

South Africa

Market Summary

Total arrivals from South Africa for the eight months to August and the month of August have decreased by 16 per cent and 19 per cent respectively. The main factors that have driven the decline include confirmation that South Africa is in recession thus impacting general consumer confidence, the presidential elections held earlier this year, the general devaluation of the South African Rand against major currencies, and a trend toward short haul destinations (Mauritius, Botswana, Namibia).

Major competitor destinations such as Dubai, Hong Kong and other Asian destinations are also experiencing declines similar to Australia. It is envisaged that the July forecast from the Tourism Forecasting Committee of a 16 per cent decline in arrivals for the 2009 calendar year will be consistent with market performance.

1. Market News

- South Africa's economic policies are under the spotlight domestically given that a new leadership is in place. The new parliament took up their positions on 3 June.
Source: www.econometrix.co.za
- The South African Rand gained some ground on major currencies with the exchange rate on the Australian Dollar being AUD 1 = R6.66 as at the second week in August.
Source: www.econometrix.co.za
- The South African general media environment was dominated by political developments surrounding the new government's appointment of cabinet and the June opening of parliament.

2. Consumer Insights

- A recent survey has revealed that one out of four clients do not trust travel agents. The survey, commissioned by Check Safety First, revealed that more than 25 per cent of customers booking holidays through agents did not believe their holidays precisely reflect brochure descriptions.

Source: <http://www.travelinfo.co.za/defaulttnn.asp>

- South African mobile phone users will see their call charges drop after the five major network providers (Vodacom, MTN, Cell C, Telkom, Neotel) were given a deadline of 1 February 2010 by the Independent Communications Authority of South Africa (Icasa) to reduce their rates.

Source:

http://www.int.iol.co.za/index.php?set_id=1&click_id=3015&art_id=vn20090909133253410C359110

For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- There is stiff competition in the market place and operators are responding now with airline sales to Australia resulting in special offers by various retailers such as Flight Centre, Pentravel and Sure Travel, who are known to 'push' destination Australia in conjunction with various airline and tour operator partners. This results in frequent coverage on offers for destination Australia in the general media.
- Reports of businesses having to close their doors, and others merging with previous rivals, in order ride out the storm was prevalent in some trade press.
- As at August 2009 there were 392 Aussie Specialist agents, of which 32.9 per cent were fully qualified.

4. Airline News

- Qantas announced two additional flights between Perth and Johannesburg from 1 September 2009 code sharing on flights operated by South African Airways. This is in response to South African Airways' announcement of daily flights from Johannesburg to Perth.
- Qantas special offer "Fare Deal" offered a discount between 15 to 20 per cent on normal fares valid for sale until the end of August, for travel up to and including 20 November.
- V Australia will commence operating a twice-weekly Melbourne to Johannesburg service on 13 March 2010, in time for the FIFA World Cup in South Africa.

5. Competitor News

- Short to medium term competition from regional destinations such as Mauritius, Botswana, and Namibia. Visitors cite the benefits of easy access and ability to enjoy shorter, more frequent breaks.
- The Minister of Tourism, Marthinus van Schalkwyk, unveiled South African Tourism's (SAT) domestic marketing campaign in August 2009 known as *Sho't Left*, which is now in its fifth year. The campaign aims to educate South Africans about the benefits of travelling in their own country and aims to inspire them to explore. The campaign also makes it easier for South Africans to travel domestically by offering value-for-money packages through joint marketing agreements with the local travel trade.

6. Key Campaigns and Activities in Market

August to September campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
13 August 2009	07 Sep 2009	<p><i>International Media Hosting Programme Broadcast Media visit – Top Travel</i></p> <p>Four crew including two celebrity presenters will visited New South Wales (Sydney and Blue Mountains) and Queensland (Gold Coast; Brisbane; Noosa and Fraser Island).</p>	Experience Seekers	None

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
October 2009	November 2009	Australia.com search activity	South African consumers	None