



## **2018 ANNUAL NELSON MANDELA BAY TOURISM PERFORMANCE REPORT**

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### **1.1 PURPOSE**

To provide a summary on the economic impact of tourism in Nelson Mandela Bay for the year 2018.

### **1.2 BACKGROUND**

Nelson Mandela Bay Tourism and the Economic Development, Tourism and Agriculture Sub Directorate conducts research on a monthly basis to assess the impact of tourism on the economy of Nelson Mandela Bay. Occupancy surveys are conducted with accommodation facilities within the metro and applied to the total available accommodation. The Economic Impact is worked out from the latest available indicators sourced from various sources such as South African Tourism, StatsSA and other locally collected data.

The baseline methodology has been established during 2010 and has since been refined in order to ensure that the assessment is accurate as can be bearing in mind the difficulty of collecting data on a local level.

The Annual Results for Nelson Mandela Bay is released annually in August due to the final indicators only being released by StatsSA at the end of September each year.

Problem Statement:

- In South Africa there are no published tourism statistics for cities and towns.
- Cities and towns therefore have to capture their own data and develop their own research instruments to measure the true economic impact of tourism to their respective cities and towns.

- Unless cities and towns can measure the economic impact they will be unable to express tourism as a percentage contribution to local GGP.
- The methodology and system for capturing data may not be the same in each city and town.
- NMBT started collecting data monthly from June 2010. There has been minor changes in the methodology so the trends are reliable.
- Reliability of national statistics - require constant analysis
- Collection and submission of data not always meet requirements

The data that EDTA Tourism Research collects consists of:

- Tourism Infrastructure and Supply Side Data
- Visitor Numbers/Bednights
- Visitor Profiles and Demographics
- Accommodation Occupancies
- Economic Impact of Tourism on GDP
- Job creation/sustaining figures
- Bookings and Enquiries
- Marketing platform trends and performance
- Event/Conference Impact Assessments (basic assessments)

The data is used for:

- Monitoring the performance of tourism in terms of visitor numbers, bednights, and impact on the economy.
- Providing valuable data for planning purposes and new developments.
- Identifying trends and seasons – when is action required i.e events etc.
- Building Visitor Profiles and Demographics for marketing and strategic purposes in order to attract more visitors.
- Monitoring performance – VIC Enquiries, Bookings etc

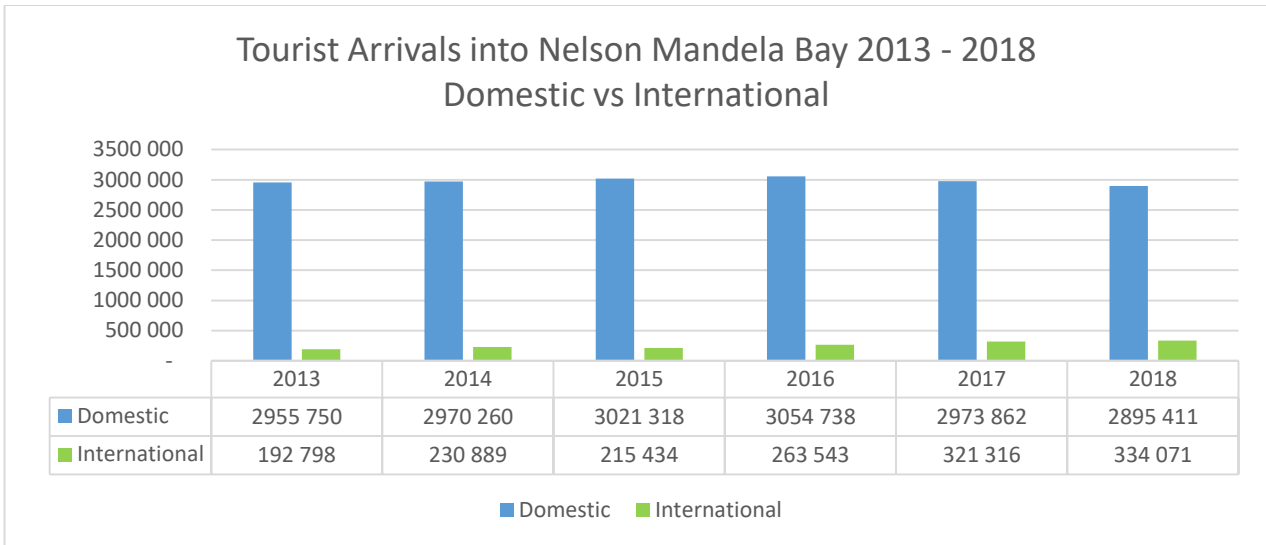
### 1.3 2018 ANNUAL RESULTS

<b>Nelson Mandela Bay Tourism Baseline</b>	<b>Units</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Foreign Visitors (EC)</b>	Pax	324 560	411 408	432 058
<b>Foreign Visitors (NMB)</b>	Pax	263 543	321 316	334 071
<b>Increase %</b>	%	22.3%	21.9%	4.0%
Foreign Bednights / Visitor Days	Bednights	1 031 722	1 107 086	1 455 713
- Foreign Bednights Paid		571 000	564 591	747 948
- Foreign Bednights VFR		460 722	542 495	707 765
- Average Bednights per Visitor (All)	Bednights	3.9	3.4	4.4
- Average Bednights per Visitor (Paid)	Bednights	2.2	1.8	2.2
Foreign Direct spend	Rand	1 027 121 430	842 461 478	1 016 865 681
- Average Spend per Visitor per day	Rand	996	761	699

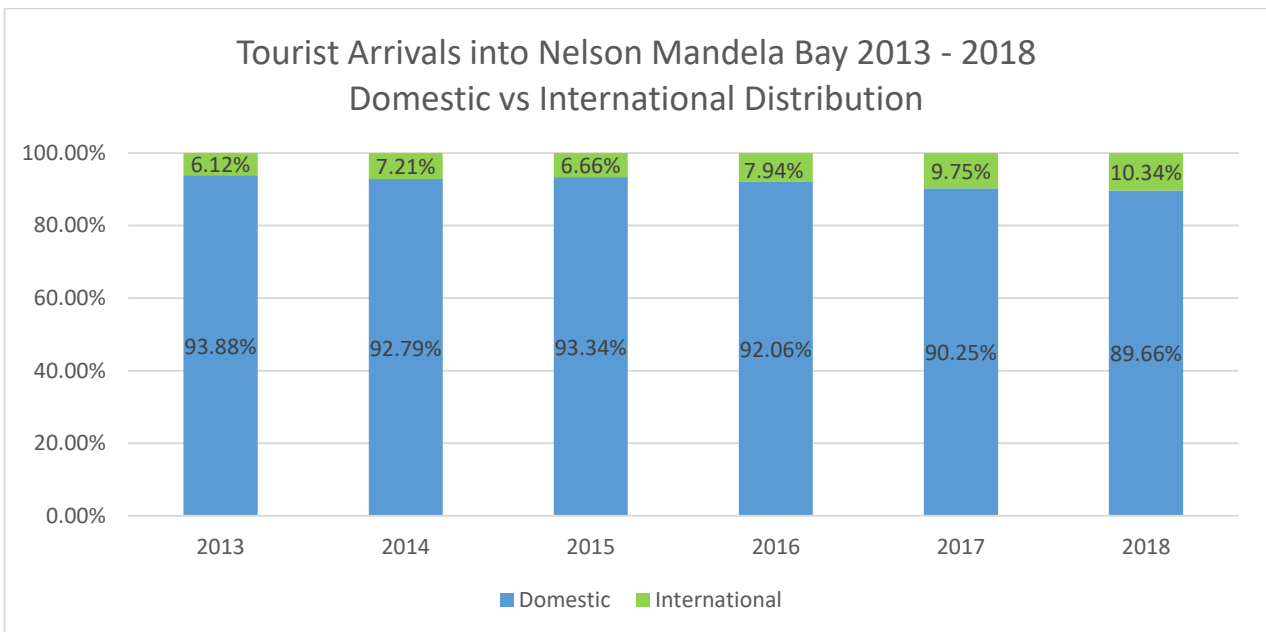
<b>Domestic Visitor Profile</b>	Pax	3 054 738	2 973 862	2 895 411
<b>Increase %</b>		1.1%	-2.6%	-2.6%
Staying in Formal Accommodation	Pax	836 218	747 223	721 888
VFR Overnight Visitors	Pax	1 380 000	1 408 000	1 474 072
Day Visitors to NMB	Pax	838 520	818 639	699 451
Domestic Bednights / Visitor Days	Bednights	8 026 526	7 880 902	7 956 727
- Domestic Bednights Paid	Bednights	2 668 736	2 732 335	2 615 650
- Domestic Bednights VFR	Bednights	5 357 790	5 148 567	5 341 076
Domestic Direct spend Overnight Visitors	Rand	2 697 723 977	2 547 260 522	3 532 212 371
Day Visitor Spend	Rand	508 758 061	459 462 818	822 797 540
Average Spend per Visitor / Per Day	Rand	362	346	503
Domestic Direct spend Overall	Rand	3 206 482 038	3 006 723 340	4 355 009 911

<b>Overall Direct Spend</b>	<b>Rand</b>	<b>4 233 603 469</b>	<b>3 849 184 818</b>	<b>5 371 875 592</b>
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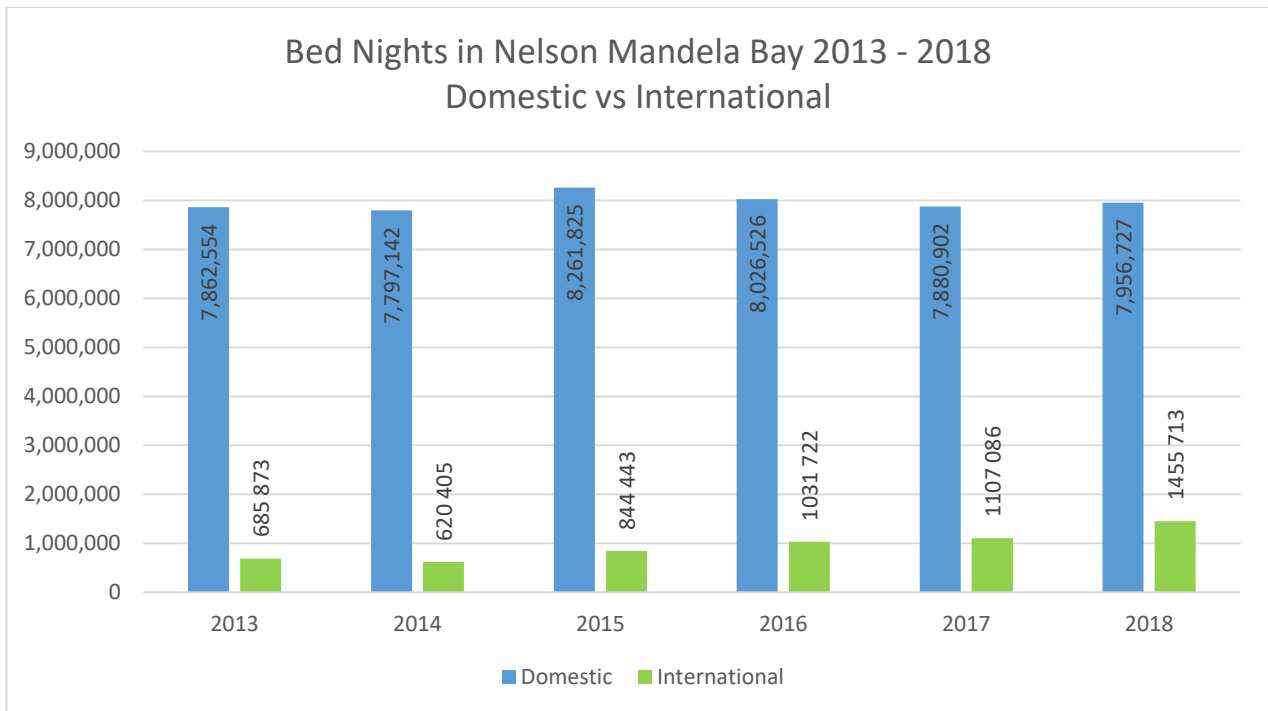
## Tourist Arrivals into Nelson Mandela Bay



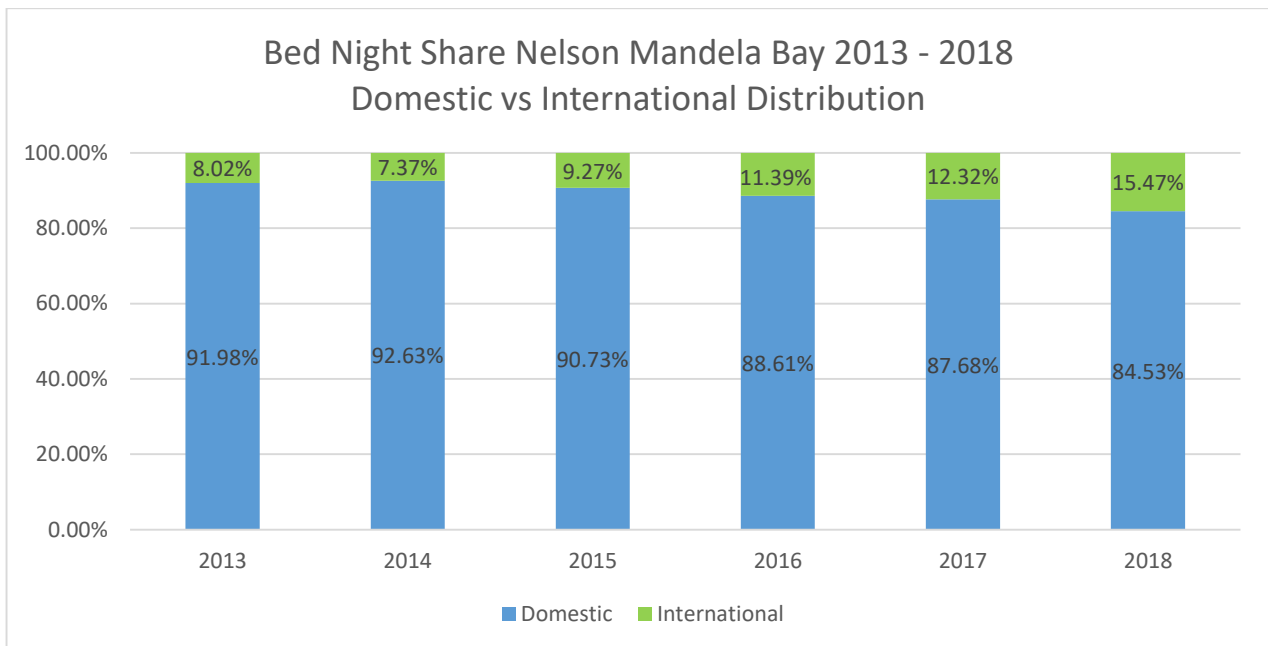
## Tourist Arrivals into Nelson Mandela Bay – Domestic vs International Distribution



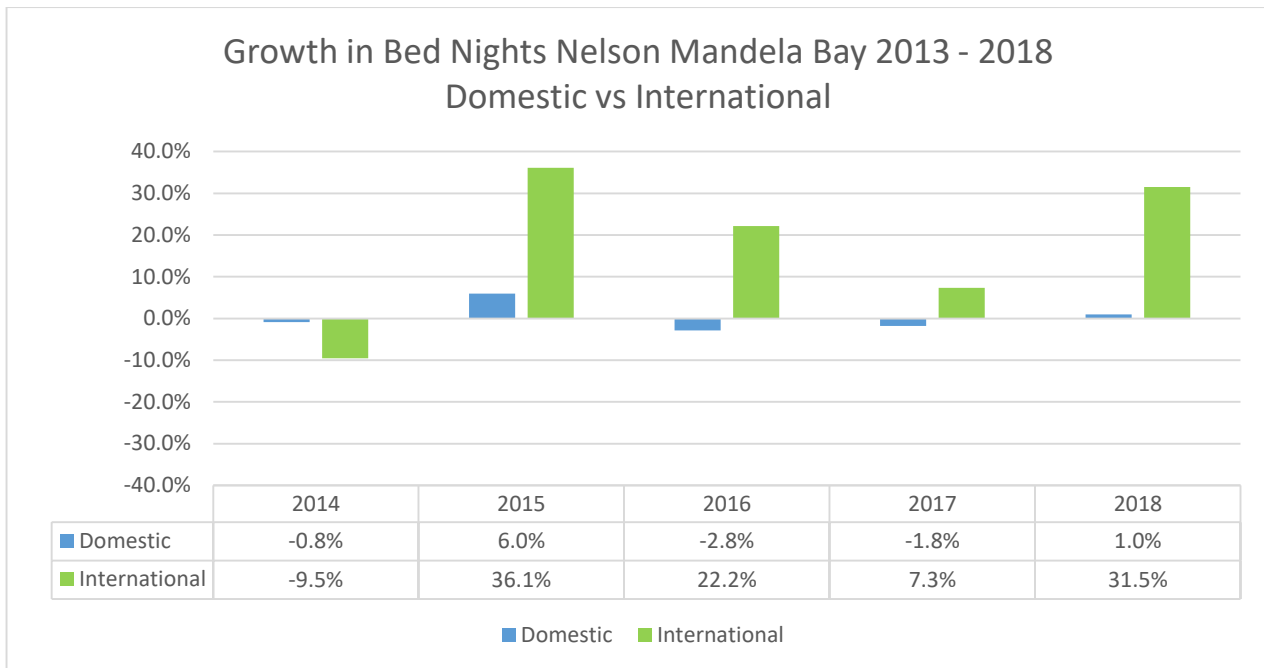
## Bed Nights in Nelson Mandela Bay



## Bed Nights Share Domestic vs International Nelson Mandela Bay:



## Growth in Bed Nights Nelson Mandela Bay:



## Foreign Tourism:

South Africa saw an increase in international tourist arrivals in 2018 to reach a total of 10.5 Million Visitors. The total foreign direct spend also increased by 2.2% to 82.5 Billion Rand during the year. According to SA Tourism 2018 Annual Performance report a decline in international tourism could be expected in 2019. It attributed the less than expected growth in 2018 to the Cape Town Water Crisis, Safety and Security Concerns, Land Expropriation without Compensation and a decline in the perception of South Africa leading to a wait and see approach in the likelihood to visit South Africa.

The Eastern Cape received 432 058 international visitor during 2018 and Nelson Mandela Bay received **334 071** foreign visitors (77.32% share of province) during 2018 up by 4% from 2017.

There was **1 455 713** foreign bednights to the city. The increase of 31.49% to the city indicate that foreign visitors stayed longer in the city than in 2017 and can be linked to the hosting of the 70.3 Ironman World Championships in September 2018. The event had an average stay of over 7 days per athlete and was made up of a big group of foreign athletes and their friends/families.

The overall increase in foreign bednights also led to a 20.7% increase in the Foreign Direct Spend that saw the foreign contribution reaching an estimated **R1 016 865 681** for the year.

## Top 30 Countries of Origin - International Visitors to Nelson Mandela Bay

Country	PE 2016	PE 2017	PE 2018	PE Increase 2018	SA Increase 2018
1. Germany	57 659	63 220	70 285	11.2%	-1.7%
2. UK	37 216	51 309	50 487	-1.6%	-3.8%
3. USA	30 969	27 780	29 411	5.9%	1.7%
4. Netherlands	21 587	23 770	21 978	-7.5%	-8.0%
5. France	11 052	15 055	19 427	29.0%	-5.1%
6. China including Hong Kong	900	4 579	11 340	147.6%	-0.2%
7. Australia	9 664	11 738	11 221	-4.4%	-0.4%
8. Switzerland	8 720	12 171	8 955	-26.4%	-1.2%
9. Brazil	2 768	6 419	8 562	33.4%	4.0%
10. Belgium	5 527	6 134	8 482	38.3%	5.9%
11. Italy	4 525	5 186	8 049	55.2%	4.5%
12. Zimbabwe	2 309	4 861	7 017	44.4%	8.3%
13. Sweden	5 671	6 197	6 639	7.1%	0.4%
14. Canada	6 984	7 818	6 059	-22.5%	0.9%
15. Ireland	3 858	4 880	5 686	16.5%	0.3%
16. Spain	3 166	3 880	4 248	9.5%	4.5%
17. Austria	3 908	3 460	3 966	14.6%	1.7%
18. Argentina	1 341	1 820	3 062	68.2%	30.7%
19. India	2 923	4 640	2 855	-38.5%	-4.6%
20. Botswana	164	668	2 544	280.9%	1.1%
21. Denmark	3 502	3 419	2 475	-27.6%	-3.6%
22. Lesotho	5 181	3 207	2 265	-29.4%	-0.5%
23. Portugal	1 635	2 114	2 155	1.9%	-17.3%
24. Norway	1 583	1 919	1 985	3.5%	0.2%
25. Namibia	1 610	2 165	1 937	-10.6%	-4.0%
26. Zambia	426	1 367	1 888	38.1%	-4.1%
27. Russian Fed	389	912	1 510	65.5%	33.9%
28. Japan	249	936	1 468	56.8%	0.5%
29. New Zealand	2 335	2 066	1 409	-31.8%	-11.0%
30. South Korea	251	786	1 255	59.7%	-1.4%

## **Domestic Tourism:**

The findings of the Domestic Tourism Survey 2018 reflect a general pattern of decrease in domestic tourism from 2017 to 2018 in South Africa. This was driven mostly by a decrease in the number of day trips. As compared to the previous release, a shift was observed, whereby the number of overnight trips outstripped the number of day trips.

The number of day trips decreased from 48,0 million in 2017 to 42,0 million in 2018. Overnight trips increased from 44,4 million in 2017 to 45,5 million in 2018.

Total expenditure increased from R86 billion in 2017 to R101 billion in 2018. This pattern of general increase in expenditure was observed in both day and overnight trips. The increase was driven mostly by an increase in spending on domestic transport; shopping; food and beverages; and accommodation.

In Nelson Mandela Bay the trend was similar with a 2.6% decline in domestic visitor numbers from 2 973 862 to **2 895 411** domestic visitors. This was mostly due to the decrease in day visitors (14%) as there was a 1.9% increase in overnight visitors to the metro.

The Domestic direct spend increased to **R4 355 009 911** up by 44.84%. This was mostly due to the increase in overnight stays and due to less frequent day visits leading to a higher spend per day trip with the total day visitor spend increasing by 79.08%.



## 2018 Annual Occupancy:

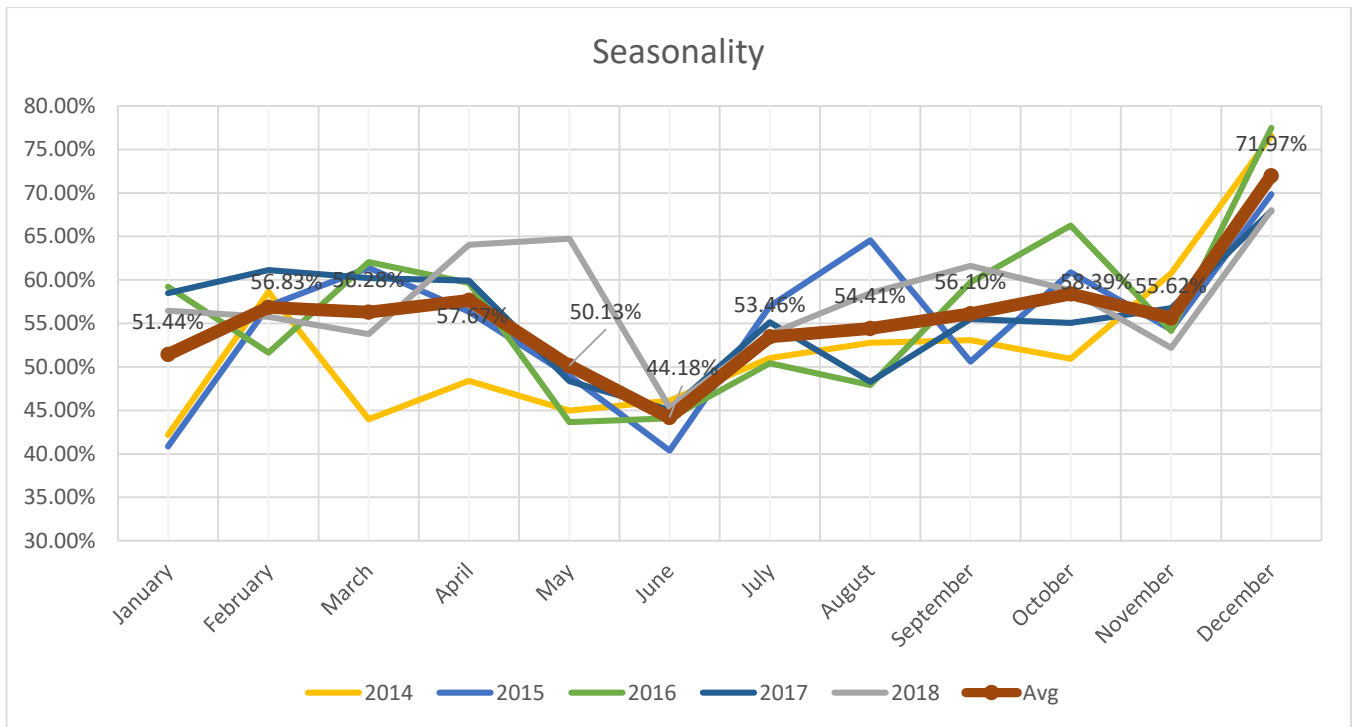
Annual Occupancy	2018					
	Facilities in NMB	Beds Available	Beds sold p.a	Average Occupancy	Average bed Rate	Total Income generated
Hotel	36	4843	1150253	65.07%	R 640.41	R 736 631 677.14
Self-Catering	96	4784	1026218	58.77%	R 410.22	R 420 972 743.79
B&B	95	1481	245957	45.50%	R 804.15	R 197 784 828.06
Guest House	156	2589	421048	44.56%	R 791.77	R 333 371 747.55
Camping & Caravanning	4	1440	349387	66.47%	R 197.79	R 69 105 067.08
Backpackers	13	650	128168	54.02%	R 238.62	R 30 583 937.56
<b>TOTAL</b>	<b>400</b>	<b>15787</b>	<b>3321031</b>	<b>57.63%</b>	<b>R 538.52</b>	<b>R 1 788 450 001.18</b>
Difference Previous Year	8	-259	52725	1.83%	R 109.48	R 386 202 776

	Booked Properties	nights booked	Avg Occupancy	ADR	Market Revenue
AirBnB	704	57798	34.50%	R 715.75	R 79 156 145

*\*Occupancy data as submitted by participating accommodation facilities*

There was 52 725 more bednights sold due to the increase in Average Occupancy by 1.83%. The STR South Africa Hotel Review Report also reported an increase of 1.1% in hotel occupancies for Port Elizabeth during 2018. The average bed rate also increased by R109.48 which saw the income generated from the accommodation sector increase by R386 202 776 to reach an estimated R1 788 450 001 income generated by the accommodation sector.

**Formal Accommodation Seasonality:**



**Overall Contribution:**

Due to an increase in both Domestic and Foreign Direct spend the Total Direct Spend generated by Tourism in Nelson Mandela Bay grew by 39.5% to reach a total of R 5 371 875 592.

The Total Contribution (Direct and Induced) of Travel and Tourism to the Nelson Mandela Bay GDP in 2018 was estimated to be in the region of R 9,94 Billion. This total contribution of Travel & Tourism directly and indirectly supported around 41 654 jobs in 2018.

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