

South Africa

Market Summary

The South African economy continues to be severely impacted by the global financial crisis and tourism operators report that this is directly impacting on consumer sentiment, as travel and booking lead times continue to contract. The decline in arrivals for the month of February represents the thirteenth consecutive month of negative arrivals for the market, with the market in decline for the February 2010 calendar year to date, compared to the same period in 2009.

In terms of leisure visits, for the two months to February compared to the same period in 2009, Visiting Friends and Relatives (VFR) visits, the largest segment, has seen a double digit decline, while holiday visits, the second largest segment remains level with 2009.

The year-long slump in arrivals from this market and current weak demand will hopefully be buoyed by the launch of V Australia's services from Johannesburg in March 2010, which should help with airfare competitiveness in the market and assist drive interest and ultimately bookings particularly from VFR visitors to Australia.

1. Market News

- The South African tourism industry is expecting that the 2010 FIFA World Cup will help to push up the number of tourists visiting the country to 10 million this year. *Source: All Africa News, April 2, 2010*
- Two of the world's biggest cruise liners are to anchor in the ports of Cape Town and Port Elizabeth, Durban for the duration of the World Cup in June to provide luxury accommodation for football fans travelling to South Africa. *Source: www.ttglive.com, April 4, 2010*
- A report by Pangaea Network, an international organisation of independent travel agencies, says that South Africa is the most frequently mentioned luxury destination followed by the Maldives. *Source: Pangaea Network Report, March 2010*
- South African consumer confidence climbed to its highest level in three years as the economy's recovery from its first recession in 17 years strengthened. *Source: Bloomberg, March 16, 2010*
- South Africa's consumer price inflation eased to 5.7 per cent year-on-year in February 2010 from 6.2 per cent in January 2010. *Source: www.dailymarkets.com, April 2, 2010*

- South African public opinion towards the World Cup remains overwhelmingly positive according to the latest market research from FIFA. *Source: FIFA, March 16 2010*

2. Consumer Insights

- South African consumer spending increased for the first time in six quarters in the final three months of last year as wages increased and job losses eased, improving the outlook for growth in Africa's biggest economy. *Source: Bloomberg, April 1, 2010*
- A recent survey conducted among local web users aged 16 years and older, found that, on average, adult social networkers in South Africa are in their 30s, employed on a full-time basis, and they describe themselves as sociable and outgoing. Facebook remains the dominant social networking destination, with a massive 82 per cent of South African Internet users making use of the service. South Africa is ranked 29th on the social network, with an estimated 2.6 million users a month generating over 1.1 billion page views. *Source: <http://www.timeslive.co.za/sundaytimes/article295206.ece>, February 7, 2010*

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

3. Trade Update

- Travel agents have warned South Africans to stay at home during the World Cup because of overbooked hotels, unavailable car hire and impossible airports but consultancy firm Grant Thornton says such claims are overstated and that the World Cup won't unduly disrupt daily life. *Source: www.timeslive.co.za, January 21, 2010*
- As at March 2010, there were 432 Aussie Specialist agents in South Africa, of which 31 per cent were fully qualified.

4. Airline News

- V Australia launched services between Johannesburg and Melbourne in March 2010. The airline is looking to increase competition on the route and increase the numbers of South Africans visiting Australia, and the numbers of Australians visiting South Africa.
- The airline industry in South Africa seems to have weathered the economic recession better than the global aviation industry. Improved results, subject to the

stable oil price and service provider charges, remain at realistic levels. According to Chris Zweigenthal, deputy director Airline Association of Southern Africa, travel agents will remain essential service providers in 2010 as value-added services and complex travel arrangements continue to grow amongst South African consumers. *Source: TIR Southern Africa, January 2010*

5. Competitor News

- India's Jet Airways will inaugurate its first-ever daily non-stop service from Mumbai to Johannesburg in April. The Airline has also created South African Jet Escapes packages that will enable tourists to explore the country. *Source: www.asiatraveltips.com April 12, 2010*

6. Key Campaigns and Activities in Market

January to March campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
July 2009	June 2010	<p><i>International Media Hosting Programme (IMHP):</i> Tourism Australia continues to pitch stories to media, arranging visits to Australia for print/online/broadcast channels in return for destination coverage. In the January to March period the following visits were delivered:</p> <ul style="list-style-type: none"> • V Australia press trip to Melbourne and Sydney • www.gotravel24.com travelled to WA to write a Coastal Lifestyle/Aboriginal story • <i>Rooi Rose</i> magazine travelled to QLD and NSW to write city and coastal lifestyle features 	South African First Time Experience Seekers	V Australia STOs and industry partners
March 2010	March 2010	<p><i>Launch of V Australia services to Melbourne:</i> Tourism Australia worked with the V Australia team on the press conference at Johannesburg, the press trip and the launch of a V Australia ASP module to promote the new service</p>	South African First Time Experience Seekers	V Australia
1 March 2010	5 March 2010	<p><i>Tourism Australia's South Africa Workshop 2010:</i> Australian tourism operators had 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 growth in aviation capacity between Australia and South Africa with the launch of V Australia services. The events were held in Johannesburg, Durban and Cape Town.</p>	Trade	15 partners selling Australia (including 4 South African based) will attend.
01 March 2010	5 March 2010	<p><i>Australia Travel Workshops in South Africa:</i> Travel agent training event held in Johannesburg, Durban and Cape Town.</p>	Travel Agents	17 Australian travel suppliers

April to June campaigns and activities				
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 is travelling to ATE (SA) and the NT with various commissions 	SA First Time Experience Seekers	STOs and industry partners
2 May 2010	16 May 2010	<i>Corroboree 2010:</i> Training event for 300 Aussie Specialist Travel agents from across Europe. Workshops with Australian industry on 5th – 8th May in Melbourne followed by famils throughout Australia (22 itineraries in total).	Aussie Specialist travel agents throughout Europe	Qantas; Tourism Victoria; State & Territory Tourism Organisations; Australian tourism industry