

South Africa

Market Summary

Given the number of South Africans who have immigrated to Australia, the Visiting Friends and Relatives (VFR) segment has remained resilient despite the Global Financial Crisis. The continued growth in the 60 years and over age group is also linked to the VFR segment, with the large proportion of this older age segment coming to Australia to visit their children and grandchildren who have immigrated to Australia. The launch of V Australia's services and associated airfare promotion from Johannesburg to Melbourne in March 2010 contributed to a double digit increase in March and helped to bring the arrivals year to date June 2010 up by 4 per cent in a market that has been in continuous decline since February 2009.

1. Market News

- South Africa is on target to earn approximately 8.8 billion rand (US\$1.1 billion) from tourism during the World Cup, according to a report from Grant Thornton consultancy. That's just a slice of the 93 billion rand that the event is expected to have generated for the economy.

Source: www.breakingtravelnews.com June 28, 2010

- Travel data from Visa indicates that South African tourism weathered the economic storm last year better than most countries. While many countries saw double-digit drops in inbound tourism spending, Visa cardholder spending by international visitors to South Africa decreased only 2.7 per cent from \$1.84 billion in 2008 to \$1.79 billion in 2009.

Source: *The Mercury*, June 23, 2010

- According to the South African Department of Home Affairs, 682,317 foreigners entered the country between 1-21 June 2010 compared to 541,065 during the same period last year. The largest number of foreign arrivals was from the United Kingdom, USA, Germany, Australia, Mexico, Brazil, France, Netherlands and Argentina.

Source: www.eturbonews.com June 23, 2010

2. Consumer Insights

- South Africans are less confident than they were six months and a year ago. The MasterCard Worldwide index of consumer confidence survey recorded an overall decrease in South Africa to 58.6 points, which is the lowest recorded score since the survey began in 2004 and below South Africa's historical average of 81.4 over the last three years. Source: *The Star, June 25, 2010*
- South African consumers have adopted a recession mindset and are bracing for tough times ahead by cutting spending on big ticket items and brand names says a survey by the University of Cape Town. Source: *Daily News, May 24, 2010*
- For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- As at June 2010, there are 134 Aussie Specialist agents, 61 per cent are fully qualified.

4. Airline News

- Qantas is to increase its services on the Sydney – Johannesburg route to a daily flight from 21 September 2010. The Qantas South African route, has gone from strength to strength says the airline.
Source: www.asiatraveltips.com, June 1, 2010
- Qantas has applied for its code share agreement with South African Airways between Sydney and Johannesburg to be extended for a further two years. Group executive, David Epstein said, "Qantas believes that the continuation of the code share arrangements provides an efficient use of capacity that enhances the viability of the carriers in the face of increasing competition, and maximises the public benefit."
Source: www.etravelblackboard.com, 30 June, 2010

5. Competitor News

- In an attempt to lift the Namibian tourism industry out of the doldrums, which did not benefit as expected from the World Cup in South Africa, the Namibia Tourism Board has launched a major campaign to attract tourists.
Source: *All Africa, June 25, 2010*
- International arrivals to Kenya for the first six months this year are the highest recorded. As at June, 482,950 international tourists arrived in Kenya, a 17 per cent increase compared to the same period last year. Most visitors are from Europe, accounting for 47 per cent of the tourists recorded in the first six months of the year, despite the ongoing financial woes that have hit the region. Arrivals from Africa have been on the rise due to aggressive marketing. They now account for 25 per cent of international arrivals followed by the Americas at 14

per cent.

Source: <http://allafrica.com/stories/201007280569.html> July 28, 2010

- Thai Airways International has resumed direct flights to Johannesburg and is offering a range of promotional fares.
Source: www.asiatraveltips.com, May 12, 2010
- India's Jet Airways has begun its first ever daily non-stop service from Mumbai to Johannesburg. Passengers travelling on Jet Airways' flights can also book onward connections to other South African destinations including Cape Town, Durban, Port Elizabeth and the Kruger National Park. The airline has also created South African JetEscapes packages, which will enable tourists to explore the Rainbow Nation.
Source: www.asiatraveltips.com April 12, 2010

6. Key Campaigns and Activities in Market

Current Campaigns and Activities (April – June 2010)				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
April 2010	June 2010	<i>International Media Hosting Programme visits:</i> <ul style="list-style-type: none"> Freelancer Graham Howe travelled to ATE held in South Australia and the Northern Territory with various commissions 	South African First Time Experience Seekers	STOs and industry partners
2 May 2010	16 May 2010	<i>Corroboree 2010:</i> Training event for 298 Aussie Specialist travel agents from across Europe and South Africa. Workshops with Australian industry were held on 5 th – 8 th May in Melbourne followed by famils throughout Australia (22 itineraries in total).	Aussie Specialist travel agents throughout Europe and South Africa	Qantas; Tourism Victoria; State & Territory Tourism Organisations; Australian tourism industry

Upcoming Campaigns and Activities (July – September 2010)				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
		None to report at this point in time		