.83% share of province) down by 49.2% from 2020.

There were **241,830** foreign bednights in the city during 2021. The increase of 1.23% to the city indicate that all though there were less foreign visitors they stayed longer (avg 5.4 days) in the city than in 2020 (2.7 days) most likely due to the stricter travel requirements.

The reduced number of foreign visitors and decrease in average spend led to a 5.13% decrease in the Foreign Direct Spend that saw the foreign contribution reaching an estimated **R 189,307,137** for the year.









#### AIR TRAFFIC DATA: TOP 20 BY COUNTRY

	2019	2020	2021
<b>INTERNATIONAL TOTAL</b>	106,132	34,565	32,377
<b>PHILIPPINES</b>	1,487	1,354	3,933
<b>UNITED STATES</b>	6,619	1,351	2,748
<b>INDIA</b>	1,114	607	2,253
<b>GERMANY</b>	14,161	5,047	2,054
<b>UKRAINE</b>	522	283	1,836
<b>UNITED KINGDOM</b>	21,913	8,864	1,677
<b>ZIMBABWE</b>	2,341	990	1,392
<b>GREECE</b>	584	265	1,008
<b>BOTSWANA</b>	1,788	435	715
<b>ZAMBIA</b>	2,268	718	683
<b>NAMIBIA</b>	1,879	441	681
<b>RUSSIA</b>	451	172	666
<b>BANGLADESH</b>	268	162	647
<b>KENYA</b>	1,200	371	590
<b>SWITZERLAND</b>	2,791	861	561

Due to the reduced number of travellers during international lockdowns, visitors air passenger numbers continued to decline during 2021 to about a third of the 2019 numbers from 106 132 in 2019 to 32 377 in 2021. This also presented new markets performing better than some of our more traditional markets.

### 1.3.3. DOMESTIC TOURISM:







The South African Tourism survey reports that the total number domestic trips in South Africa amounted to 14.8 million in 2021, -47.9% less than 2019 and -12.9% over 2020. This drop is due to the 2nd, 3rd and 4th waves that rippled the country throughout 2021 as well as the discovery of the omicron variant in December 2021. Which then negatively impacted the performance of domestic tourism for 2021.

Key measure		2019	2020	2021	Δ% 2020 vs 2021
	Number of trips (Mn)	28.5	17.0	14.8	-12.9%
	Average number of trips	2.1	1.1	1.0	-5.4%
	Number of domestic travellers (Mn)	13.5	15.6	14.3	-8.0%
	Domestic spend (Bn)	R43.9	R53.1	R45.4	-14.5%
	Average domestic spend	R1,542	R3,118	R3,062	-1.8%
	Bednights (Mn)	94.1	56.8	51.2	-9.9%
	Length of stay	3.3	3.3	3.4	3.5%
	Day trips	236.5	108.0	68.8	-36.5%

Source: SAT Domestic Survey

Domestic revenue for 2021 was ZAR 45.4 billion, showing slight recovery (+3.5%) over 2019 and decreasing by 14.5% over 2020. Average spend shows a marked increase versus 2019 (+98.6%), but a very small loss compared to 2020 (-1.8%).

Domestic trips have recovered tremendously reaching 15.2 million trips, 114.0% over 2021. Domestic spend has seen phenomenal growth thus far, rising by 175.2% over the first half of 2021. In line with the growth in spend, comes an increase in average spend which now equals ZAR 2,850.

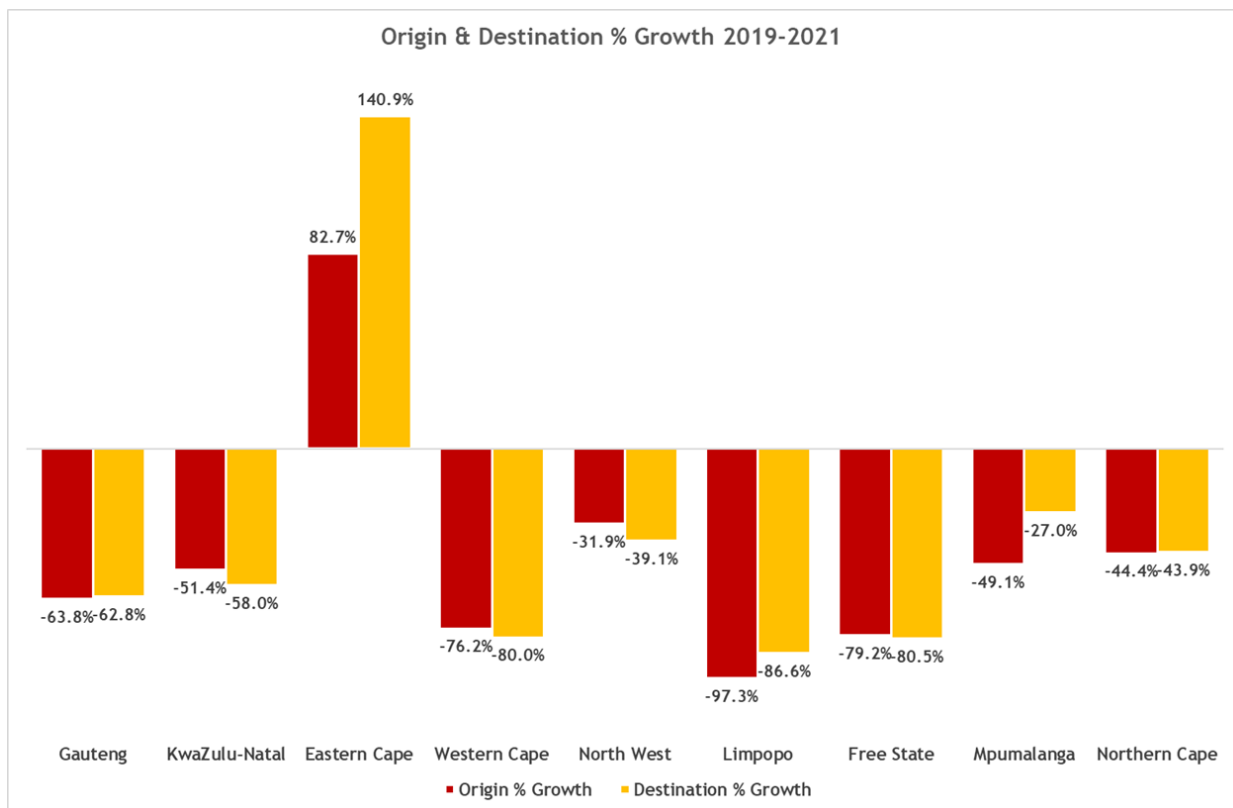
Key measure		2021	2022	Δ%
	Number of trips (Mn)	7.1	15.2	114.0%
	Domestic spend (Bn)	R15.8	R43.3	175.2%
	Average domestic spend	R2,217	R2,850	28.6%
	Bednights (Mn)	24.6	52.8	115.1%
	Length of stay	3.5	3.5	0.5%
	Outbound trips (Mn)	0.6	1.6	146.4%

### 1.3.4. THE EASTERN CAPE'S PERFORMANCE:

	EC as Origin	EC as Destination	Spend	Bednights	LOS
2011	2 229 000	2 861 000	R 2 745 530 000,00	15 614 000	5,5
2012	1 638 000	2 314 000	R 2 291 222 000,00	12 758 000	6,0
2013	1 402 000	2 050 000	R 2 450 827 000,00	11 593 000	5,7
2014	3 131 000	3 224 000	R 3 033 206 000,00	13 101 000	4,1
2015	2 645 000	3 370 000	R 4 112 493 000,00	11 306 000	5,3
2016	2 403 000	2 900 000	R 3 061 311 000,00	14 142 000	4,3
2017	1 118 000	1 638 000	R 1 998 389 000,00	9 357 690	5,8
2018	1 458 000	2 322 600	R 3 994 775 093,64	10 487 288	4,5
2019	2 903 800	2 096 776	R 3 199 848 374,36	6 891 314	3,3
2020	3 625 621	3 798 971	R 7 390 685 701,35	12 469 426	3,4
2021	5 304 436	5 051 815	R 8 828 942 135,17	13 682 495	2,6

Putting origin and destination growth rates together outlines out the similarity in patterns.

The Eastern Cape has shown phenomenal growth both as a source and a destination (+82.7 & 140.9%) whilst the North West and Mpumalanga's decline rates are smaller, thus strengthening their shares. This was driven mainly by intra-provincial travel.



Crossing origin as well as destination shares highlights further the importance of intra-provincial domestic travel during the Covid-19 crisis. It's clear that same-province travel is at its highest in the coastal provinces of the Eastern Cape (94.6%) and the Western Cape (72.9%).

Destination Origin	Gauteng	KwaZulu -Natal	Eastern Cape	Western Cape	North West	Limpopo	Free State	Mpumalanga	Northern Cape
Gauteng	53.5%	20.6%	1.3%	11.8%	31.5%	63.3%	27.5%	29.5%	6.2%
KwaZulu-Natal	2.3%	58.2%	1.7%	8.5%	0.0%	3.8%	4.1%	12.6%	0.0%
Eastern Cape	4.7%	16.8%	94.6%	4.4%	0.0%	0.0%	8.2%	0.0%	0.0%
Western Cape	3.6%	0.0%	1.3%	72.9%	0.0%	0.0%	0.0%	0.0%	6.5%
North West	19.8%	1.5%	1.1%	0.0%	61.6%	3.2%	4.9%	9.4%	13.7%
Limpopo	2.3%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%
Free State	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	44.8%	1.4%	0.0%
Mpumalanga	6.1%	2.3%	0.0%	0.0%	0.9%	29.1%	0.0%	47.0%	13.4%
Northern Cape	6.2%	0.6%	0.0%	2.3%	6.0%	0.0%	10.5%	0.0%	60.2%

The biggest driver of domestic travel in the first six months of 2022 was the ease on travel restrictions. In the first quarter of 2021 South Africa was on Adjusted alert level 3, with the closure of beaches and the ban of alcohol sales. Which are some of the two top drivers of domestic travel. The ease and removal of travel bans has created a pent-up demand for travel for beaches, connecting with family and friends and socializing.

### 1.3.5. NELSON MANDELA BAY DOMESTIC PERFORMANCE:

In Nelson Mandela Bay the trend was similar with a 18.26% increase from 2 779 656 to **3 287 280** in 2021 for domestic visitor days. This was mostly due to an increase in overnight visitors staying in formal accommodation (37.35%). This is however still way down from pre-covid numbers where the metro had over 10 million domestic visitor days.

The Domestic direct spend increased to **R 3 467 569 884** in 2021 up by 43.12% from 2020. This was mostly due to the increase in overnight stays and higher average spend per day (R1055 up from R872).



### 1.3.6. 2021 NELSON MANDELA BAY ANNUAL OCCUPANCY:

	Facilities in NMB	Beds Available	Beds sold p.a	Average Occupancy	Average bed Rate	Total Income generated
Hotel	33	4543	637783	38.46%	R 813.44	R 518,797,098.15
Self-Catering	100	3417	399233	32.01%	R 580.14	R 231,610,592.32
B&B	98	1386	135567	26.80%	R 629.90	R 85,393,690.58
Guest House	183	2719	281309	28.35%	R 660.77	R 185,880,492.05
Budget	18	1798	216187	32.94%	R 345.58	R 74,710,598.00
<b>TOTAL</b>	<b>432</b>	<b>13863</b>	<b>1670079</b>	<b>33.01%</b>	<b>R 656.49</b>	<b>R1,096,392,471.10</b>

	Booked Properties	nights booked	Avg Occupancy	ADR (per property)	Market Revenue
AirBnB	685	59383	41.30%	R 842.50	R 79,365,466

*\*Occupancy data as submitted by participating accommodation facilities and AirBnB data from AirDnA.*

In 2021 there was 432 properties identified within Nelson Mandela Bay that offered accommodation on a formal basis offering 13 863 beds per night. At an average occupancy of 33.01% for the year the total number of bednights sold were 1 670 079. There was 454 100 more formal accommodation bednights sold in 2021 due to the increase in Average Occupancy by 11.01% compared to 2020.

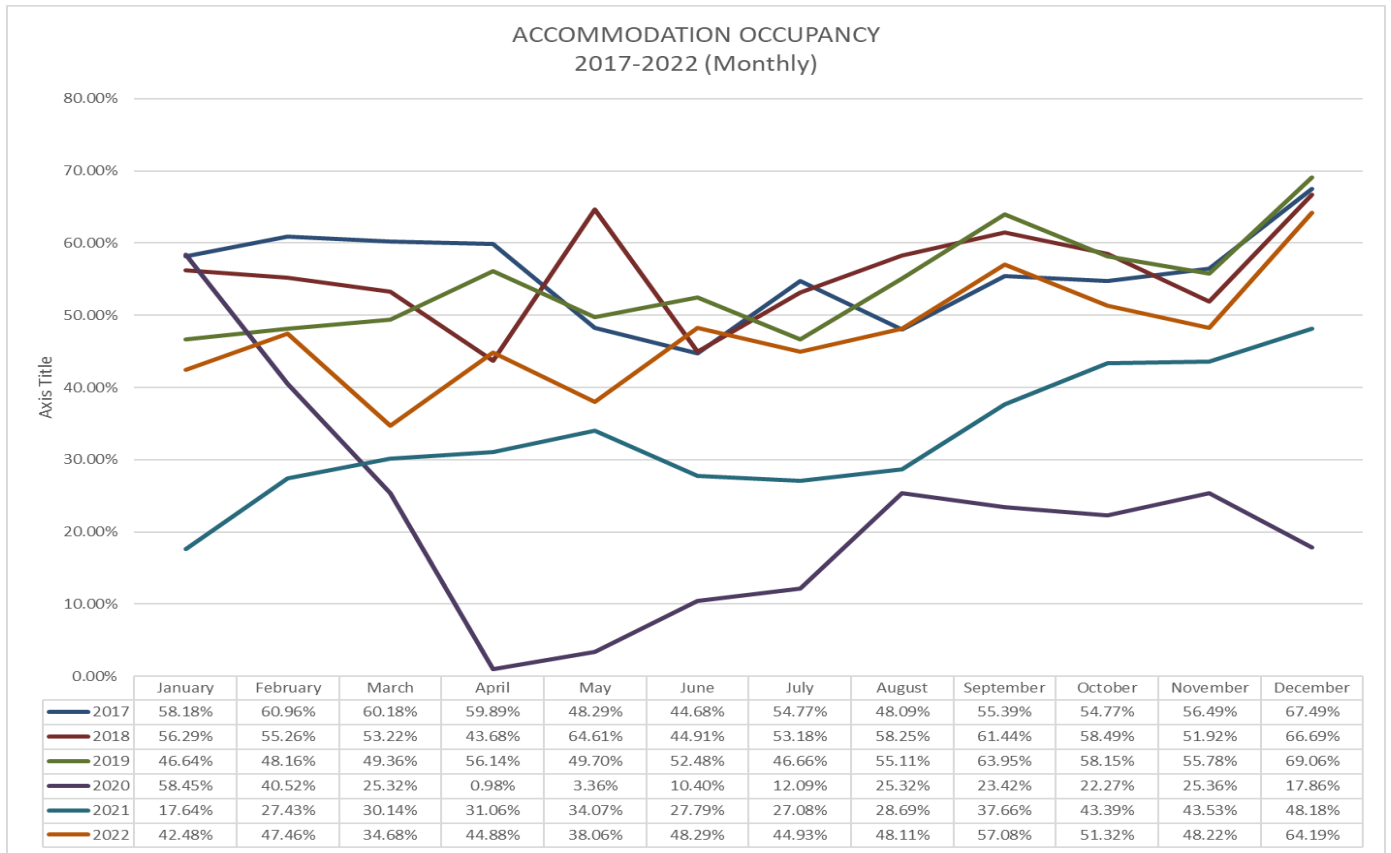
The STR South Africa Hotel Review Report reported a decrease of 1.1% in hotel occupancies for Port Elizabeth during 2021 at 41.1% down from 41.5% and -3.1% decrease in Average Daily Rates. However they did see an increase in available rooms of 38.3% that could account for the drop in occupancy rates.

The average bed rate decreased by R6.00 but the increase in bednights sold led to the income generated from the accommodation sector increase by R 290,811,691 to reach an estimated R1,096,392,471.10 income generated by the formal accommodation sector.

AirBnB data show an additional R 79,365,466 contribution however there might be some double count due to some formal accommodation being listed on the platform.

### 1.3.6.1. MONTHLY ACCOMMODATION OCCUPANCY AND SEASONALITY:

#### FORMAL ACCOMMODATION:



*\*Occupancy data as submitted by participating accommodation facilities*

The 2022 data is also listed here but due to the unavailability of other indicators for 2022 we are only reporting on the 2021 data in detail.

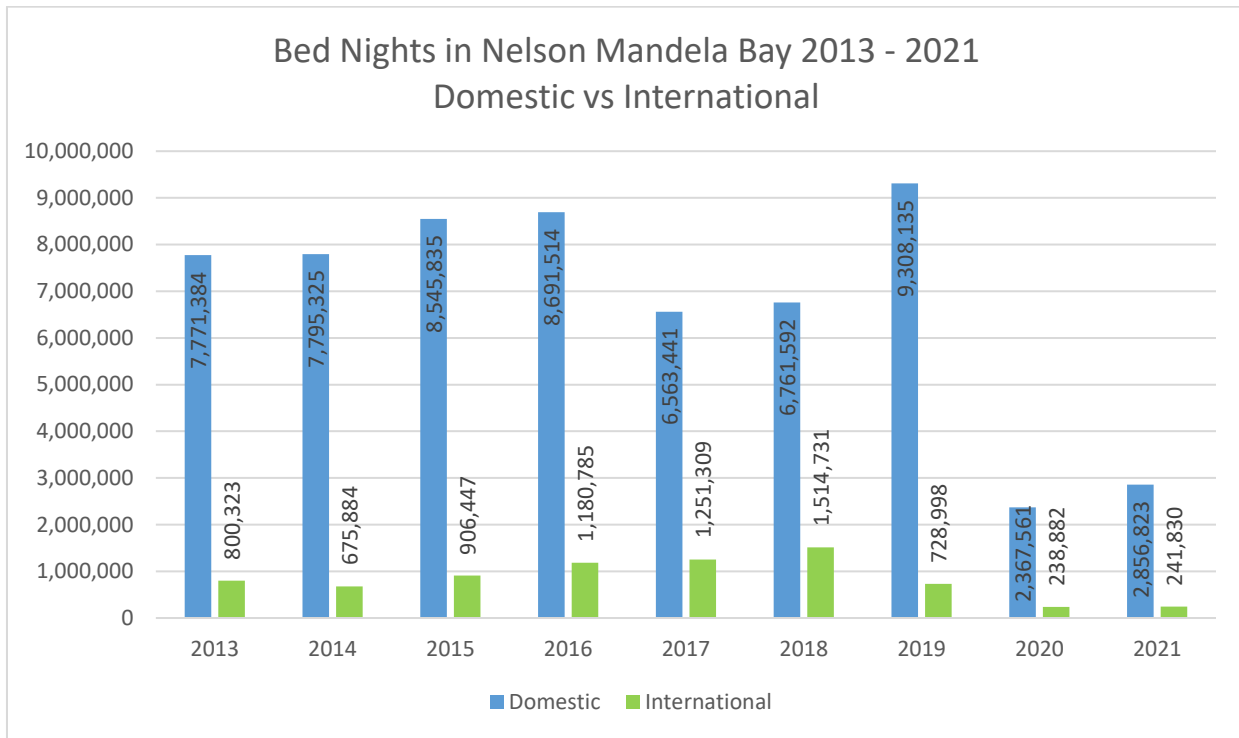
2021 saw a steady recovery of the occupancy rates but overall the 2021 year was only slightly better than 2020 due to better occupancies in the first two months of 2020 before the full lockdown was implemented.

The 2022 data shows a continuation of the recovery but is still below the 2019 pre-covid numbers.

The bednight data however is a more accurate representation of the seasonality and performance due to the fluctuation of supply numbers especially due to the post covid business closures and loss in available rooms and beds. A new supply side audit is to be conducted in 2023 and there is also the planned review of the Guest House Policy. EDTA is looking to include some measures to identify and assess the compliance of other Short Term Rental (STR) Properties to the policy and include properties that fall below the minimum thresholds and includes AirBnB properties, Holiday Rentals and Homestays.

### 1.3.6.2. OVERNIGHT VISITOR BEDNIGHTS IN NELSON MANDELA BAY

The domestic VFR share of visitors to the Eastern Cape according to SA Tourism during 2021 was 45.8%. This coupled with the bednights sold showed a total number of domestic bednights spend in Nelson Mandela Bay reach a total of 2 856 823 in 2021 up from the 2 367 561 in 2020. There was also a small increase in foreign bednights spend in the city from 238 882 to 241 830 in 2021.



### 1.3.6.3. AIRBNB LISTED ACCOMMODATION:

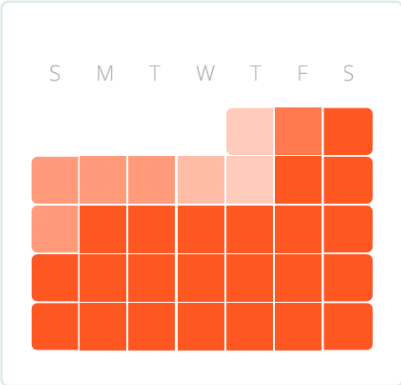
Data collected from AirBnB provides more detail in terms of the seasonality on a daily basis. During 2021 there were a total of 1 329 rental units available on the platform in December 2021. This was down from 1 578 rental units that was available in January 2020. The loss was due to several units being removed from the platform due to the lack of bookings caused by covid lock down regulations and long-term rentals offering better income sources during this period. During December 2022 the number of available rental units increased again to an all-time high of 1 607.

During 2021 a max of 685 rental units were booked per month. This accounted for a total of 59 383 rental nights at an average occupancy of 41.30%. The Average daily rate per unit was R842.50 and saw an annual market revenue of R 79,365,466.

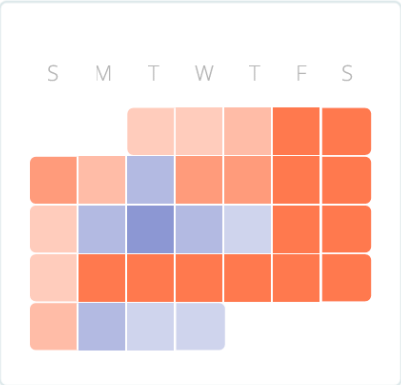
In 2022 the rental units grew to a max of 866 units being booked per month, accounting for 83 816 rental nights sold at an average annual occupancy of 44.99%. At an average daily rate per unit of R 1,244.25, the overall market revenue generated on the platform reached R 106,930,294 for the year.

Below is a breakdown for 2022 that shows the peak and low periods of occupancies and average daily rates collected. This provides an indicator of seasonality on a daily basis.

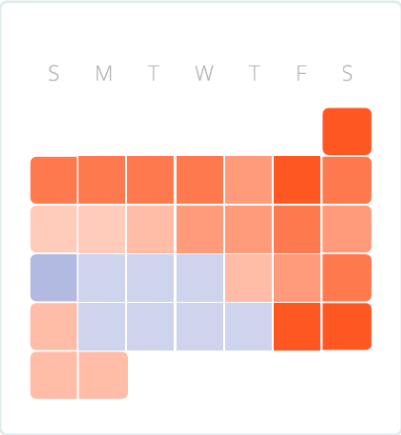
December 2022



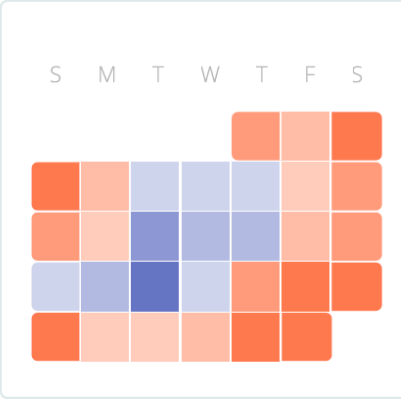
November 2022



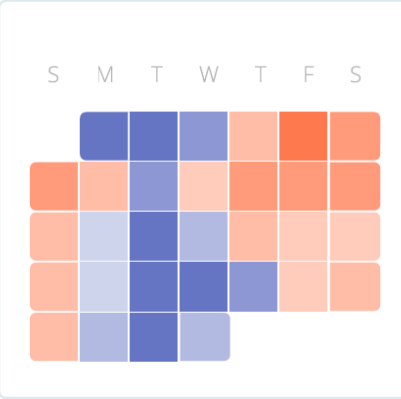
October 2022



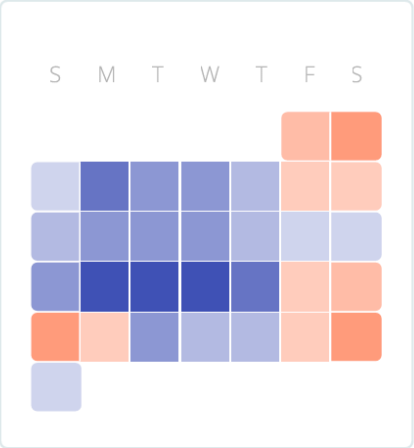
September 2022



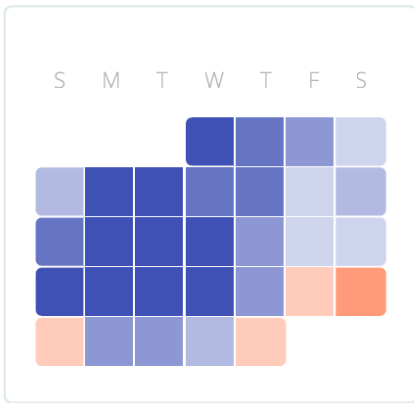
August 2022



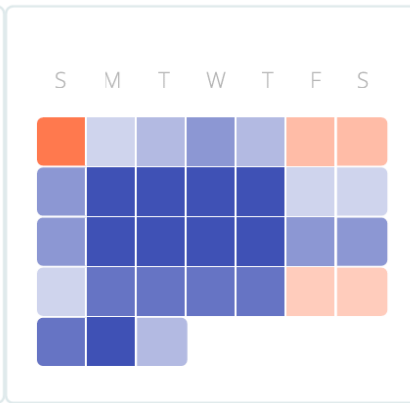
July 2022



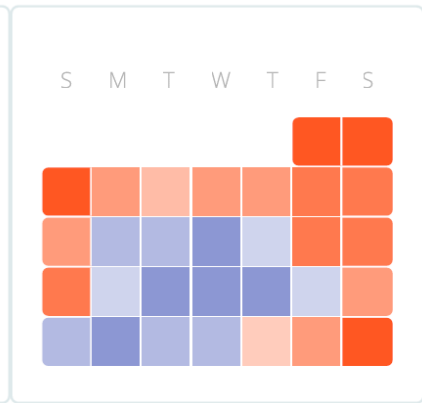
June 2022



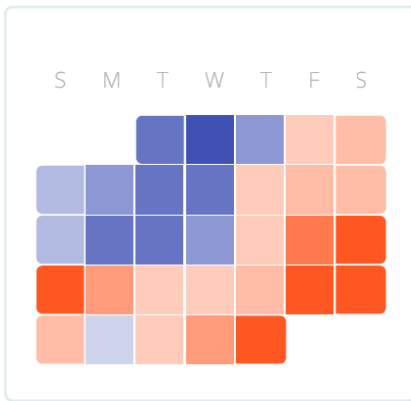
May 2022



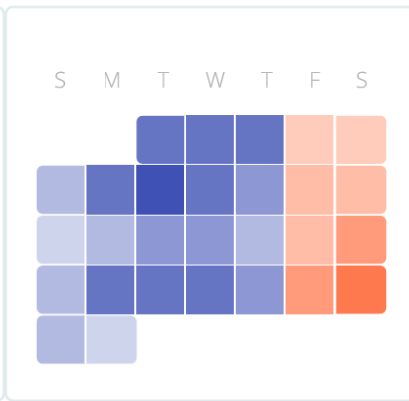
April 2022



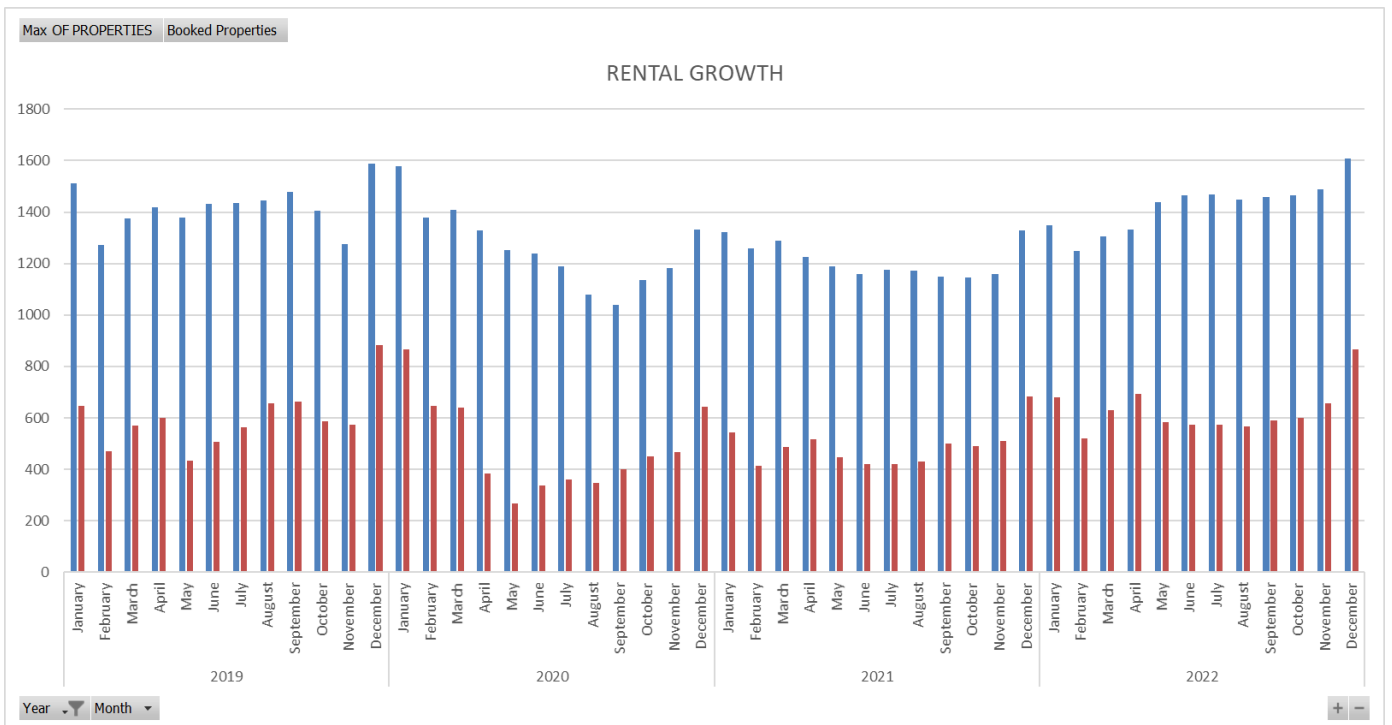
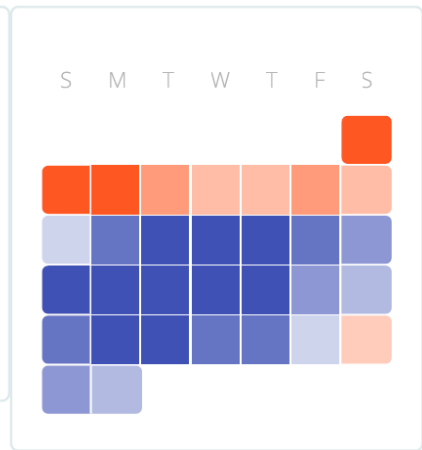
March 2022



February 2022



January 2022



### 1.3.7. VISITOR INFORMATION ENQUIRIES - 2022

EDTA has taken over the Destination Marketing functions from Nelson Mandela Bay Tourism in 2018. Tourism Information Services were part of the responsibilities taken over by EDTA and included the operations of the three Visitor Information Centres (VICs). The offices were at the time located at the Donkin Reserve, Dawid Stuurman International Airport and The Boardwalk Entertainment Complex (now Boardwalk Mall).

The Donkin office was the only VIC that was municipal owned and thus no rental lease transfers was required in order to keep operations going. Prior to the Covid 19 outbreak in 2020, Nelson Mandela Bay Tourism (now Discover Mandela Bay Tourism Partners (DMB)), continued paying for the rental of the Airport and Boardwalk offices in order to continue delivering the services to visitors.

Unfortunately, due to a lack of income as a direct result of the pandemic and the lockdown restrictions, DMB could no longer afford to continue paying for the rental of the Airport VIC. The Boardwalk office also closed due to the construction of the mall and thus the lease agreements were terminated for both these offices. The process of new lease agreements with the NMBM: EDTA directorate is currently underway.

Due to the above, the Donkin VIC, was the only visitor information center in operation during the reporting period and thus the only VIC being reported on. The other sources are from activations throughout the reporting period.

Below is a summary of enquiries received for 2022 compared to 2021:

#### 1.3.7.1. ENQUIRY LOCATION

Location	Enquiries ▾	% Δ	Footcount	% Δ
Donkin	4,259	126.4% ↑	3,374	410.4% ↑
Splash Festival	192	-	192	-
Whale Festival	45	-	90	-
Huge Expo	12	-	22	-
Ironman	2	0.0%	3	-25.0% ↓
<b>Grand total</b>	<b>4,511</b>	<b>139.6% ↑</b>	<b>3,681</b>	<b>453.5% ↑</b>

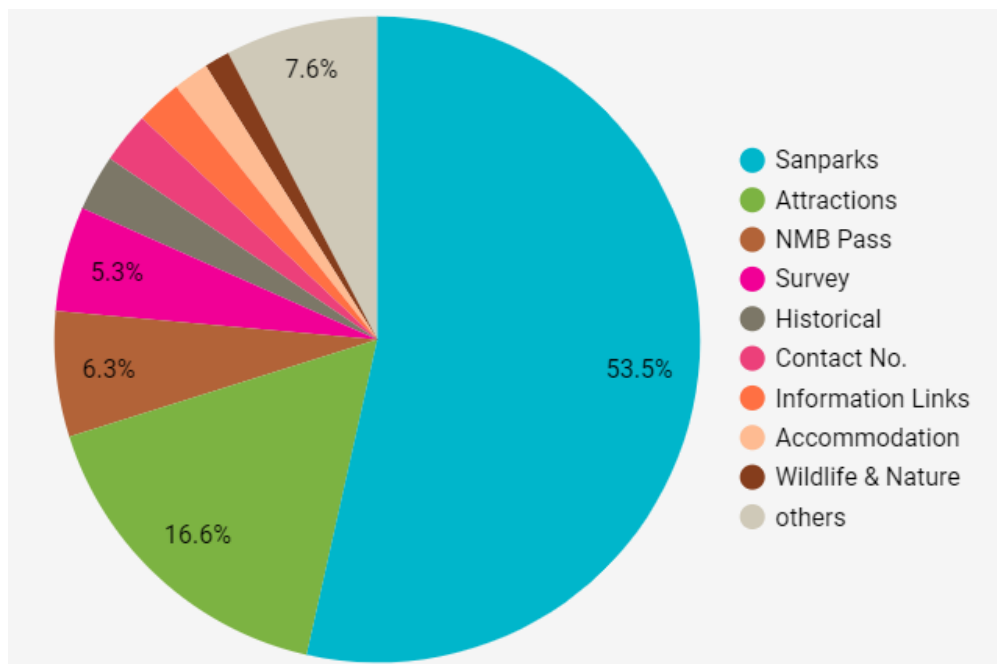
The majority of enquiries, 4 259 enquiries, were received at the Donkin Visitor Information Centre during the year of 2022. This was an increase of 126.4% compared to 2021. Of these 1 357 enquiries were walk in (in person) enquiries accounting for a foot count of 3 374 persons.

### 1.3.7.2. ENQUIRY METHOD

Type of Enquiry	Enquiries ▾	% Δ
Telephone Call	2,472	59.3% ↑
Walk In	1,402	406.1% ↑
E-mail/Online	637	1,079.6% ↑
<b>Grand total</b>	<b>4,511</b>	<b>139.6% ↑</b>

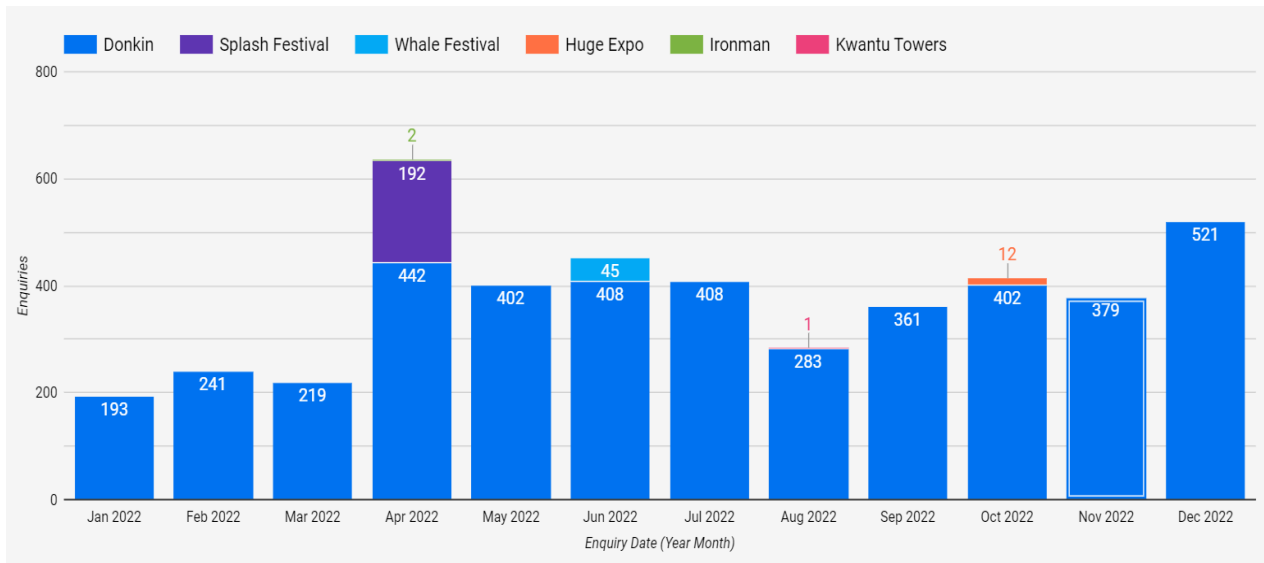
The majority of enquiries, 2 472 enquiries, were made telephonically followed by Walk In (1 402) and E-mail/Online Enquiries (637). Website enquiries received and directed from the website (19 254) is not included in these statistics.

### 1.3.7.3. NATURE OF ENQUIRY



The majority of enquiries that were made were for Sanparks (53.5%) with our office being the official Eastern Cape booking office for SA National Parks. This was followed by Attractions (16.6%), Nelson Mandela Bay Pass (6.3%) and Surveys (5.3%) being completed at some activations.

### 1.3.7.4. ENQUIRIES PER MONTH



As can be seen from the graph above, most enquiries were made during our peak holiday periods. April saw a major increase mostly due to activations at the Splash Festival where a survey was conducted amongst holiday goers. The enquiries received from cruise liner info desk (harbour) and Summer activations were not captured.

### 1.4 IT IS RECOMMENDED THAT:

- The Standing Committee note report