THE ROAD TO RECOVERY REPORT

Volume 3 July 2021

SOUTH AFRICAN TOURISM

EXECUTIVE SUMMARY

International Tourism

	Pre-COVID-19 Average	During COVID-19 Average	Percent change
Global arrival	915 914	133 654	▼ 85%
Overseas arrivals	187 328	12 246	▼ 93%
African arrivals	662 837	116 212	▼ 82%

Oct - Feb 2019/20 vs 2020/21

International arrivals are recovering the slowest of all indicators with travel and re-entry restrictions the most likely drivers. Arrivals from African countries are recovering fastest driven by both land and air travel, while globally travel from Russia has shown significant upward trajectory since opening up international arrivals in September 2020. The USA and India are also recovering faster than other priority markets, but are still 86% lower than pre-COVID-19 levels.

Vaccine incidence combined with infection rates will play an important role in determining future travel prospects from other territories into South Africa and Canada, USA, Germany, Italy and France are showing the most positive signs of reaching the required levels for travel to be assumed safe again. This will however be offset by re-entry barriers which are significant for all these countries except the USA. Medium term international recovery will therefore be largely dependent on African arrivals, with Mozambique, Namibia and Zambia showing the highest recovery to date.

Domestic Tourism

	Pre-COVID-19 Average	During COVID-19 Average	Percent change
Domestic overnight trips*	3 333 812	1 567 165	▼ 53%
Accommodation occupancy**	48%	18%	▼ 55%
Food spending**	5 747 750	3 760 375	▼ 35%

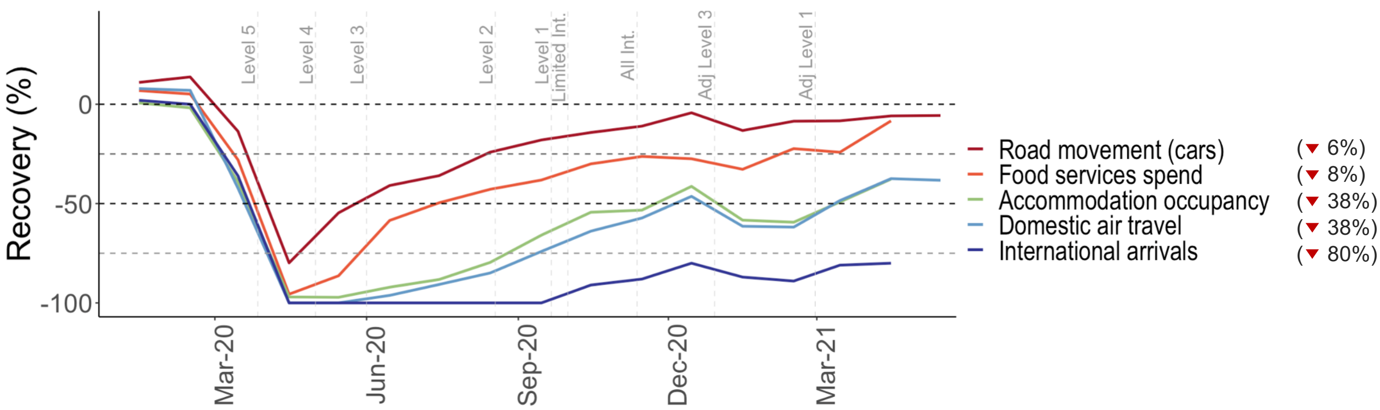
* Aug - Feb 2019/20 vs 2020/21; ** May-Apr 2018/19 vs 2020/21

Across the main indicators of recovery, domestic road movement and spend on food services are closest to reaching pre-pandemic levels. This is indicative of people returning to normal day-to-day activities, but the much slower recovery of accommodation and domestic air travel suggests either a hesitancy to participate in what could be perceived as more risky activities, as well as a reprioritisation of spending due to less disposable income or a shift in preferences.

Domestic occupancy recovery is primarily driven by Caravan and Camping activity, likely brought on by a behavioural change in holiday activity due to infection safety concerns.

Food spending is showing strong recovery driven exclusively by fast food expenditure. The behavioural shift can likely also be attributed to safety concerns, however ongoing changes in restrictions imposed on sit-down eating as infection rates change are likely impacting the overall recovery of restaurants.

PERCENT RECOVERY OF TOURISM INDICATOR METRICS DURING THE COVID-19 PANDEMIC RELATIVE TO 2019 LEVELS



INTRODUCTION

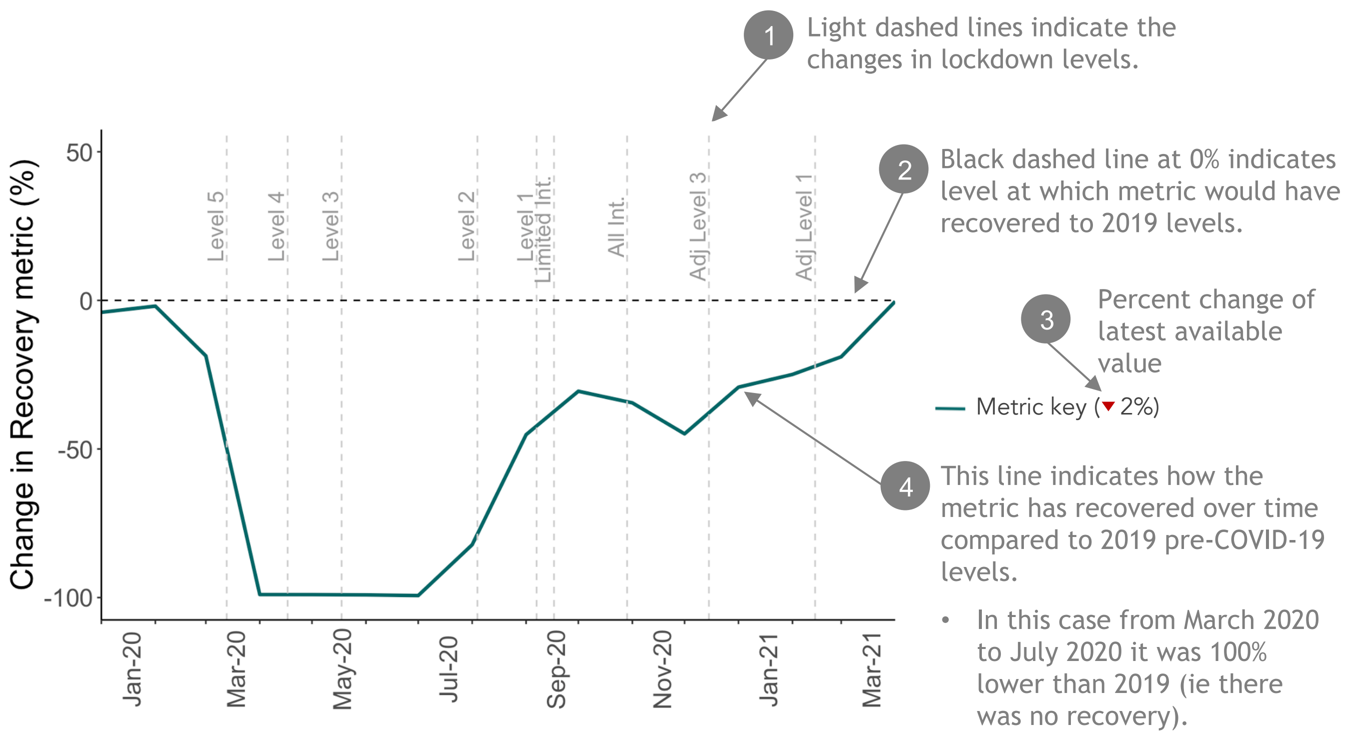
Fifteen months into the COVID-19 pandemic, the tourism sector continues to feel the impacts of emergency measures implemented across the globe to contain the spread of the virus. While some green shoots of recovery are starting to emerge, uncertainties around the rate of vaccination roll-outs, continued evolution of virus variants and regulations both abroad and at home will influence the sustainable recovery of the sector in the months to come. Ongoing civil unrest in KwaZulu-Natal and Gauteng is also likely to dampen demand in the short-term.

In this report we unpack the following to understand where we are on the road to recovery:

- The levels of international tourism and arrivals into South Africa and the trends behind these,
- The status of the pandemic and vaccination rollouts across key international source markets,
- Levels of domestic tourism recovery and related sectors.

How to read the recovery graphs:

Recovery of the sector is consistently measured throughout the report by comparing current performance to the comparable period in 2019. The chart below details how to interpret this analysis:



- In this case from March 2020 to July 2020 it was 100% lower than 2019 (ie there was no recovery).
- By March 2021, the metric has recovered to the same levels as 2019 (-0%)

UNDERSTANDING KEY TRENDS IN INTERNATIONAL TOURISM

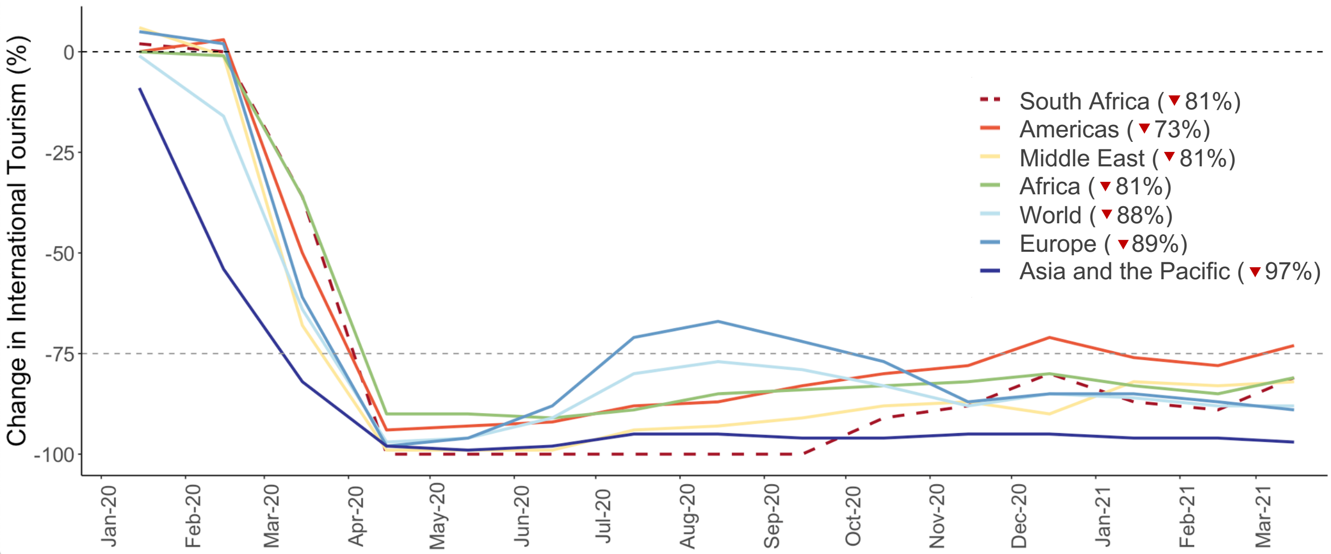
INTERNATIONAL TOURISM

How does international tourism recovery compare across the globe?

- Going into 2021, international tourist arrivals into **South Africa** are still 81% lower than compared to the same period in 2019.
- The **Middle East** and the rest of **Africa** show a similar level of recovery.
- South Africa's performance is, however, better than the **global average** and **European** levels which currently sit 88% and 89% lower than 2019.
- **Asia and the Pacific** have shown the slowest recovery with international tourism levels still 97% lower than in 2019.
- While, **the Americas** are seeing a slightly better recovery in international tourism, despite being 73% lower than the same period in 2019.

Although still 80% lower than 2019, recovery of international tourism into South Africa is on par with other global regions.

FIGURE 1: CHANGE IN INTERNATIONAL TOURIST ARRIVALS INTO EACH WORLD REGION RELATIVE TO SAME MONTH IN 2019

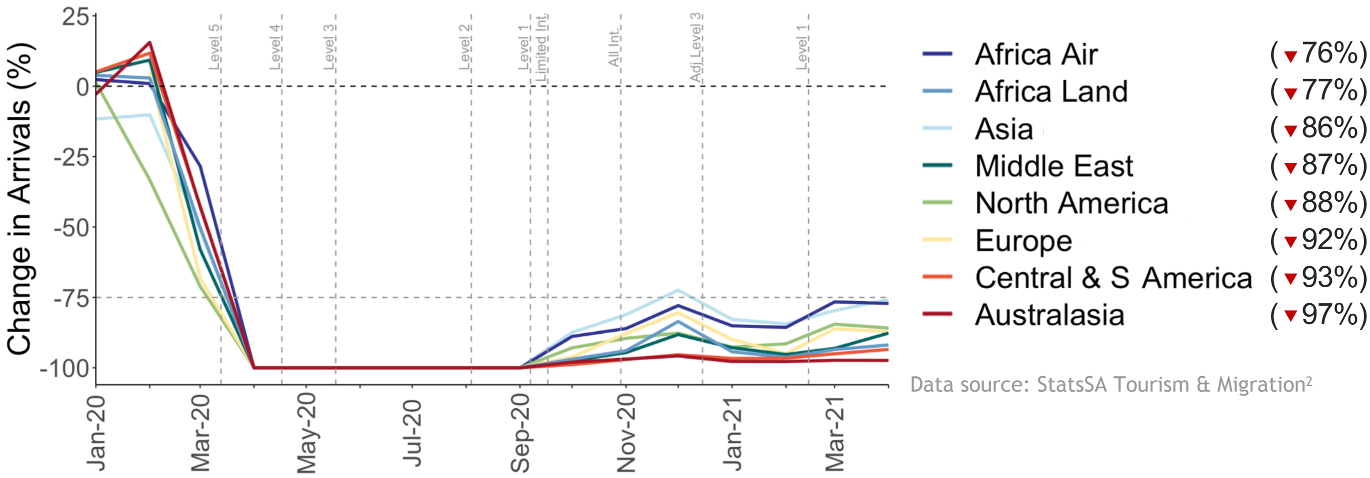


Data source: UNWTO Recovery Tracker[1] and StatsSA Tourism & Migration[2]

Regional contribution to international tourism recovery in South Africa

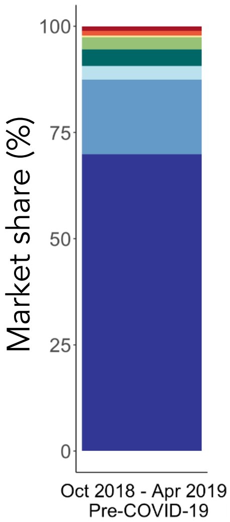
- Since the reopening of borders to international tourists in October 2020, most regions have seen a modest recovery with a distinct peak of arrivals over the December period.
- Africa Land markets have made the greatest contribution to arrivals into South Africa. African Land and Africa Air exhibit the greatest level of inbound recovery but are still 76% and 77% lower than in 2019.
- Asia, Middle East and North America are approximately 87% lower than 2019.
- Whereas arrivals from Europe, Central & South America are still more than 90% lower than in 2019.
- A notable 5% increase in arrivals can be seen in arrivals stemming from North America over the last month of available data.
- This increase likely reflects the announcement[3] in early April by the United States that vaccinated citizens are no longer required to self-quarantine after returning from international travel, thereby removing a major barrier to the resumption of travel.
- The associated increase in travel due to the removal of a barrier to reentry signals that similar easing of restrictions in other regions would speed up the recovery of the industry and allow vaccinated travellers to resume travel to South Africa.

FIGURE 2: RECOVERY OF INTERNATIONAL TOURIST ARRIVALS INTO SOUTH AFRICA RELATIVE TO SAME MONTH IN 2019

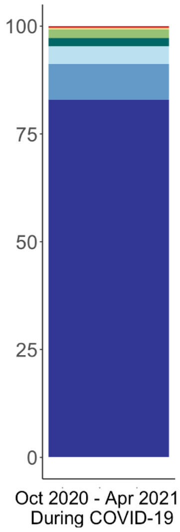


Data source: StatsSA Tourism & Migration[2]

FIGURE 3: MARKET SHARE OF INTERNATIONAL TOURIST ARRIVALS BY COUNTRY BEFORE COVID-19 COMPARED TO DURING COVID-19



Pre-COVID-19 Market share: Average Monthly	Pre-COVID-19 Market share: (%)	Region		During COVID-19 Market share: Average Monthly	During COVID-19 Market share: (%)	Latest Recovery (%)
10 234	1.1	Australasia		298	0.2	-97%
10 033	1.1	C. & S. America		404	0.3	-93%
3 824	0.4	Middle East		461	0.3	-87%
35 389	2.8	Asia		2 685	2	-86%
35 389	3.9	North America		2 555	1.9	-88%
29 552	3.3	Africa Air		5 462	4.1	-76%
158 208	17.5	Europe		11 039	8.3	-92%
633 285	69.9	Africa Land		110 750	82.9	-77%



Data source: StatsSA Tourism & Migration[2] *Monthly arrivals per region available in Appendix

SOUTH AFRICAN TOURISM

Which priority markets are driving overseas recovery?

- The three countries with the greatest inbound recovery are Russia (-18%), United States (-86%) and India (-86%). Notably, these three countries also have had the lowest barriers to re-entry after travel (Table 1, page 12)
- The three countries with the highest numbers and market share of arrivals into South Africa are the UK, Germany and the United States. This was also the case pre-COVID-19.
- Although the UK maintains its position as being the source of the greatest number of arrivals into South Africa having 22% of the inbound market share; the recovery of travellers from this market is still 95% lower than in 2019.
- While Russia is showing the fastest recovery (currently -18%) the size of the market is the smallest of priority markets (1% pre-covid), making the effect of this recovery negligible.
- However, understanding what is driving this spurt in travel from Russia could enable similar effects from other regions.

FIGURE 4: RECOVERY OF OVERSEAS TOURIST ARRIVALS PER COUNTRY RELATIVE TO SAME MONTH IN 2019

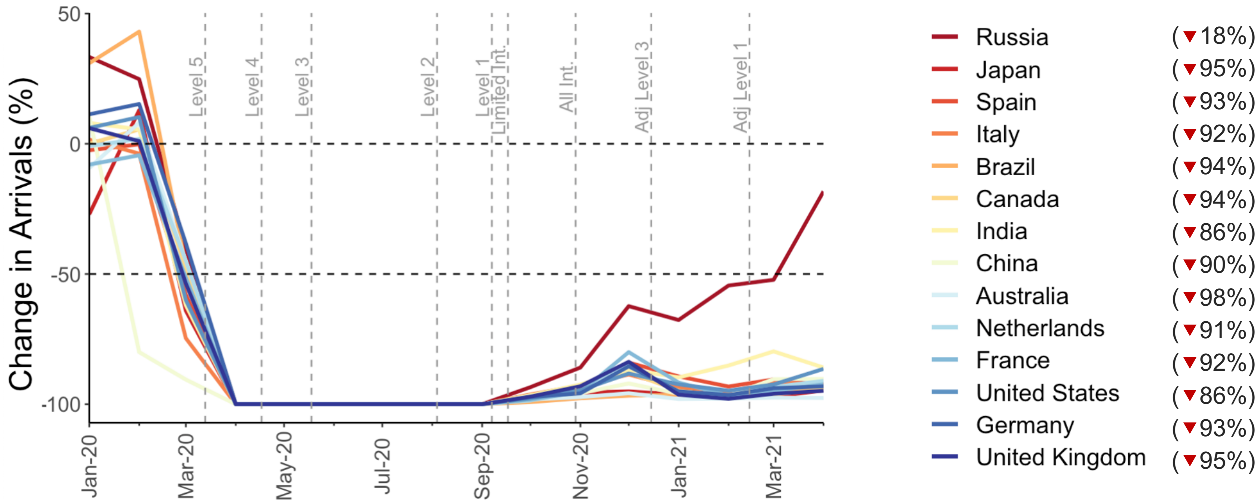
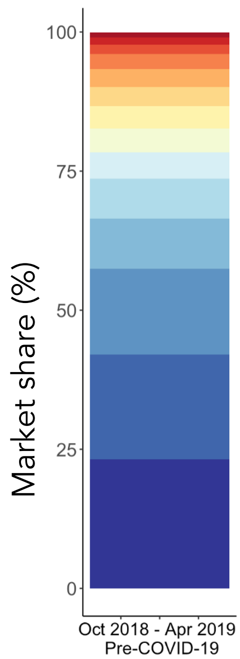
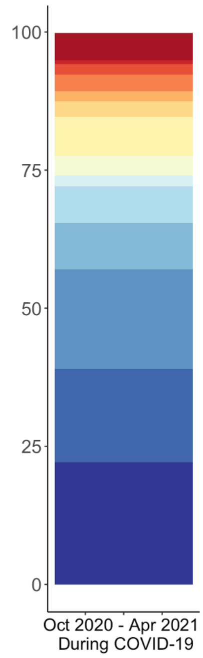


FIGURE 5: MARKET SHARE OF PRIORITY OVERSEAS ARRIVALS BY COUNTRY BEFORE COVID-19 COMPARED TO DURING COVID-19



Pre-COVID-19 Market share Average Monthly	Pre-COVID-19 Market share (%)	Region	During COVID-19 Market share Average Monthly	During COVID-19 Market share (%)	Latest Recovery (%)
1 604	0.9	Russia	602	4.9	-18%
2 364	1.3	Japan	89	0.7	-95%
3 074	1.6	Spain	236	1.9	-93%
5 167	2.8	Italy	363	3	-92%
6 018	3.2	Brazil	221	1.8	-94%
6 457	3.4	Canada	348	2.8	-94%
7 424	4	India	872	7.1	-86%
8 066	4.3	China	445	3.6	-90%
9016	4.8	Australia	238	1.9	-98%
13 307	7.1	Netherl.	815	6.7	-91%
17 096	9.1	France	1 033	8.4	-92%
28 933	15.4	USA	2 207	18	-86%
35 254	18.8	Germany	2 067	16.9	-93%
43 548	23.2	UK	2 710	22.1	-95%



Data source: StatsSA Tourism & Migration[2] *Monthly arrivals per country available in Appendix

SOUTH AFRICAN TOURISM

Which priority markets are driving African recovery?

- The three African countries with the greatest inbound recovery are Mozambique, Namibia and Zambia.
- The three countries with the highest numbers of arrivals (market share) into South Africa are Zimbabwe, Mozambique and Lesotho.
- Although Zimbabwe maintains its position having the highest market share of inbound African travellers; travel from Zimbabwe is still 83% lower than in 2019.
- Mozambique has grown in inbound market share by 10%, now having the second highest market share from the African countries.

FIGURE 6: RECOVERY OF AFRICAN TOURIST ARRIVALS PER COUNTRY RELATIVE TO SAME MONTH IN 2019

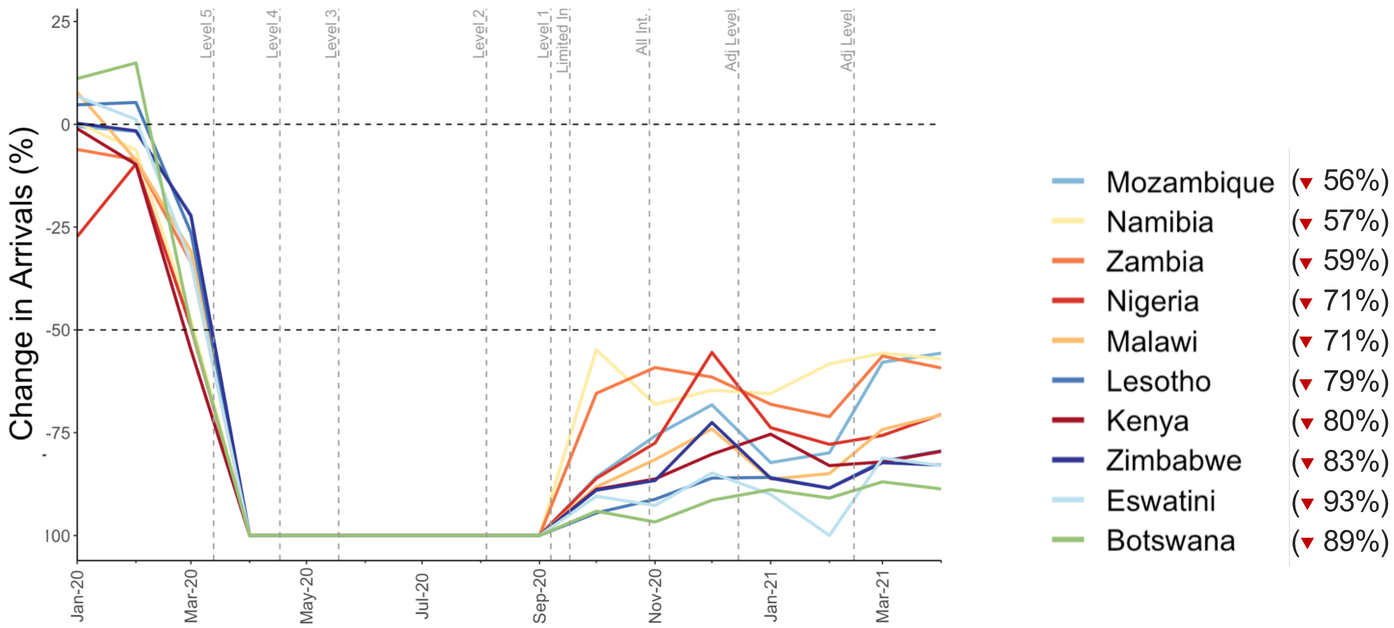
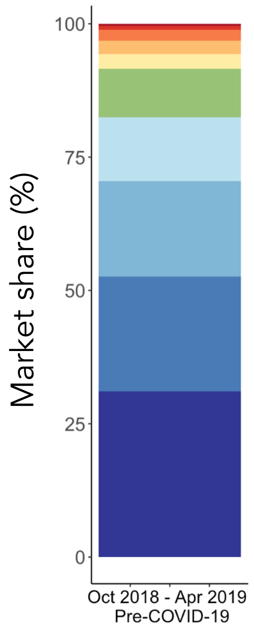
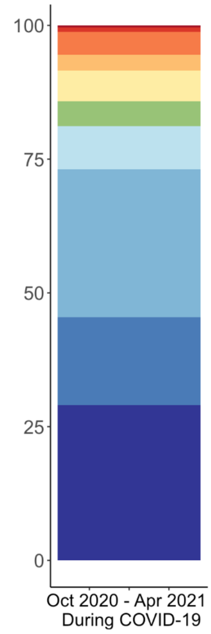


FIGURE 7: MARKET SHARE OF PRIORITY AFRICAN ARRIVALS BY COUNTRY BEFORE COVID-19 COMPARED TO DURING COVID-19



Pre-COVID-19 Market share		Region	During COVID-19 Market share		Latest Recovery (%)
Average Monthly	(%)		Average Monthly	(%)	
2 666	0.4	Kenya	460	0.4	-80
4 213	0.7	Nigeria	841	0.8	-71
13 466	2.1	Zambia	4 785	4.3	-59
16 134	2.5	Malawi	3 254	2.9	-71
17 494	2.7	Namibia	6 456	5.8	-57
58 314	9.1	Botswana	5 122	4.6	-89
76 616	12	Eswatini	8 966	8.1	-93
114 811	17.9	Mozambiq.	30 686	27.6	-56
137 331	21.5	Lesotho	18 309	16.5	-79
199 118	31.1	Zimbabwe	32 146	29	-83



Data source: StatsSA Tourism & Migration[2] *Monthly arrivals per region available in Appendix

Have traveller demographics shifted during the COVID-19 pandemic?

GENDER

In Southern African Development Community (SADC) regions, a trend of more male visitors than female visitors persists. Recovery of travel by males has also been greater when compared to travel by females.

In Overseas and Other African markets, little difference exists between the recovery of travel between males and females.

FIGURE 8: RECOVERY OF TOURIST ARRIVALS BY GENDER COMPARED TO 2019

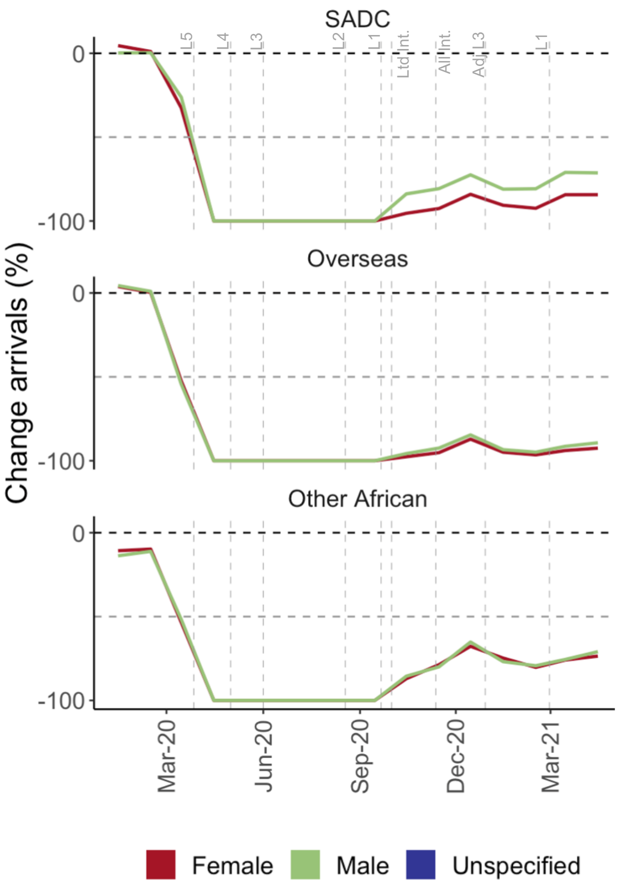
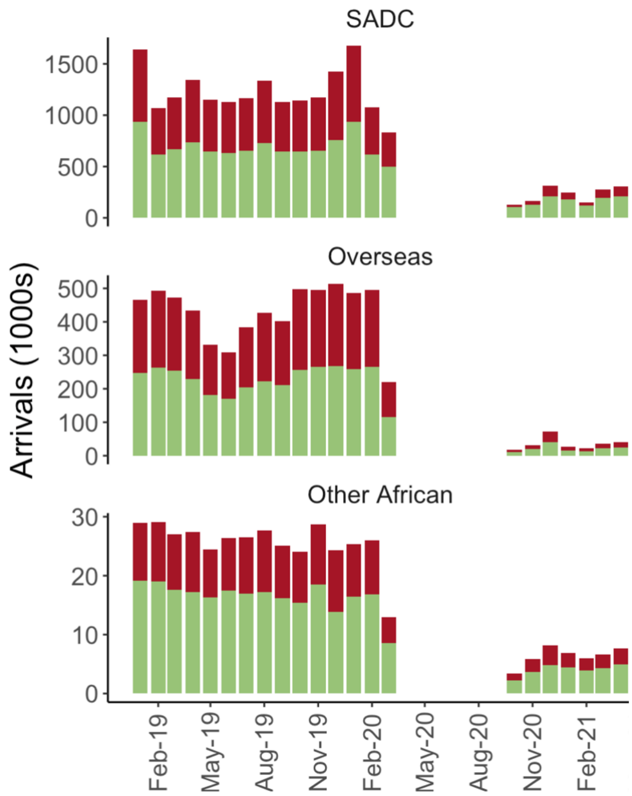
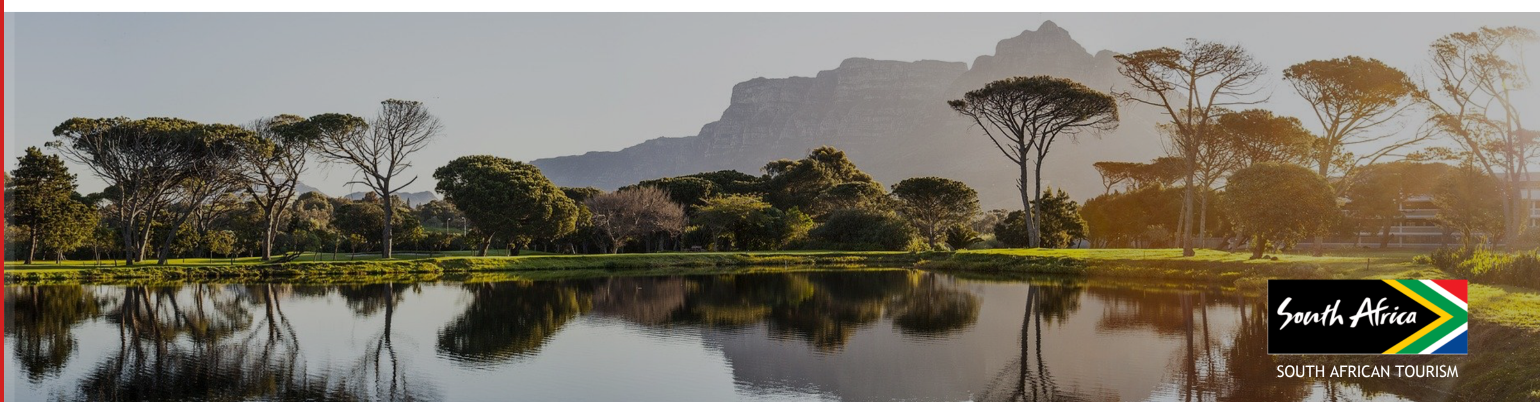


FIGURE 9: TOURIST ARRIVALS BY GENDER



Data source: StatsSA Tourism & Migration[2]



Have traveller demographics shifted during the COVID-19 pandemic?

AGE GROUPS:

Varying patterns are seen in the age distribution of travellers to South Africa's from priority source markets during the COVID-19 pandemic:

- In the SADC and Other African countries, recovery of travel by middle aged groups (35-64) has been greater than travel by younger (<35 years) and older (65+) age groups.
- For the Overseas markets, that was traditionally heavily dependent on travellers 45 years and older (blue components in the figures below); little divergence in recovery of travel between age group currently exists.
- This could indicate that broad scale barriers to travel are limiting travel of all ages from these regions.

FIGURE 10: RECOVERY OF TOURIST ARRIVALS BY AGE GROUP RELATIVE TO SAME MONTH IN 2019

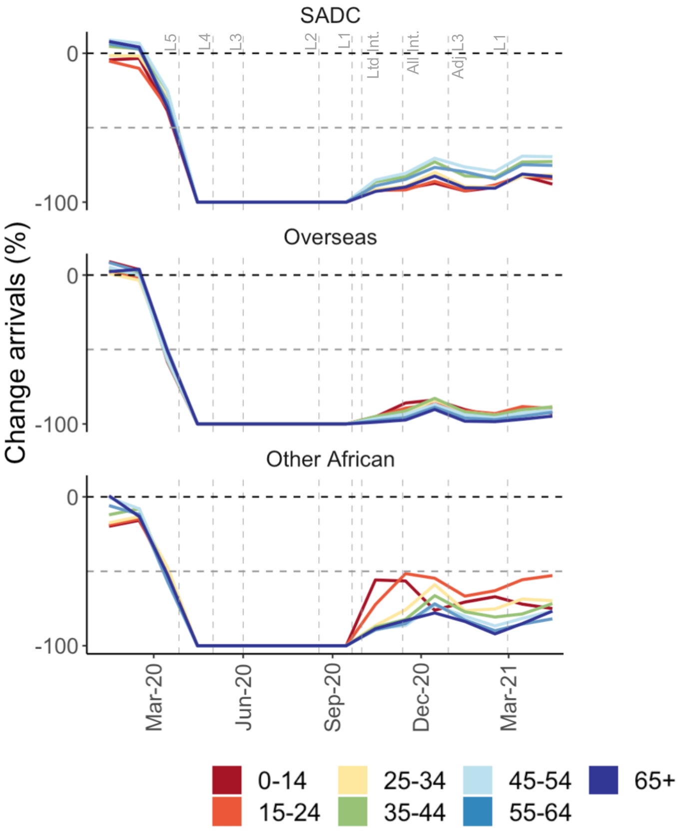
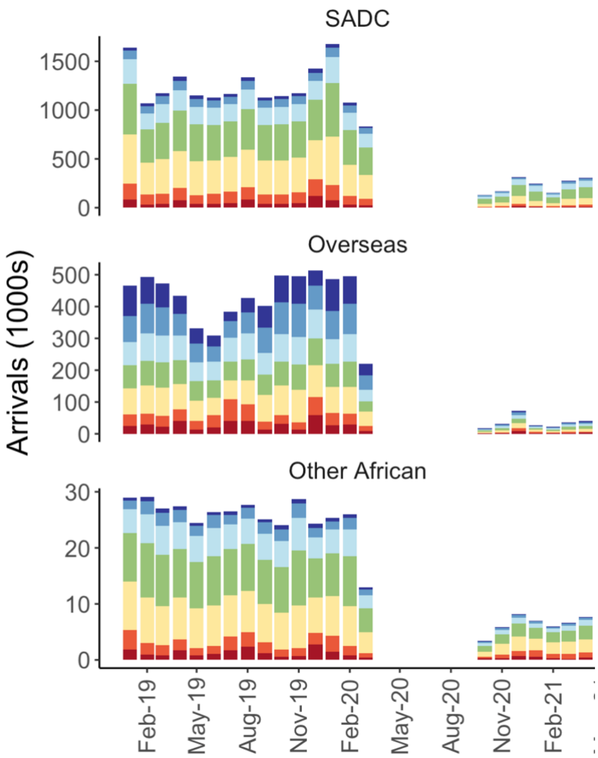


FIGURE 11: TOURIST ARRIVALS BY AGE GROUP



Data source: StatsSA Tourism & Migration[2]

TRACKING THE PANDEMIC IN PRIORITY SOURCE MARKETS

Understanding the state of the COVID-19 pandemic in South Africa's prioritised source markets helps to inform an understanding of where travel is likely to resume.

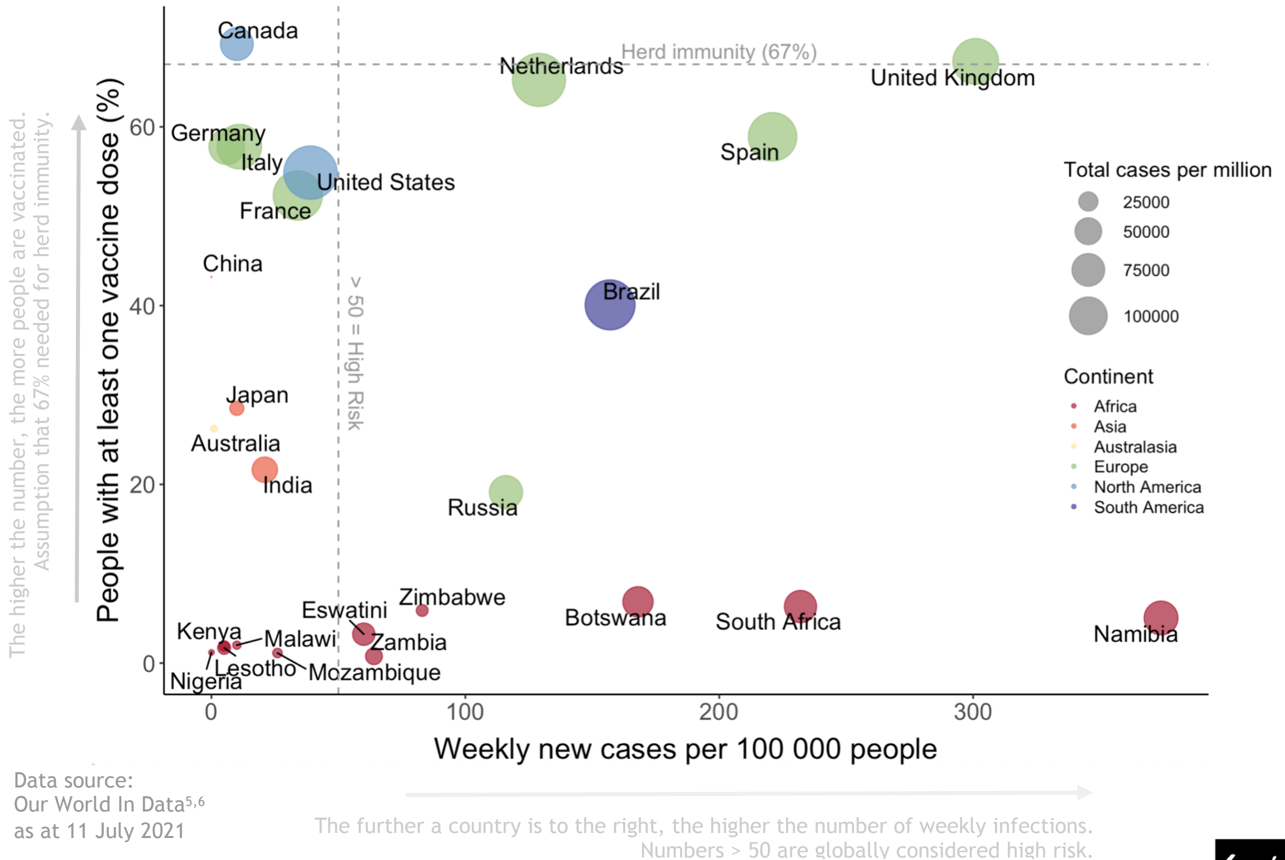
In the coming months, key metrics to track will be the combination of how much COVID-19 is still spreading (measured by new cases per week) and progress in vaccination rollouts.

Ideally, countries should have high levels of vaccinations and low numbers of new cases per week (top, left corner of Figure 12 below). This would indicate relative progress in curbing the COVID-19 pandemic in that country and potential change in consumer readiness to travel.

Currently, in key source markets:

- **North American** key markets are situated well with low weekly case rates and advanced vaccine rollout efforts. While the US vaccine rate has slowed to some extent, Canada is surging past hypothetical herd immunity.
- In **Europe**, most key source markets are making positive progress in moving towards herd immunity vaccination levels. After devastating peaks of cases across the region in recent months, weekly new caseloads have all but stabilised at lower risk levels for most of the European Nations. Exclusions however are the United Kingdom, Spain and Netherlands. Despite high vaccination levels, these countries are experiencing increasing weekly new COVID-19 cases likely associated with the rapid spread of the Delta variant[3].
- Most **African** source markets have relatively lower weekly new case rates with notable exceptions being Botswana and Namibia. The latter having the highest new case rate of all our source markets, that is > 300.
- **South Africa**, currently within a third wave of infections, is experiencing high weekly new case rates, > 200 new cases per 100 000 people per week. While vaccine rollouts have been slow, recent drives are pushing South Africa's vaccination progress northwards with the expectation that herd immunity will be reached by the end of 2021[4].

FIGURE 12: RACE AGAINST TIME: WEEKLY NEW COVID-19 CASES VS NUMBER OF PEOPLE VACCINATED IN SA TOURISM'S PRIORITY SOURCE MARKETS



Data source:
Our World In Data[5,6]
as at 11 July 2021

TRACKING THE PANDEMIC IN PRIORITY SOURCE MARKETS

A holistic view of the state of the COVID-19 pandemic in SA tourism's 24 priority markets will help identify which markets are likely to resume travel.
In the detailed table (next page) we provide information on:

1. COVID-19 METRICS (as at 11 July 2021)

- **Total cumulative COVID-19 cases per million people:**
- **Weekly new COVID-19 cases per 100 000 people**
  - As at 11 July 2021[5]
  - Brackets indicate the change since end March 2021.
  - Rates >50 are considered high risk by global standards.
  - Key: 0-50: Green, 50-100: pink, >100: red

1. VACCINATION METRICS

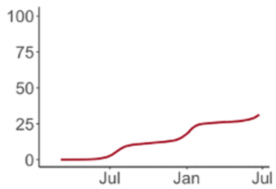
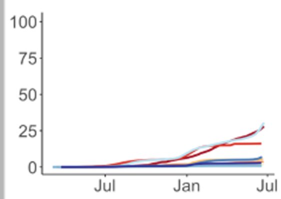
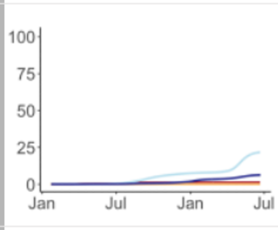
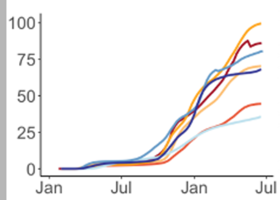
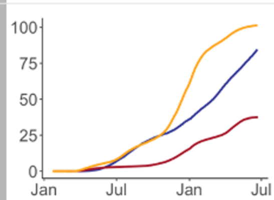
- **Percent of the population with at least one vaccine dose**
  - as at 11 July 2021[6].
  - Key: 0-33: red, 34-66: pink, 67-100: Green
- **Daily vaccination rate per 100 people (%)**
  - As at 11 July 2021[6].
  - * Calculated as 7 day rolling average
  - Key: 0-0.3 red, 0.4-0.7: pink, > 0.7: Green
- **Estimated time to reach 75% of the population vaccinated**
  - As at 11 July 2021[7].
  - Estimate herd immunity level
  - ** Extrapolated using current 7 day vaccination rate as at 11 July 20217.
  - Key: < 1 year: Green, 1-2 years: pink, > 2 years: red

3. TRAVEL METRICS

- **Barriers to re-entry for each country after travel to South Africa**
  - As at 25 June 2021.
  - B = Ban on travel out of the country for tourism,
    Q = Quarantine at pre-authorized location,
    I = Self isolation at location of choice,
    S = Screening for negative COVID-19 tests (the type and frequency of tests differs between countries).
  - *** Several countries now have different regulations for vaccinated travellers. See the appendix for summarized regulations of each country
  - Key: no regulations: Green, Screening or self isolation: pink, Mandatory quarantine or Ban on tourism travel: red
- **Travel prospect based on available metrics**
  - **** barriers related to airlift not currently included in outlook but will affect realization of travel prospect).
  - Key: VL = Very Low travel prospect: due to "Bans" and/or "Quarantine" regulations.
    L = Low travel prospect: due to South Africa's weekly new case rate per 100 000 people > 200; "Isolation" and/or "Screening" required; population with at least one dose of vaccination < 66 %.

Data source: Our World In Data[5,6]

TABLE 1: NEAR TERM TRAVEL OUTLOOK FROM PRIORITY MARKETS BASED ON COVID-19, VACCINATION, AND BORDER REGULATION METRICS

	COVID-19 metrics			Vaccination metrics			Travel metrics	
	Cumulative confirmed cases per million people (000s)	Country	Weekly new cases per 100 000 people	Population with at least one dose (%)	Daily Vaccinations per 100 people* (%)	Time to reach herd immunity**	Barrier to re-entry after travel to South Africa***	Travel prospect ****
South Africa		South Africa	224 (+1)	6	0.2	1.1 y	-	-
Africa		Namibia	396 (-12)	5	0.06	6 y	S	L
		Botswana	168 (0)	7	0.1	> 10 y	S	L
		Eswatini	68 (+62)	3	0.04	>10 y	S	L
		Lesotho	16 (+1)	2	0.02	>10 y	S	L
		Zambia	67 (-23)	1	0.01	> 10 y	S + I	L
		Zimbabwe	89 (+37)	6	0.1	2.9 y	S + I	L
		Mozambique	28 (+13)	1	0.02	> 10 y	S	L
		Kenya	6 (-1)	2	0.02	9.8 y	S	L
		Malawi	11 (+4)	2	0.03	>10 y	S	L
		Nigeria	0 (0)	1	0.03	> 10y	S + I	L
Australasia		India	21 (-2)	22	0.33	1.2 y	S + I	L
		Japan	11 (+2)	29	0.9	2 m	S + Q + I	VL
		Australia	1 (0)	27	0.5	7 m	B + Q	VL
		China	0 (0)	44	0.8	2 m	S + Q	VL
Europe		Netherlands	183 (+152)	65	0.6	2 m	S + I	L
		France	37 (+14)	52	0.8	2 m	B + Q/I + S	VL
		Spain	221 (+111)	59	1.2	4 m	S	L
		Italy	12 (+3)	59	0.9	3 m	B + I + S	VL
		UK	312 (+73)	67	0.4	3 m	S + Q	VL
		Germany	6 (+1)	58	0.8	2 m	B + I + S	VL
		Russia	116 (+12)	19	0.5	8 m	S + I / S*	L
Americas		USA	40 (+12)	55	0.15	9 m	S + I / S*	L
		Brazil	154 (-13)	40	0.6	4 m	Q + S	VL
		Canada	10 (-1)	69	1.3	1 m	B / Q/ S *	VL

* Different rules for vaccinated and unvaccinated travellers

TRACKING THE PANDEMIC PRIORITY SOURCE MARKETS

Based on the metrics shown in the above table, outlook for international travel in the medium-term remains low:

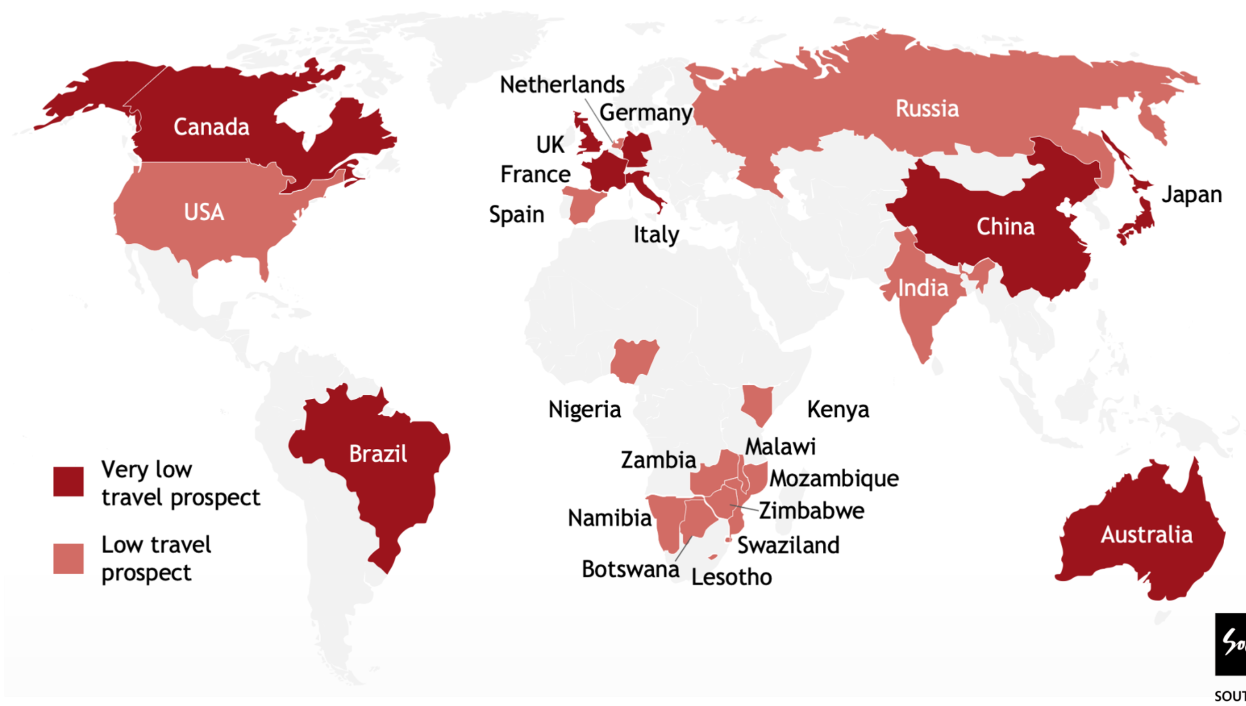
- **AFRICA:** Travel from regional African countries is still more likely than most other markets.
- **EUROPE:** The United Kingdom (UK) has the highest weekly new case rate in Europe, being > 300. However, with the strong vaccination drive in the UK, the country should reach herd immunity by August 2021. This will have a strong impact on demand for resuming pre-COVID-19 behaviour patterns, including travel. The realization of this demand will, however, strongly depend on the removal of barriers to reentry. From 19 July 2021, vaccinated travellers from the UK who have visited Amber list countries will no longer have to self-isolate on return. South Africa remains on the UK red list. Resumption of travel from the UK will largely depend on South Africa being downgraded from the Red to the Amber list. Due to the progress of its vaccination rollout as well as lower barriers to re-entry, travel from Russia is more likely than the other European markets.

In recent weeks both Spain and Netherlands have removed either advisories against travel or the need for quarantine which could mean potential uptick in travel from these regions. However, since both regions are currently under pressured of high rates of new infections, realisation of travel potential is likely to be slower until new daily cases subsides. The outlook for travel in the rest of Europe remains low due to the persistent strong barriers to re-entry after travel.

- **AUSTRALASIA:** While COVID-19 levels in key Australasian source markets are still very low, these countries have been relatively slower in rolling-out vaccinations and restrictions on re-entry after travel to South Africa remain a large barrier to travel.
- **AMERICAS:** Travel from the United States is more likely than most of the other overseas markets, due to a low rate of weekly new infections, a strong progression in their vaccine roll out as well as low barriers to re-entry. Prospects for travel from Canada and Brazil remains very low due to higher barriers to re-entry as well as high weekly new infections for the latter country.

> As countries begin to relax barriers to re-entry after travel, increased resumption of travel is likely to occur.

FIGURE 13: NEAR-TERM TRAVEL PROSPECTS FROM SA TOURISM'S PRIORITY SOURCE MARKETS



TRACKING TOURISM SECTOR RECOVERY ON THE GROUND

DOMESTIC TOURISM

Domestic tourism remains key to the resilience of the tourism sector. Here, total overnight trips are 52% lower than pre-COVID-19 levels as opposed to the 80% reduction seen in international tourism.

Domestic tourism resumed in late July 2020 and was followed by a period of increased domestic peaks during different months depending on the trip purpose.

Since December, recovery of trips have mostly stayed consistent at approximately 50% lower than pre-covid levels.

Holiday trips, however, have shown a decrease to 42% lower than pre-COVID-19 levels, and trips for Visiting Friends and Family (VFR) purposes have also contracted to being 60% lower than pre-COVID-19 levels.

Demand for day trips remains low. However, by number, these trips contribute the most trips to the domestic tourism landscape. Considering constraints and mindsets regarding travel during the COVID-19 pandemic, significant potential exists to target growth in resuming day trips.

FIGURE 14: DOMESTIC OVERNIGHT TRIPS BY PURPOSE

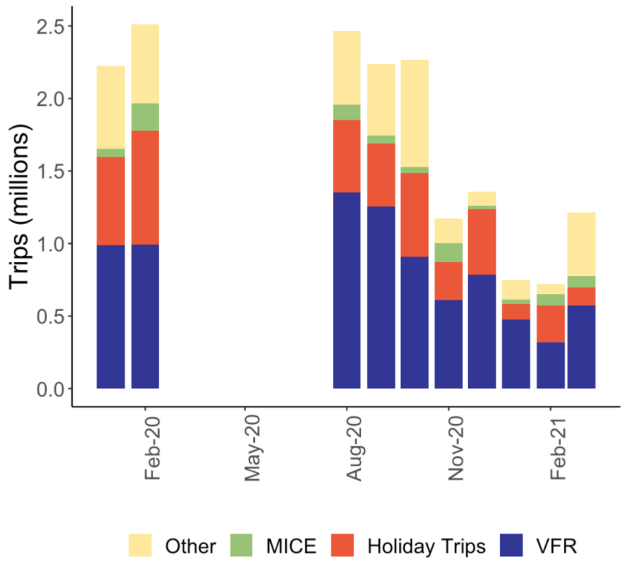


FIGURE 15: DOMESTIC DAY TRIPS

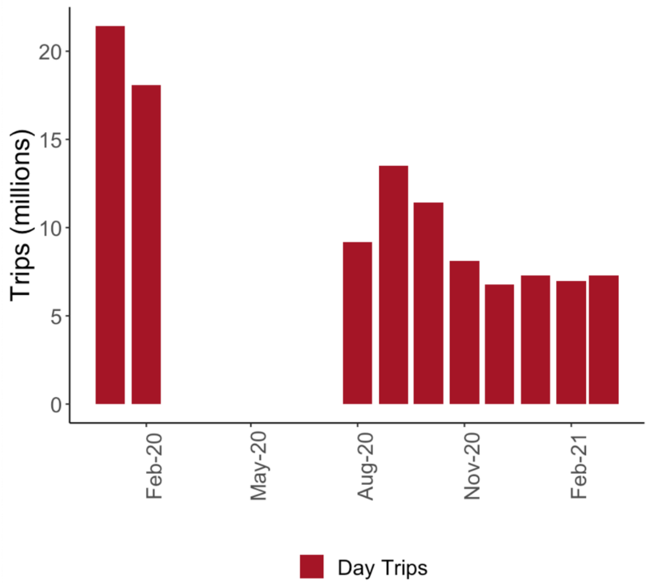
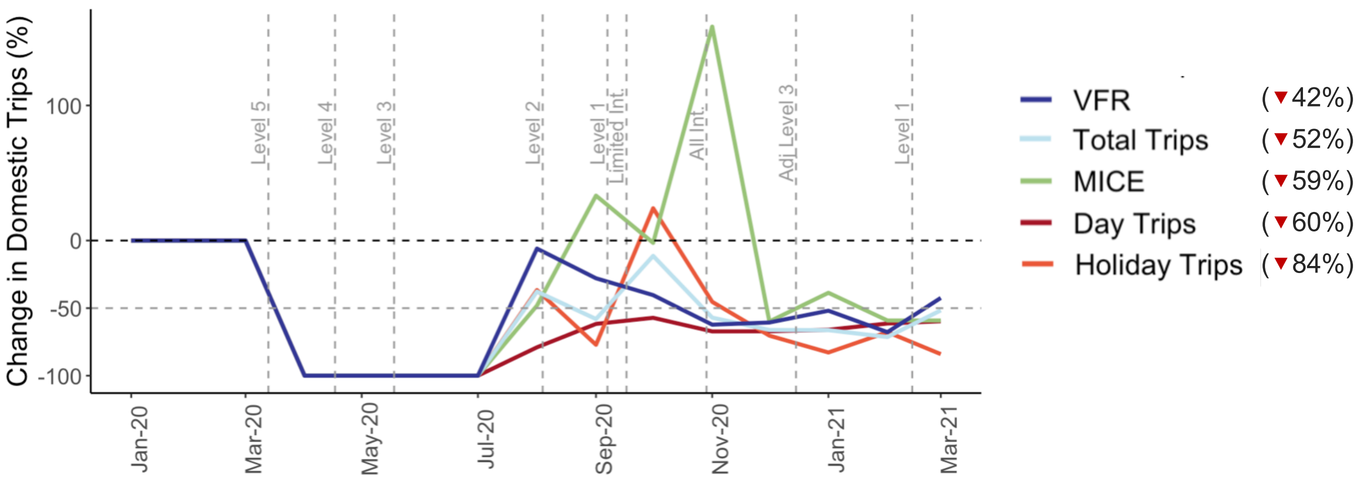


FIGURE 16: RECOVERY OF DOMESTIC TRIPS BY TRIP TYPE RELATIVE TO SAME MONTH IN 2019



Data source: SA Tourism

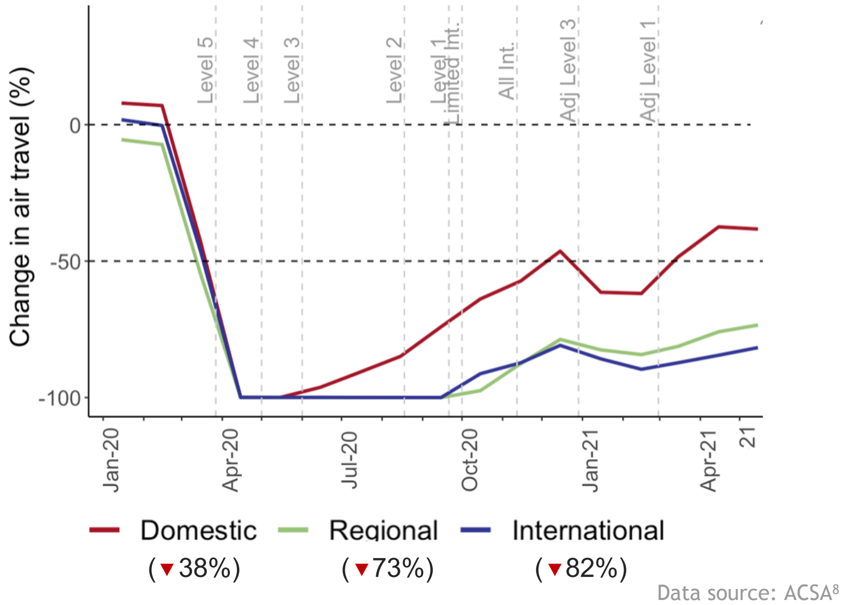
SOUTH AFRICAN TOURISM

TRANSPORT

Domestic airline travel, while still significantly lower than 2019 levels, broke the 50% recovery mark in February and have remained at a stable level since then. Regional and international travel is still hovering around 80% lower than 2019 levels and has not seen much improvement since the second quarter.

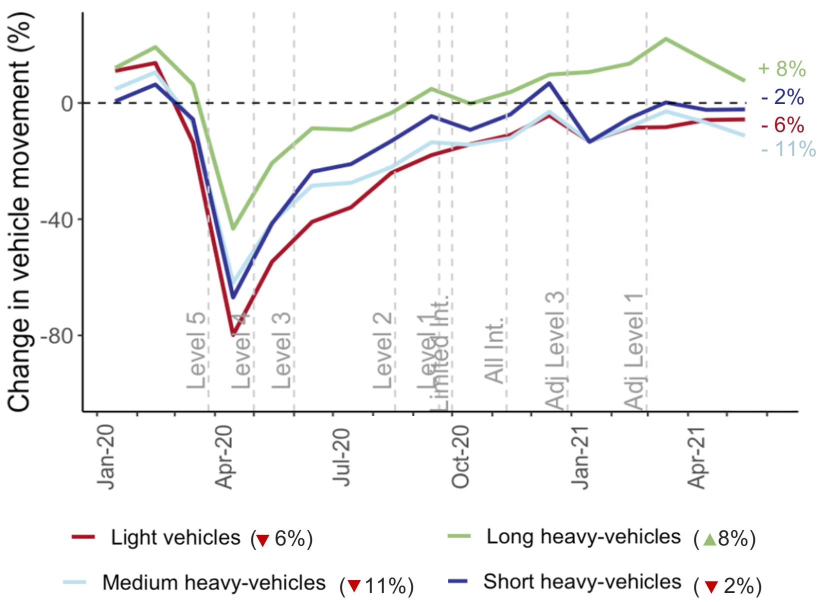
Travel by light motor vehicle, recorded as the number of vehicles moving through toll gates across the country, has levelled out at slightly lower than 2019 volumes but has remained reasonably consistent at these levels since December.

FIGURE 17: PERCENTAGE CHANGE IN AIR TRAVEL RELATIVE TO SAME MONTH IN 2019



Data source: ACSA[8]

FIGURE 18: PERCENTAGE CHANGE IN ROAD TRAVEL RELATIVE TO SAME MONTH IN 2019



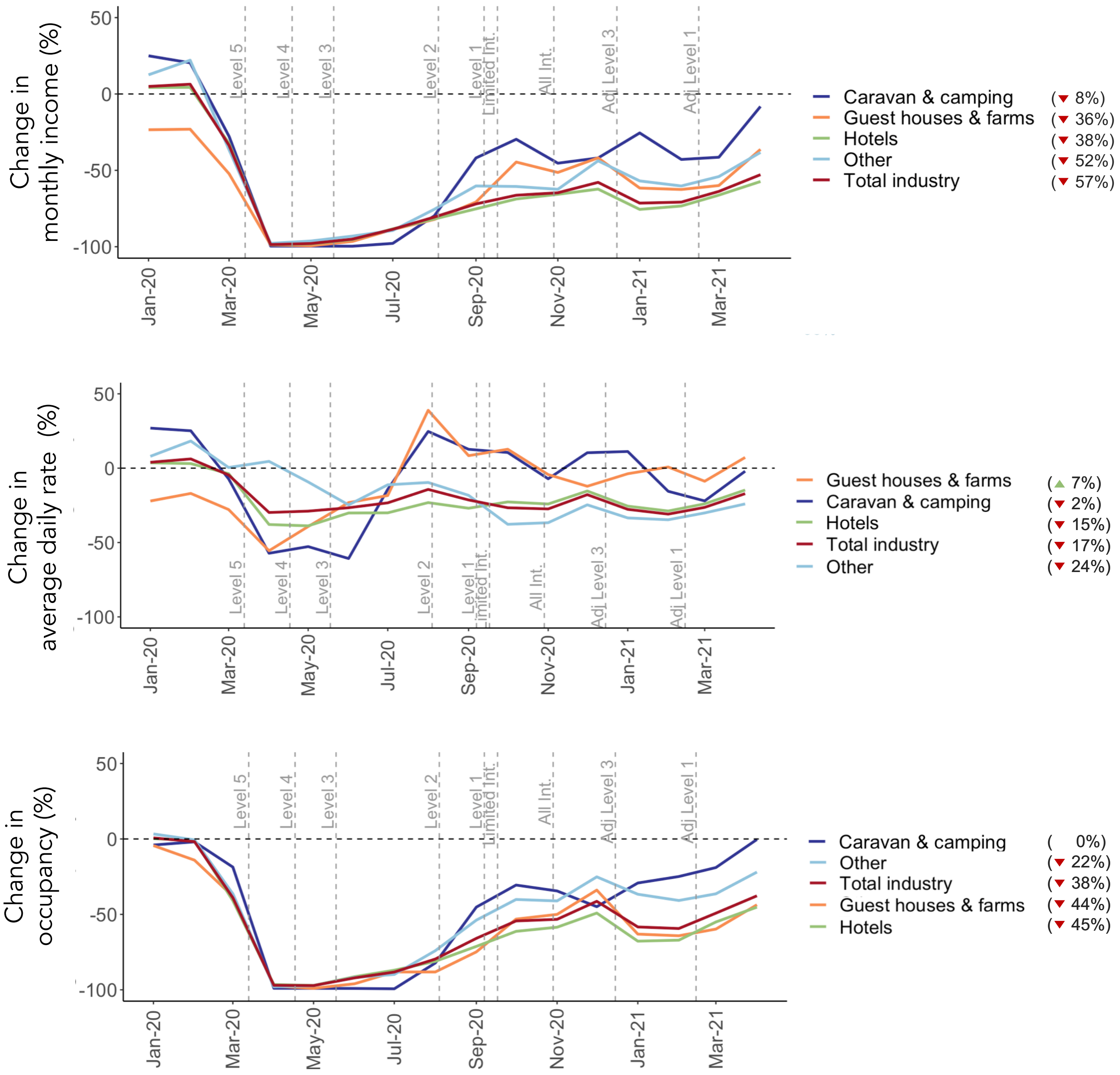
Data source: SANRAL

ACCOMMODATION

Accommodation trends provide an indication of the level of engagement with tourism services. Total industry income dipped around February but has since recovered back to December 2020 levels at around 60% lower than 2019. Caravan & camping continues to show the most improvement and is approaching 2019 levels, with April occupancy rates level with April 2019.

Occupancy rates have improved across the industry over the past 3 months, with guest houses and farms having occupancy rates 22% lower than 2019. Hotels however, still have an occupancy rate 38% lower than in 2019 and have continued to charge rates around 15% lower than 2019 resulting in a sustained reduction of income levels.

FIGURE 19: PERCENTAGE CHANGE IN ACCOMMODATION INCOME, AVERAGE DAILY RATE AND OCCUPANCY RELATIVE TO SAME MONTH IN 2019



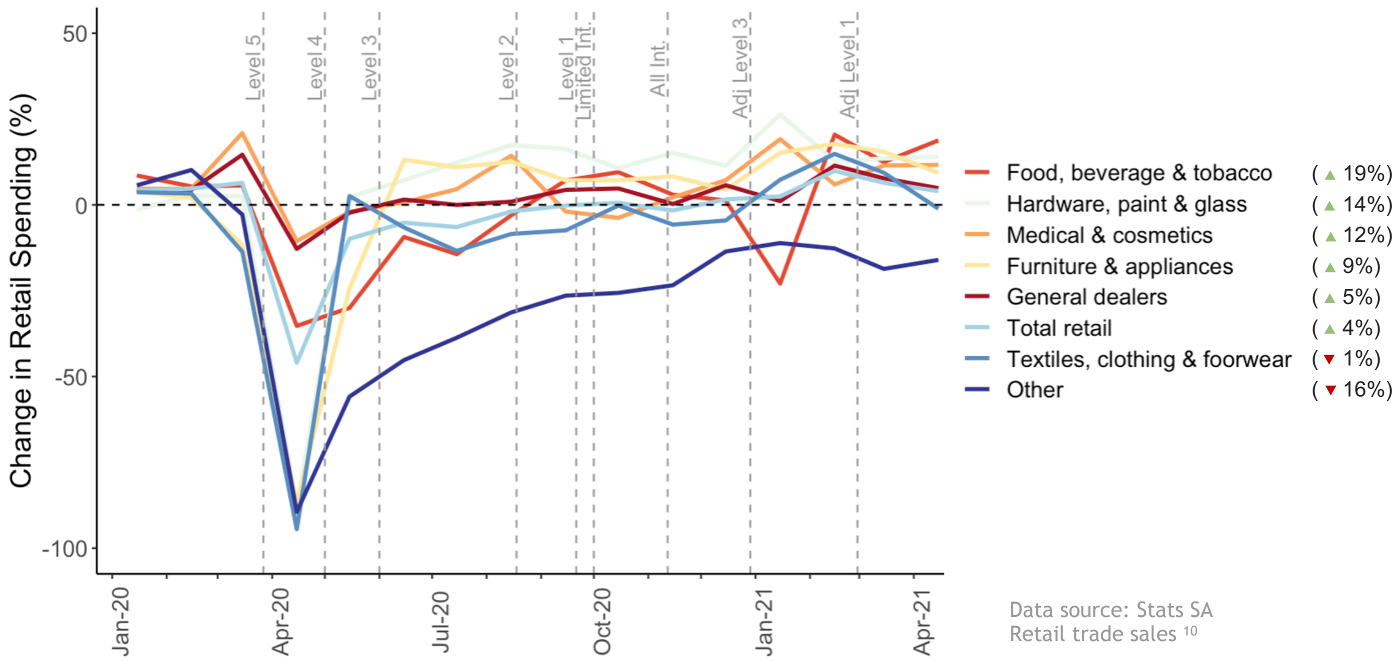
Data source: Stats SA Tourist Accommodation[9]

SPEND

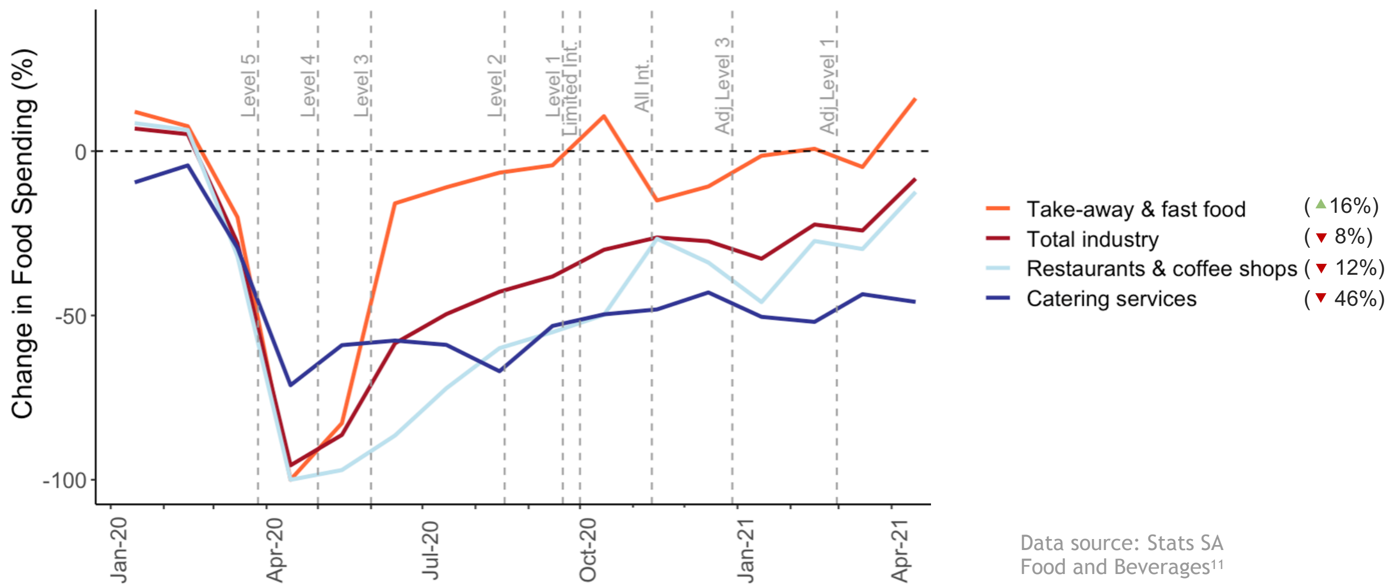
Spend indicators can signal consumers' economic readiness to return to pre-COVID-19 spending behaviours. Retail spending levels have largely recovered and have more or less mirrored inflation for the last three months.

However, spending in the food and hospitality sector, is still severely impacted. While the industry saw an uptick in March and April, with fast food showing positive growth in April compared to 2019 levels, restaurants and catering services continue to show depressed spending likely due to ongoing restrictions placed on these industries.

FIGURE 20: PERCENTAGE CHANGE IN RETAIL AND FOOD SPEND RELATIVE TO SAME MONTH IN 2019



Data source: Stats SA
Retail trade sales [10]



Data source: Stats SA
Food and Beverages[11]

OUTLOOK

On 27 June 2021, President Cyril Ramaphosa announced the return of the country to an adjusted level 4 lockdown in an attempt to curb the third wave of COVID-19 in South Africa. Two weeks later most of these restrictions were extended for another two weeks with the third wave having reached its peak in Gauteng, but likely yet to peak in other major provinces.

Attempting to contain the third wave of the virus while recovering the country's economy remains a fine balancing act. With the benefit of 15 months of data, we can however reasonably estimate the impact on the country's domestic tourism sector:

Transport

- Similar to when travel restrictions were imposed in December 2020 / January 2021, we can expect a temporary dip in domestic air travel and light vehicle road travel as a result of restrictions as well as infection safety concerns.
- The positive trajectory of all domestic travel is however expected to continue as the third wave subsides, with pent-up demand from the lockdown period even accelerating the improvement in the short term.

Accommodation

- With hotels, resorts and guest houses able to operate at 50% capacity during the first two weeks of adjusted level 4 and thereafter fully operational we do not anticipate a significant impact on accommodation recovery, especially considering reasonably flat recovery to date.

Food Spending

- Limitations on sit-down eating over the adjusted level 4 lockdown period are expected to have a temporary negative impact on recovery in the restaurant industry.
- Fast food spending will likely continue its upward trajectory as consumers substitute some restaurant spending, but will not completely offset the decline.
- The positive trajectory of both fast food and sit-down eating is expected to resume as the lockdown level is relaxed in line with a decline in infections.

The global outlook for a return to 2019's levels of travel for tourism remains uncertain, with a wide variety of factors influencing government travel policies and consumer behaviour. Evidence however indicates that an increase in vaccination levels and a reduction in travel and re-entry barriers result in an increased demand for travel. As more countries approach herd immunity levels travel restrictions can be expected to be alleviated and hence travel prospects should improve.

As a sector and a community we will continue working to seize the gap to re-imagine and redefine the role that domestic and regional tourism can play in the sector's recovery. Continued adherence to the strictest, world-class health protocols, and the promotion of South Africa's diverse and affordable destinations to domestic and regional travelers will remain priorities for the industry.

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[1] https://www.unwto.org/unwto-tourism-recovery-tracker

[2] http://www.statssa.gov.za/?page_id=1854&PPN=P0351&SCH=72954

[3] https://www.cdc.gov/media/releases/2021/p0402-travel-guidance-vaccinated-people.html

[4] https://www.nicd.ac.za/covid-19-vaccine-rollout-strategy-faq/

[5] https://ourworldindata.org/coronavirus

[6] https://ourworldindata.org/covid-vaccinations

[7] https://www.bloomberg.com/graphics/covid-vaccine-tracker-global-distribution/

[8] https://www.airports.co.za/airports/or-tambo-international-airport/statistics/passenger (+ Cape Town & Durban International airports)

[9] http://www.statssa.gov.za/?page_id=1854&PPN=P6410&SCH=72825

[10] http://www.statssa.gov.za/?page_id=1854&PPN=P6242.1&SCH=72823

[11] http://www.statssa.gov.za/?page_id=1854&PPN=P6420&SCH=72827

APPENDIX

Monthly international arrivals per region

FIGURE 21: NUMBER OF INTERNATIONAL TOURIST ARRIVALS INTO SOUTH AFRICA DURING COVID-19 AFTER BORDER REOPENING

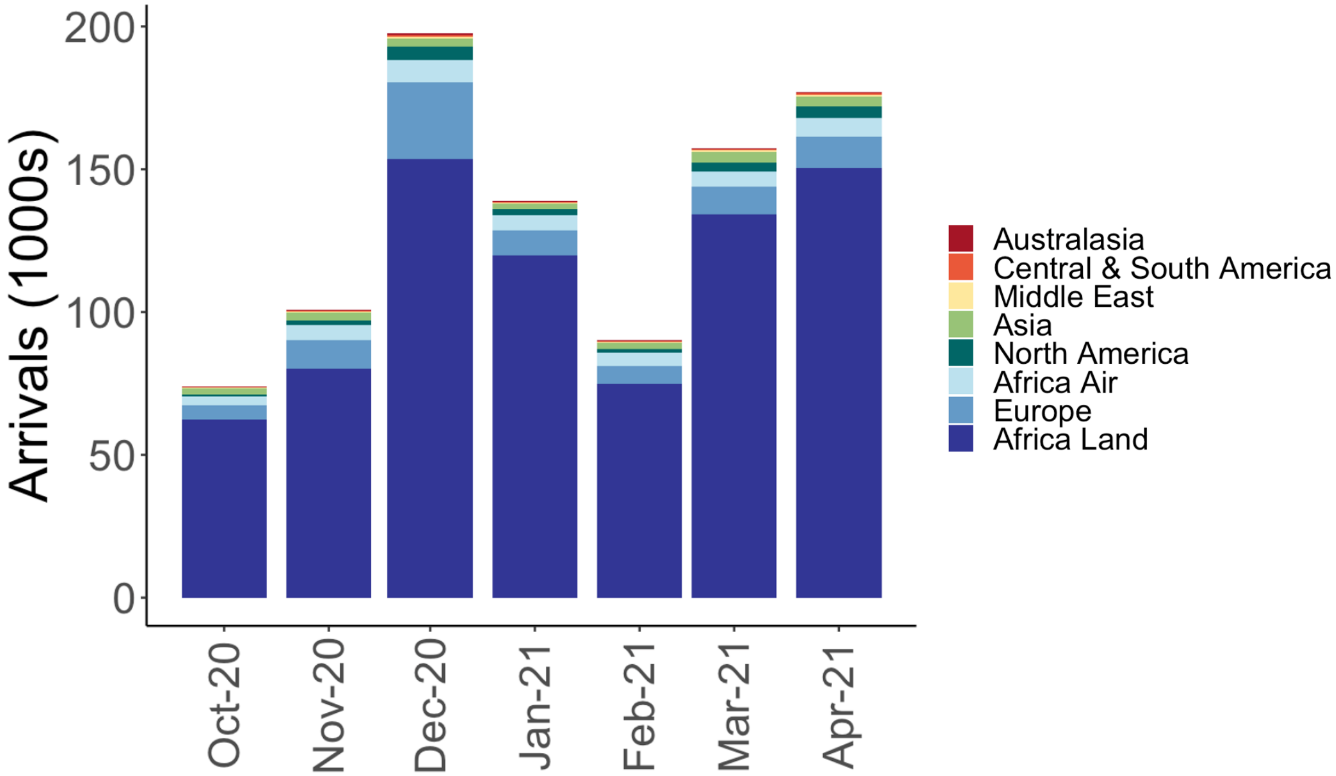
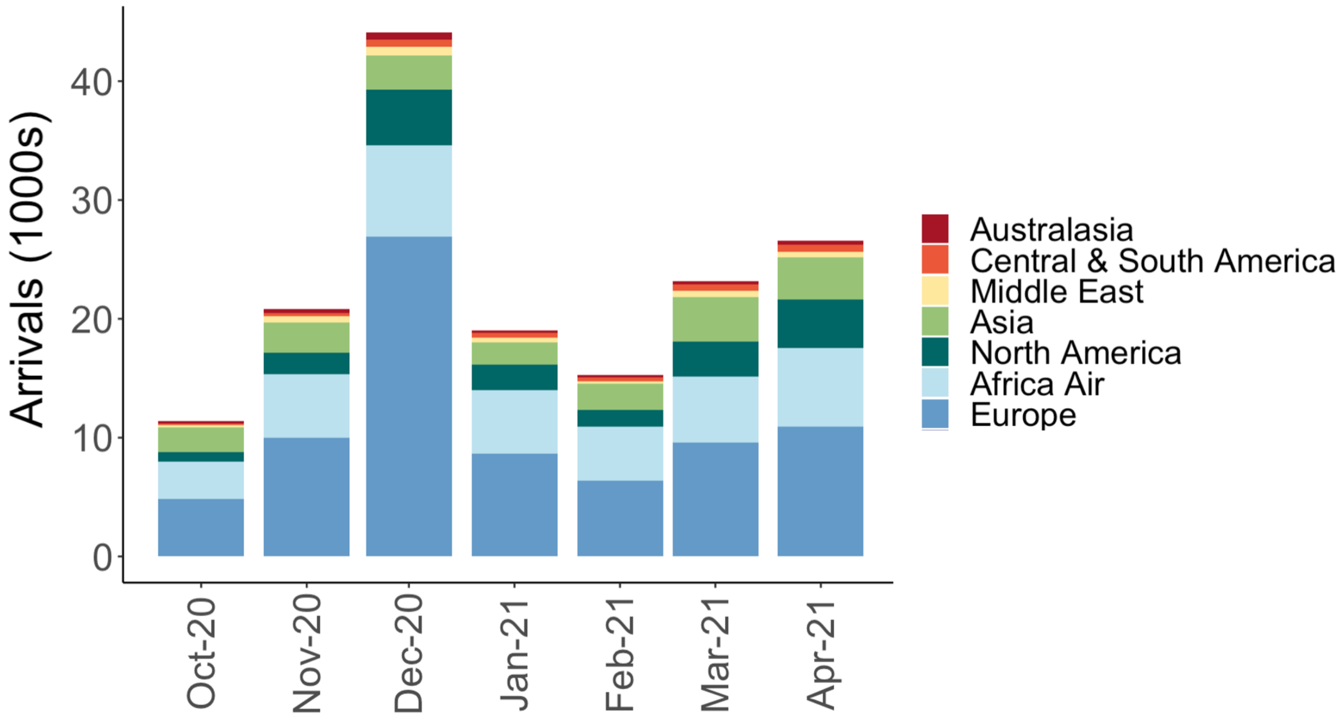
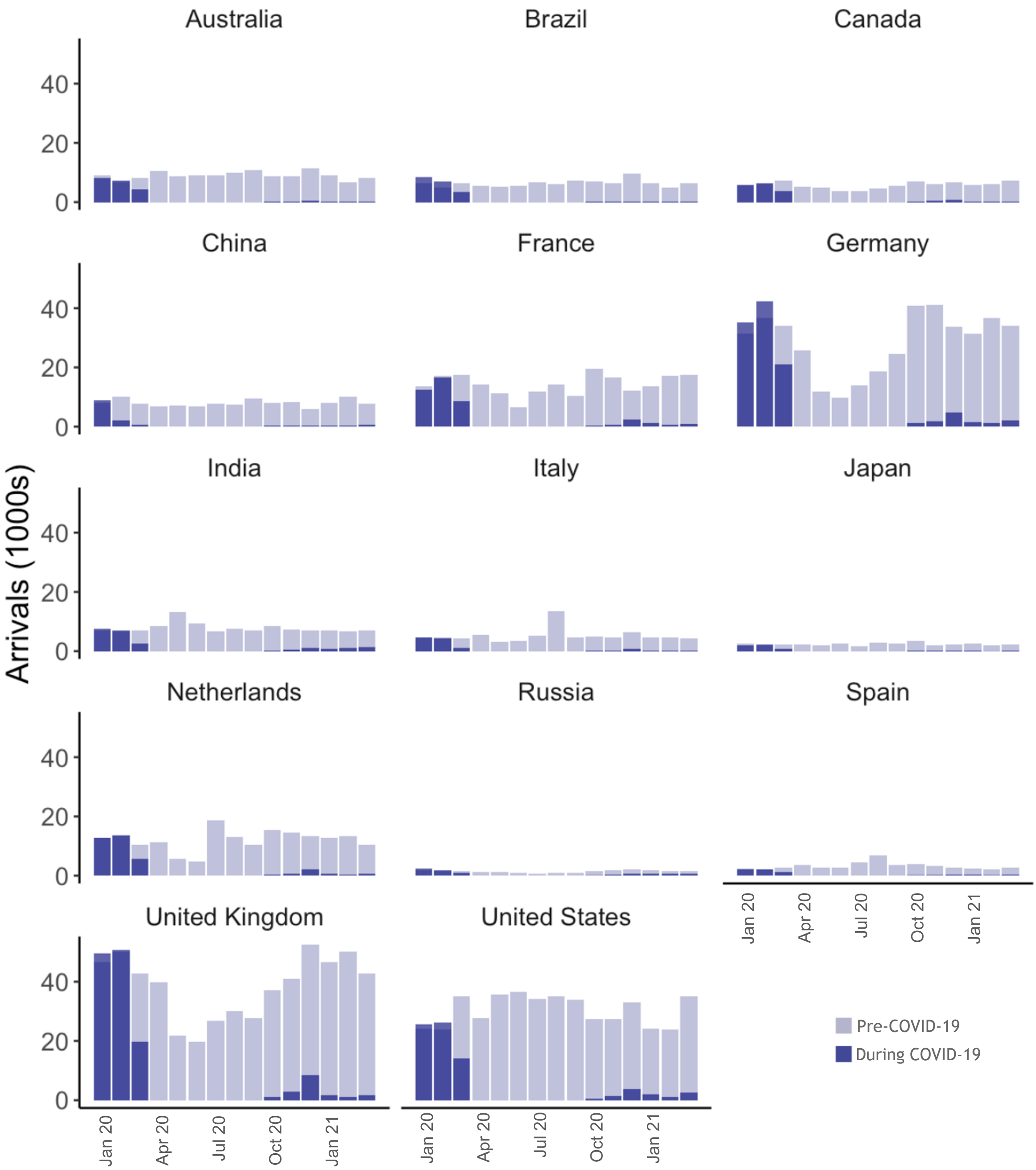


FIGURE 22: NUMBER OF INTERNATIONAL TOURIST ARRIVALS INTO SOUTH AFRICA DURING COVID-19 AFTER BORDER REOPENING (OTHER THAN AFRICA LAND)



Monthly international arrivals per international overseas priority markets

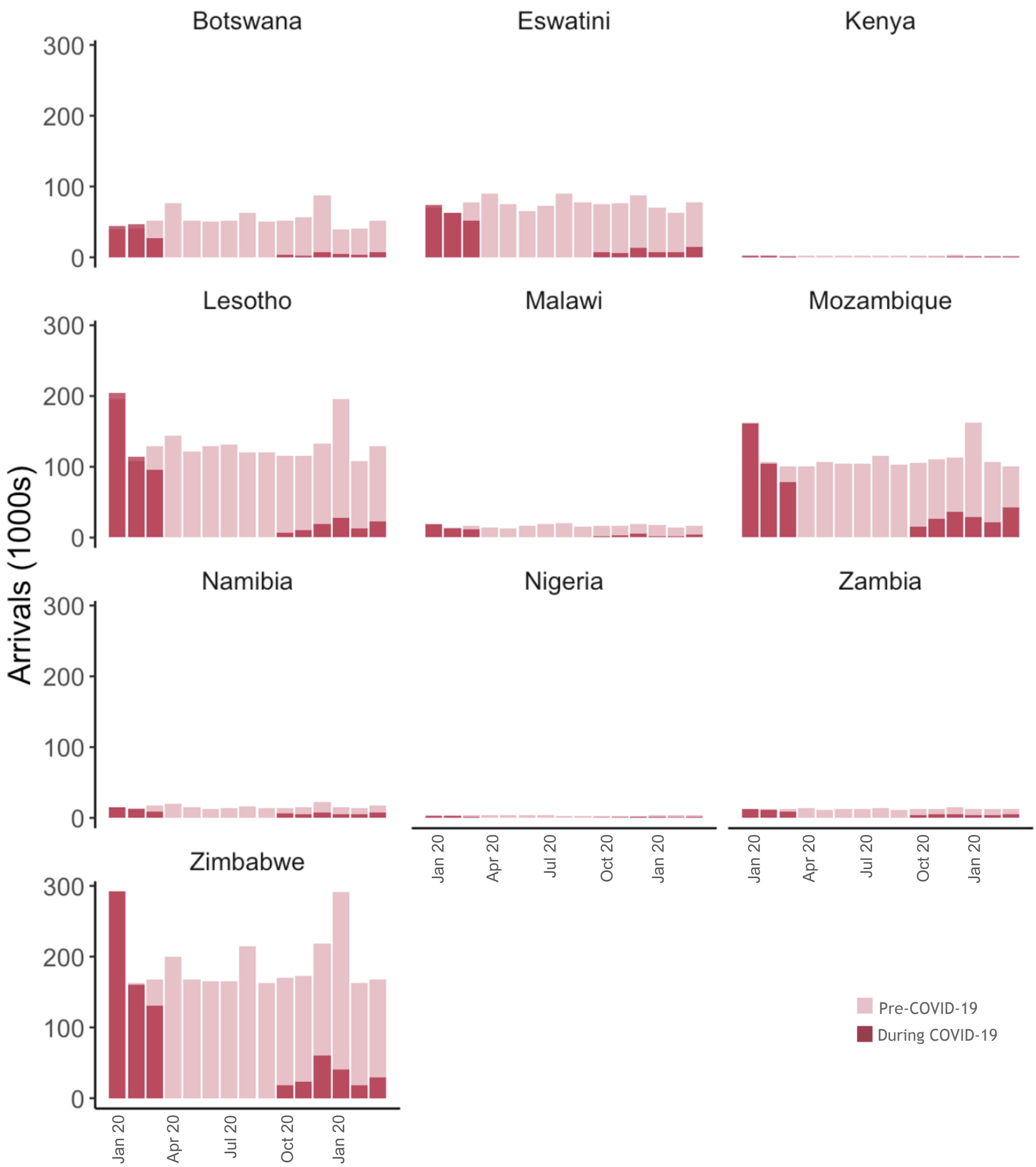
FIGURE 22: ARRIVALS FROM PRIORITY OVERSEAS MARKETS IN 2020/2021 RELATIVE TO SAME MONTH IN 2019



Data source: StatsSA Tourism & Migration[2]

Monthly international arrivals per international overseas priority markets

FIGURE 23: ARRIVALS FROM PRIORITY AFRICAN MARKETS IN 2020/2021 RELATIVE TO SAME MONTH IN 2019



Data source: StatsSA Tourism & Migration[2]

REGULATIONS

TABLE 2: REGULATIONS OF RE-ENTRY FOR CITIZENS OF PRIORITY SOURCE MARKETS

Disclaimer: Information on travel restrictions has been collated from multiple sources. Every effort has been made to provide information that is factual and up to date. However, with frequently changing regulations we can not guarantee error-free information

Country	Re-entry regulations after travel to South Africa
AUSTRALASIA	
India	All persons must submit an online health declaration form and proof of a negative RT-PCR result for COVID-19 issued no more than 72 hours prior to departure using the "Air Suvidha" system. All persons on flights originating from South Africa, must self-isolate for 7 days, undergo an additional test for COVID-19 and monitor their health status for a further 7 days.
Japan	All travelers including Japanese nationals have to submit a certificate of negative test result conducted within 72 hours prior to departing from the country/region where travelers stay when entering Japan. Those who do not submit a certificate of negative test result will be denied entry into Japan in accordance with the Quarantine Act. All nationals who have been in countries with variants of concern (including South Africa) within 14 days prior to their application for landing will undergo PCR tests, will be requested to undergo 10 days of quarantine at a designated location and undergo testing on 3rd, 6th and 10th days following arrival. Those who test negative must then proceed to their home ro to another designated location where they must self isolate for a further 14 days. travellers must also pledge not to use public transport.
Australia	If you are an Australian citizen or a permanent resident you cannot leave Australia due to COVID-19 restrictions unless you have an exemption. Please see regulations for valid exemptions which include travel as a part of response to COVID-19 outbreak, travel is for business/employer, travelling to receive urgent medical treatment not available in Australia, travelling on compelling or compassionate grounds or your travel is in the national interest.
China	All persons must provide proof of negative results for COVID-19 using both a nucleic acid test and a serological test for IgM antibodies – performed no more than 48 hours prior to departure. All persons must undergo a 14-day quarantine at a designated location upon arrival. Persons entering via Shanghai can undergo a 7-day quarantine in a designated location followed by 7 days of self-isolation at home.
AMERICAS	
United States	Prior to boarding a flight to the United States,all passengers (> 2yrs old) must provide proof of a negative COVID-19 viral test taken within 3 days of travel or documentation from a licensed health care provider confirming recovery from COVID-19 in the 90 days preceding travel. Unvaccinated travellers are recommended to self isolate for 7 days after travel.
Brazil	Citizens and legal residents of Brazil who have traveled through South Africa or UK within the past 14 days will be permitted to return but must complete a two-week quarantine on arrival. All persons must provide proof of a negative COVID-19 PCR test issued no more than 72 hours prior to departure for Brazil
Canada	Advisory against non-essential travel. All travellers must register on ArriveCan, provide proof of a negative COVID-19 molecular test up to 72 hours before departure, take a COVID-19 test on arrival, mandatory 3-night quarantine at a government authorised hotel (own cost) await test results. Followed by the remainder of a total 14-day quarantine with a COVID-19 test on day 8. Exemptions for fully vaccinated travellers who meet specific conditions may be exempt from quarantine, hotel stopover (for air travellers), day-8 testing requirement. Final determination of whether or not you qualify for the exemption is made by a government representative at the border.

TABLE 2 CONT. : REGULATIONS OF RE-ENTRY FOR CITIZENS OF PRIORITY SOURCE MARKETS

Country	Re-entry regulations after travel to South Africa
EUROPE	
Netherlands	Travellers must be able to show a negative PCR test based on samples collected no more than 72 hours before arrival in the Netherlands or a negative antigen test based on a sample collected no more than 48 hours before arrival in Netherlands. Travellers must also self-quarantine for 10 days upon arrival with a retest option on day 5 which could shorten required isolation period.
France	No travel to and South Africa (and a many other countries) unless for pressing grounds. A travel certificate attesting to imperative reason for entering the country must be submitted. A negative COVID-19 PCR test less than 72h old is required on entry if pressing grounds reason is approved. If you are vaccinated you must pledge to self isolate for 7 days. If you are not vaccinated you will be subject to a mandatory 10-day quarantine supervised by security forces.
Spain	Travellers arriving from South Africa must provide a Negative COVID-19 RT – PCR or TMA test result, taken at most 48 hours before arrival, or a Vaccination certificate, the last dose of the approved vaccine must have been received at least 14 days before travel or COVID-19 recovery certificate issued at least 11 days after the positive result. Sample must have been taken no more than 180 days before arrival.
Italy	Travel for tourism is not permitted. Travel to List E countries (including South Africa) is only allowed for specific reasons including work, health, study, urgency or return to Italy. If arriving from list E countries you must provide a negative molecular or antigenic swab within 72 hours of travel, complete a digital Passenger Location Form, undergo fiduciary isolation and health surveillance for 10 days. Undergo an additional molecular or antigenic swab at the end of the 10 day isolation period and are required to travel to desired destination only via private transport.
United Kingdom	Everyone allowed to enter England who has been in a red list country in the 10 days before they arrive must have proof of a negative COVID-19 test to travel to England from abroad, quarantine for 10 full days in a managed quarantine hotel (the day you arrive in England counts as day 0), take a coronavirus (COVID-19) test on or before day 2 and on or after day 8 of quarantining. From 19 July 2021, fully vaccinated people returning to England from **amber** list countries will not need to quarantine.
Germany	A transport ban and restrictions exist for entry into Germany from areas of variants of concern. Travel from high risk countries German citizens and other specified exceptions arriving from countries with high-risk virus variants (including South Africa) are allowed to return to Germany but must fill in an entry application, provide a negative COVID-19 test prior to departure and upon entry and be subject to a 14-day self-isolation Self isolation, can be shortened by submitting a certificate of recovery, a certificate of vaccination or proof of a negative test result.
Russia	All passengers must present a negative COVID-19 test dated less than 72 hours before travel. Russian nationals are required to submit an online registration from, undergo a PCR test within 72 hours of arrival in Russia and self isolate while awaiting their test results, and report results to national authorities. This policy does not apply to persons who carry electronic proof they have completed a full vaccination regimen using a COVID-19 vaccine recognized by Russian authorities or to persons who carry proof they have fully recovered from a previous COVID-19 infection no more than 6 months prior to their scheduled arrival in Russia

TABLE 2 CONT. : REGULATIONS OF RE-ENTRY FOR CITIZENS OF PRIORITY SOURCE MARKETS

AFRICA	
Namibia	All non-Namibian travellers must provide a negative COVID-19 PCR test result that is not older than 7 days (168) hours old at Port of Entry. Namibian citizens may enter Namibia with or without any result. In the absence of any result, they will be subjected to a 7-day quarantine and testing at own cost.
Botswana	All travellers need to provide proof of a negative COVID-19 PCR test no more than 72 hours old before arrival and must also take an COVID-19 antigen test at the port of entry. If no negative test result is provided, if the test at the border is positive, or if any COVID-19 symptoms are present, travellers may be refused entry or be required to undergo 14 days isolation or quarantine at own expense.
Eswatini	Travellers into the Kingdom of Eswatini must provide a negative PCR COVID-19 test certificate not older than 72 hours. Returning residents who fail to produce a negative PCR COVID-19 certificate will be subject to the test at the point of entry and may be required to undergo quarantine not exceeding 14 days or isolation.
Lesotho	Travellers into Lesotho must provide a negative PCR COVID-19 test certificate issued within 72 hours before travelling and upon arrival at the port of entry. Citizens who fail to produce a negative PCR COVID-19 certificate will be subject to a rapid antigen test
Zambia	Returning residents must have proof that they have tested negative for COVID-19 in the 72 hours before their arrival. All travellers coming from a country designated ‘high risk’ (including South Africa) must take a COVID-19 test on arrival even if they have a negative PCR test. Travelers who transit through high risk countries are not considered high risk if the transit time is less than 24 hours. If your body temperature is equal to, or above 38.0, or you have a COVID-19 related symptom (a cough, shortness of breath, a headache, loss of taste or smell, or a sore throat), you will be tested and taken to either your home or a government facility for treatment and quarantine until your tests results are known.
Zimbabwe	Travelers must carry proof of a negative result for COVID-19 issued no more than 48 hours prior to departure using a polymerase chain reaction (PCR) test. Persons who lack such proof or who are exhibiting symptoms consistent with COVID-19 must undergo testing and a 10-day quarantine in a dedicated facility. Upon arrival, all persons must self-isolate for 10-days at their residence or a suitable location. All persons arriving from locations with confirmed transmission of the SARS-CoV-2 Alpha and Delta variants must, at their own expense, undergo testing for COVID-19 on the 1st, 3rd, 5th, and 10th day following their arrival.
Mozambique	All passengers will need proof of a negative COVID-19 test issued in their country of departure issued no more than 72 hours prior travel to enter Mozambique. Children under 11 years old are exempt from the requirement to present a COVID-19 PCR test.
Kenya	All passengers must provide a negative COVID-19 PCR certificate taken no more than 96 hours before departure. Diplomatic passport holders’ negative PCR test must be done within 7 days before arrival. All travellers will have to complete an online registration form before departure and submit to medical screening on arrival in Kenya. Travellers must comply with the need to undergo quarantine if necessary.
Malawi	As of 15 June 2021, only citizens and approved non citizens are able to enter Malawi. All passengers must submit a health traveller declaration form and must provide a negative COVID-19 PCR test certificate issued no more than 72 hours prior to arrival.
Nigeria	Passengers must test negative by polymerase chain reaction (PCR) from the country of exit 3 days (72 hours) before departure. Tests done more than 72 hours before departure are not valid Prior to boarding, passengers are requested to upload their COVID-19 PCR NEGATIVE results on to the national payment portal and have an electronic or hard copy for presentation at the airport All intending passengers are required to register via – http://nitp.ncdc.gov.ng and pay for a repeat (second) PCR test to be done upon arrival in Nigeria. On arrival, passengers must proceed on a 7-day self-isolation as per protocol and present at the designated sample collection sites on the 7th day of arrival. Passengers who test negative after 7 days will end self- isolation on the 8th day

SOURCES OF INFORMATION FOR TABLE 2: REGULATIONS OF RE-ENTRY FOR CITIZENS OF PRIORITY SOURCE MARKETS

Disclaimer: Information on travel restrictions has been collated from multiple sources. Every effort has been made to provide information that is factual and up to date. However, with frequently changing regulations we can not guarantee error-free information

Country	Source of travel restriction information
Australia:	https://covid19.homeaffairs.gov.au/leaving-australia
Botswana:	https://www.dfa.ie/travel/travel-advice/a-z-list-of-countries/botswana/
Brazil:	https://www.trip.com/travel-restrictions-covid-19/
Canada:	https://travel.gc.ca/destinations/south-africa
China:	https://www.trip.com/travel-restrictions-covid-19/
Eswatini:	https://www.thekingdomofeswatini.com/travel-advice/
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Japan:	https://www.japan.travel/en/coronavirus/
Kenya:	https://www.kenyanevisa.com/entry-restrictions/
Lesotho:	https://www.gov.ls/wp-content/uploads/2021/03/gazette1.pdf
Malawi:	https://www.malawitourism.com/travel-advice/
Mozambique:	https://www.dfa.ie/travel/travel-advice/a-z-list-of-countries/mozambique/
Namibia:	https://namibiatourism.com.na/page/covid-19-updates
Netherlands:	https://www.government.nl/topics/coronavirus-covid-19/tackling-new-coronavirus-in-the-netherlands/travel-and-holidays
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