

## SA's tourism sector: its predicament and promise

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The South African tourism sector ground to a complete halt after the declaration of the National State of Disaster and start of the hard lockdown at the end of March 2020, due to the outbreak of COVID-19.

The closure of South Africa's provincial and international borders and strict lockdown restrictions meant that tourist attractions, national parks, hotels and other accommodation for leisure purposes ceased operations, which also impacted restaurants and other tourism-related businesses.

While we can all understand the need for the government interventions that were implemented to save lives as the virus spread, we cannot ignore the devastating financial impact of the pandemic on people's livelihoods – particularly in a country with the highest Gini coefficient in the world.

### Some relief

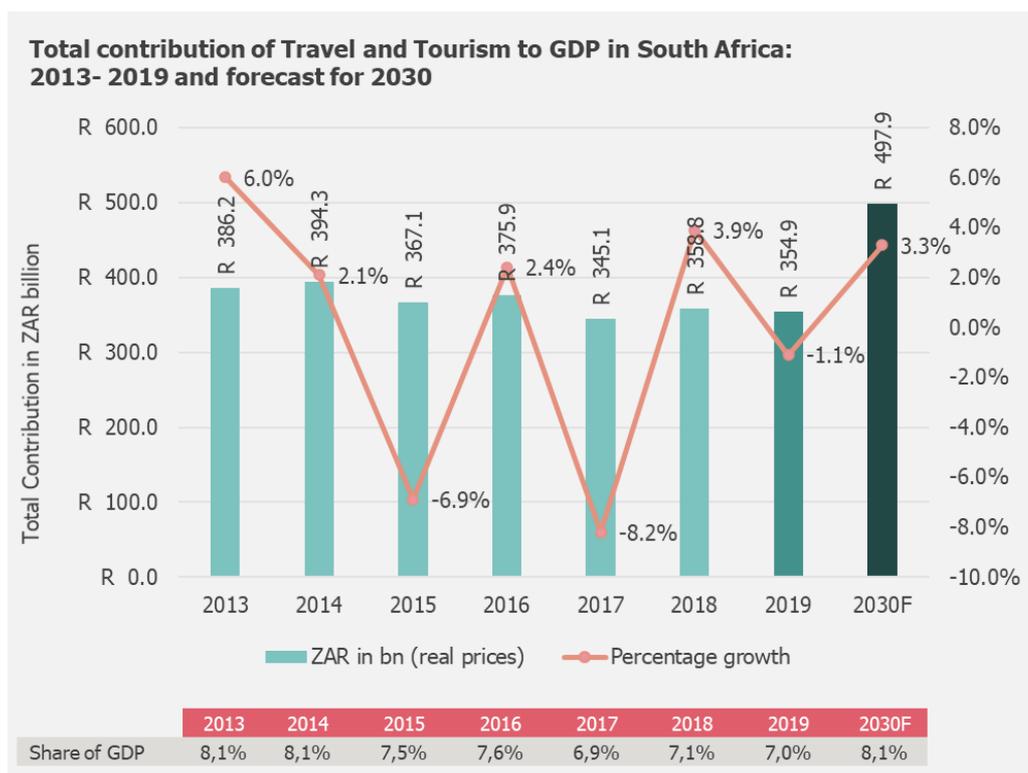
The tourism sector was, and continues to be, one of the hardest hit by the pandemic, particularly with ongoing travel restrictions worldwide.

Initiatives such as TERS (the COVID-19 Temporary Employee/Employer Relief Scheme benefit) meant businesses in the tourism sector affected by the national lockdown could apply for some relief to assist them through the financial slump that came with the lockdown.

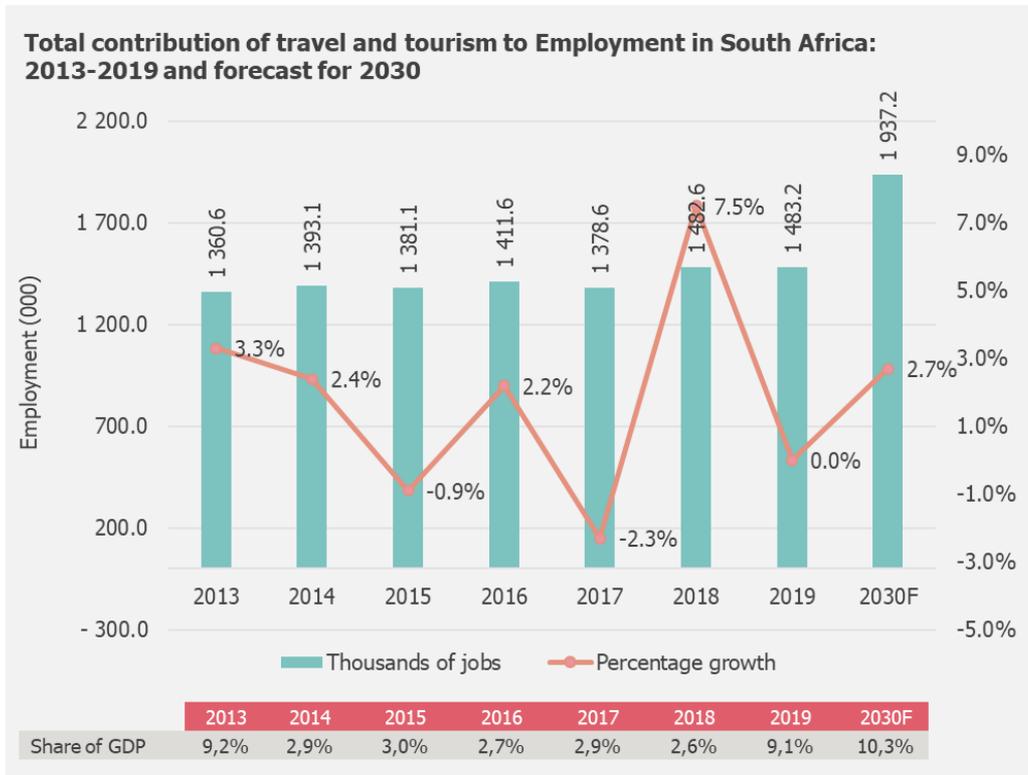
The establishment of the Tourism Equity Fund serves as another lifeline for the sector, and should assist in stimulating activity in this important sector of the South African economy.

### Tourism expectations pre-COVID

The State of Tourism Report 2018/19 by the Department of Tourism showed that the travel and tourism sector (both directly and indirectly) contributed 7% to GDP (gross domestic product) in 2019 – as indicated in Figure 1 below.



Moreover, the tourism sector was expected to make a 10.3% contribution to South Africa’s GDP and employment numbers by 2030 – see Figure 2 below.



Source (graphs): WTTC, South Africa Report, 2020.

## The road ahead

The effects of COVID-19 will be with us for a while to come, as to be expected in an economy that shrank by 7% during 2020 while already battling with existing structural issues. A full recovery to pre-COVID levels will take some time and will require the successful execution of all the plans put in place by both the public and private sectors.

[>Read about a recent tourism deal, Kruger Shalati: The Train on the Bridge<](#)

In periods when the rate of infection has abated and lockdown restrictions have eased, it has been shown that appetite for tourism and travel persists. Tourism businesses that are well-prepared and able to adapt to changing demands will be well positioned to take advantage of the eventual revival.

Tourism not only boosts local revenue and development, it also creates a demand for many ancillary industries. Its impact may extend to the communication, health, agricultural and educational sectors – not to mention opportunities for entrepreneurs. Judicious investment in the sector is essential for its survival in the interim – and for it to salvage its prospects for contribution to much-needed job creation and the economy as a whole.

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