

## South Africa

### **Market Summary**

*For the 2009 calendar year, total visitor arrivals to Australia from South Africa decreased by 12 per cent compared to 2008. This is a reflection of the current state of the South African economy and general lack of consumer confidence in the market, with anecdotal feedback from trade suggesting that all long-haul destinations have been equally impacted.*

*The upcoming Tourism Australia South Africa Workshop in March 2010 with Australian industry participants will help boost Australia's presence and noise about the destination whilst educating local travel agents about the Australian experiences on offer. The launch of V Australia flights to Melbourne from Johannesburg in March 2010 continues to drive competitive airfares by South African Airways and Qantas.*

### **1. Market news**

- South Africa's business confidence index edged up in November on signs of economic recovery, but key sectors still struggled to gain momentum, according to the South African Chamber of Commerce and Industry (SACCI). Africa's biggest economy climbed out of recession in the third quarter of last year but further recovery is expected to be slow.

*Source: Reuters, 3 December 2010*

- South African retail sales fell for the tenth consecutive month in November as job losses curbed consumer spending, signaling a slow recovery in Africa's biggest economy. Sales declined 6.6 per cent as reported by South Africa's Office of Statistics.

*Source: Bloomberg, 20 January 2010*

- The South African public opinion towards the staging of the 2010 FIFA World Cup remains overwhelmingly positive, according to latest market research conducted on FIFA's behalf. The findings, from the fourth installment of a six-wave survey, suggest a strong emotional commitment to the tournament, in particular a pronounced sense of pride (90 per cent) in being the first African nation to host football's premier event.

*Source: <http://goal.com/en/news/1863/world-cup-2010/2010/01/27/1763521/world-cup-2010-public-sentiment-ahead-of-finals-remains-high>*

## 2. Consumer insights

- The number of South African internet users has passed the five million mark for the first time, finally breaking through the 10 per cent mark in internet penetration for the country.

*Source: All Africa Global, Media 14 January 2010*

- Consumers have flooded debt counsellors' offices nationwide after over-extending themselves during the holidays, according to South Africa's debt counselling service, Consumer Assist.

*Source: South African Press Association, 11 January 2010*

- The UK used to be the destination of choice for young South Africans seeking a gap year or working holiday, but tighter UK regulations mean they are now looking elsewhere. New Zealand is growing in popularity, as is Thailand because it is cheaper and there are opportunities to teach English and no visas are required for these destinations.

*Source: Weekend Post 23 January 2010*

For the latest in visitor arrivals, please visit 'Research & Statistics' at [www.tourism.australia.com](http://www.tourism.australia.com)

## 3. Trade Update

- Travel agents have warned South Africans to stay at home during the 2010 FIFA World Cup because of overbooked hotels, unavailable car hire and impossible airports, but consultancy firm Grant Thornton says that such claims are overstated and that the World Cup won't unduly disrupt daily life.

*Source: [www.timeslive.co.za](http://www.timeslive.co.za) 21 January 2010*

- As at December 2009, there were 392 Aussie Specialist agents in South Africa, of which 33 per cent were fully qualified.

## 4. Airline news

- In order to deal with the unprecedented air traffic during the FIFA World Cup this year, South African Airways has announced that it intends to increase capacity in order to operate around the clock during the cup period.

*Source: [www.etravelblackboard.com](http://www.etravelblackboard.com), 12 January 2010*

- South African Airways has announced that due to scheduled works at Perth Airport to upgrade the main runway, its Saturday flight during the months of February and March 2010 will be affected.

*Source: [www.etravelblackboard.com](http://www.etravelblackboard.com), 8 January 2010*

- The new airport at La Mercy near Durban will officially be known as King Shaka International Airport. It will be open in May this year.

*Source: [www.travelinfo.co.za](http://www.travelinfo.co.za), 18 January 2010*

- The airline industry in South Africa seems to have weathered the economic recession of 2008/2009 better than the global aviation industry. Improved results subject to the stable oil price and service provider charges remain at realistic levels. The travel agent will remain an essential service provider in 2010 where added value services and complex travel arrangements are necessary.

*Source: TIR southern Africa January 2010 – Quotes by Chris Zweigenthal, Deputy Director Airline Association of Southern Africa*

## **5. Competitor news**

- Mauritius posted record December visitor arrivals to cap off a stronger than expected 2009 for the Indian Ocean island's crucial tourism sector. It is a favourite destination, along with Botswana and Namibia, for South African tourists given its close proximity.

*Source: Reuters 19 January 2010*

- The number of visitors to New York City fell last year for the first time since 2001 when terrorists struck. But tourism declines elsewhere across the U.S. made it the most popular destination in the country for the first time in almost two decades, tourism officials said.

*Source: travel.gaeatimes.com 4 January 2010*

## 6. Key Campaigns and Activities in Market

December and January campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
January 2010	March 2010	<i>Trade promotion:</i> Tourism Australia is promoting the South Africa Workshop 2010, the new global ASP site, and Corroboree '10 in travel trade press and e-mail blasts to travel agents.	Retail Travel Trade	None

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
1 March 2010	5 March 2010	<i>Tourism Australia's South Africa Workshop 2010:</i> Australian tourism operators will have the opportunity to present their products to the South African travel industry, including meeting face to face with approximately 300 key retail and wholesale travel agents. The timing links into recent and planned growth in aviation capacity between Australia and South Africa. The events will be held in Johannesburg, Durban and Cape Town.	Trade	15 partners selling Australia (including 4 South African based) will attend.
4 March 2010	15 March 2010	<i>IMHP Media Visit – Afrikaans Glossy Women's Magazine</i> Linda Ehlers – Visiting Sydney and the Barrier Reef to research two first timer features for the magazine.	Consumer	None