

# DA Tourism Recovery Plan

TO SAVE THE TRAVEL, HOSPITALITY AND TOURISM  
SECTOR AND MINIMISE MORE JOB LOSSES



# Government's Tourism Recovery Plan?

- In reality, government does not have a tourism recovery plan.
- Government has indicated that tourism sector will start-up in December 2020 (but is not backed up by research nor data).
- If tourism starts again only in December most of the sector will be decimated.



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# The DA's Tourism Recovery Plan

- The DA is therefore presenting this Tourism short-term and immediate-Recovery Plan which, if implemented, will provide stimulus for economic recovery, save businesses and jobs.
- Our plan takes realities into account, is supported by international and local experiences and is based on data emanating from a number of surveys especially conducted to inform our plan.



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# What's informed the DA's Tourism Recovery Plan

- We have consulted with over 30 organisations and individuals within the sector.
- Four main surveys were conducted in cooperation and in conjunction with umbrella bodies and representative bodies within the tourism sector.



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# What's informed the DA's Tourism Recovery Plan

- Our plan takes realities into account, is supported by international and local experiences and is based on data emanating from a number of surveys especially conducted to inform our plan.
- The surveys that informed our plan were:



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# What's informed the DA's Tourism Recovery Plan

- **Events and conferencing sector study** with the participation of over 30 companies in this sub-sector of the tourism and hospitality sector,
- **Franschhoek accommodation establishments Covid-19 impact survey** which took place from 8 to 11 May 2020 and with the participation of 403 establishments.



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# What's informed the DA's Tourism Recovery Plan

- **Western Cape accommodation establishments Covid-19 impact survey** which took place in mid-May 2020 with the participation of 27 684 accommodation establishments throughout the Western Cape
- **Route 24 survey** which includes 25 lodges stretching over 120km from Gauteng (Magaliesburg) and the North West (towards Rustenburg) Provinces.



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# What's informed the DA's Tourism Recovery Plan

- Submissions were received from tourism professionals which are also included in our plan.
- Local and international experiences and recommendations from experts from various local and international bodies were also included.



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# Tourism Recovery Plan: Conditions needed

Our plan can work only on condition that:

- there is coordination and cooperation from other departments and entities concerned,
- there is government capacity.
- provincial borders be opened so that domestic tourism can flourish again.



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# Tourism Recovery Plan: Realities on the ground

- In April 2020 (before lockdown) tourism accounted for over 1.2 million jobs in SA and contributed more than 8% to economic activity.
- In 2016 the tourism sector employed 686 596 people. This outnumbered the workforce in the mining sector of 444 000.
- In 2016, 4,4% of all employed people were employed within the tourism sector; or 1 in every 23 people.



# Tourism Recovery Plan: Realities on the ground

Before the pandemic, Tourism in South Africa was primarily driven by:

- 64% leisure travellers and
- 36% are business travellers.



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# Tourism Recovery Plan: Realities on the ground

As far as tourism spend is concerned;

- 44% came from international travellers and
- 56% from domestic travel.



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# Tourism Recovery Plan: Realities on the ground

- The World Travel and Tourism Council (WTTC) has warned that the COVID-19 pandemic could put 75 million travel and tourism industry jobs at risk worldwide.
- This calculates to 50% of jobs lost in this sector worldwide.
- This translates into a GDP loss to the world's economy of US\$2,1 trillion in 2020.
- Extrapolating this figure, this would mean that the South African travel and tourism sector could drop 750 000 jobs.



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# Tourism Recovery Plan: Survey results: Sub-sectors not recognised

The event and conference management sub-sector survey found that the businesses they represent have made a loss of **R255 646 416,00** as a result of business that had been booked and confirmed but, as a result of the Covid-19 pandemic, had to be cancelled or postponed.

These losses cover the period from February to November 2020.

To make it worse, this sub-sector, such as tour guides are not recognised by government, as a result they are excluded from funding relief.



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# Tourism Recovery Plan: Survey results: Sub-sectors pained with the same brush

- Government is treating all sub-sectors within the tourism, travel and hospitality sub-sectors in exactly the same way.
- Due to the variety and diversity of this sector (and the many sub-sectors), this cannot be the case.



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# Tourism Recovery Plan: Survey results: Some sub-sectors can operate immediately

Some sub-sectors can operate immediately, examples include;

- the **self-catering accommodation** sector. There are many small self-catering venues that, by their very nature and exists singularly to offer privacy and peace away from large concentrations of people, in rural and country areas.
- **Boutique hotels** have limited rooms and therefore less guest traffic, some are set in large estates. They have small staff compliments who have minimal contact with guests.
- **lodges**, like those in the Route 24 group, as a norm, are



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# Tourism Recovery Plan: Survey results: Some sub-sectors can operate immediately

In such instances these establishments could start operating immediately as they, by their nature, already practice social distancing.

This would also mean that these businesses would have a immediate chance of survival and the chances of job losses would also be minimised.



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# Tourism Recovery Plan: Survey results: Some sub-sectors can operate immediately

Bigger accommodation establishments, such as large hotels, and places that have high congregation areas, such as restaurants, would be permitted to gradually open within limitations.

Such limitations would, depending on the level, include;

- take away for food: any restaurant or fast food outlet should be allowed to open their kitchens for home delivery purposes only in hard lockdown levels compared to soft lockdown levels,



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# Tourism Recovery Plan: Survey results: Some sub-sectors can operate immediately

- All online food and delivery services are encouraged and should be open,
- Restaurants should be permitted to operate with limited numbers permitted in eat-in sit-down areas,
- All of these approaches would require strict social distancing adherence and the wearing of Personal Protection Equipment (PPE) for staff.



# Tourism Recovery Plan: Survey results: Data shows business closures

The survey we conducted with Franschhoek accommodation establishments between 8 and 11 May 2020, revealed that;

- should the lockdown be ongoing until the end of the year, a significant number of businesses will face insolvency,
- this will have a subsequent negative impact on the local unemployment rate and also on suppliers that will not be paid for services rendered.



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# Tourism Recovery Plan: Survey results: Data shows business closures

A strict lockdown that would be ongoing until November 2020 would see the following:

- 68% of all accommodation would have to declare insolvency,
- 84% of the accommodation indicate that they must be open before December to avoid bankruptcy.



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# Tourism Recovery Plan: Survey results: Data shows business closures

Key Findings from Franschhoek Covid-19 Impact Study:

- 100% of the accommodations describe their current situation as “Disastrous”,
- 85% will be forced to stop paying salaries by November 2020,
- 55% of all accommodations are considering retrenchments now,
- 84% of accommodations will only survive if tourism re-starts before December 2020,
- 92% of all accommodation will not be able to pay their bills by December 2020.



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# Tourism Recovery Plan: Survey results: Data shows business closures

This translates into businesses making losses, as was reflected in the Route 24 survey which revealed that the data extrapolated that;

- over R12 600 000,00 in business was lost over the April to June 2020 period due to cancelled bookings,
- on average the staff employed are sole bread winners for at least 10 people each amounting to 1630 people.
- This would be catastrophic for entire communities.



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# Tourism Recovery Plan: Survey results: Data shows job losses

The survey revealed that should a hard lockdown continue, job losses would occur as follows:

- By 31 May 2020: 396 retrenchments will take place (25% of all jobs),
- By 31 August 2020: 1 131 retrenchments will take place (71% of all jobs),
- By 31 December 2020: 1 373 retrenchments will take place (87% of all jobs)
- By the end of the year it is projected that at least **2 900** jobs will be lost by the businesses surveyed.





# Tourism Recovery Plan: Survey results: Data shows job losses

The Western Cape accommodation survey included 27 684 hotels, guest houses, self-catering establishments and lodges in Cape Town, Stellenbosch and Knysna projected similar job losses.

The survey shows that amongst the establishments surveyed, that at least **112 980** jobs will be lost by December 2020.

Considering that there are many more such establishments, the real job losses will be far worse.



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# Tourism Recovery Plan: What needs to be done immediately

1. All sub-sectors of the tourism, travel and hospitality sectors;
  - i. that already meet social distancing requirements and meet hygiene protocols should be allowed to open immediately,
  - ii. that once they demonstrate that they meet social distancing requirements and hygiene protocols should be allowed to open,
2. Provincial borders should be opened up so that domestic tourism can be prioritised and can flourish.
3. The tourism department must coordinate, cooperate and communicate with the DA department and entities to make domestic tourism possible.



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# Tourism Recovery Plan: What needs to be done immediately

4. Doing the above will allow the tourism, travel and hospitality sectors to start functioning so that businesses and jobs are saved.
5. Delaying the opening up of these sectors will accelerate job losses and also destroy much of what has been built within the tourism sector.



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