

The Economic Value of Tourism in Cape Town

Presented to: Cape Town Tourism

Compiled by: I and M Futureneer Advisors Pty Ltd

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Executive Summary

Introduction

The City of Cape Town (CoCT) started to monitor the economic value of tourism in Cape Town in 2008. The main purpose of the monitoring was to create baseline data on the economic value of tourism (EVT) and to elicit discussion on how the methodology could be improved.

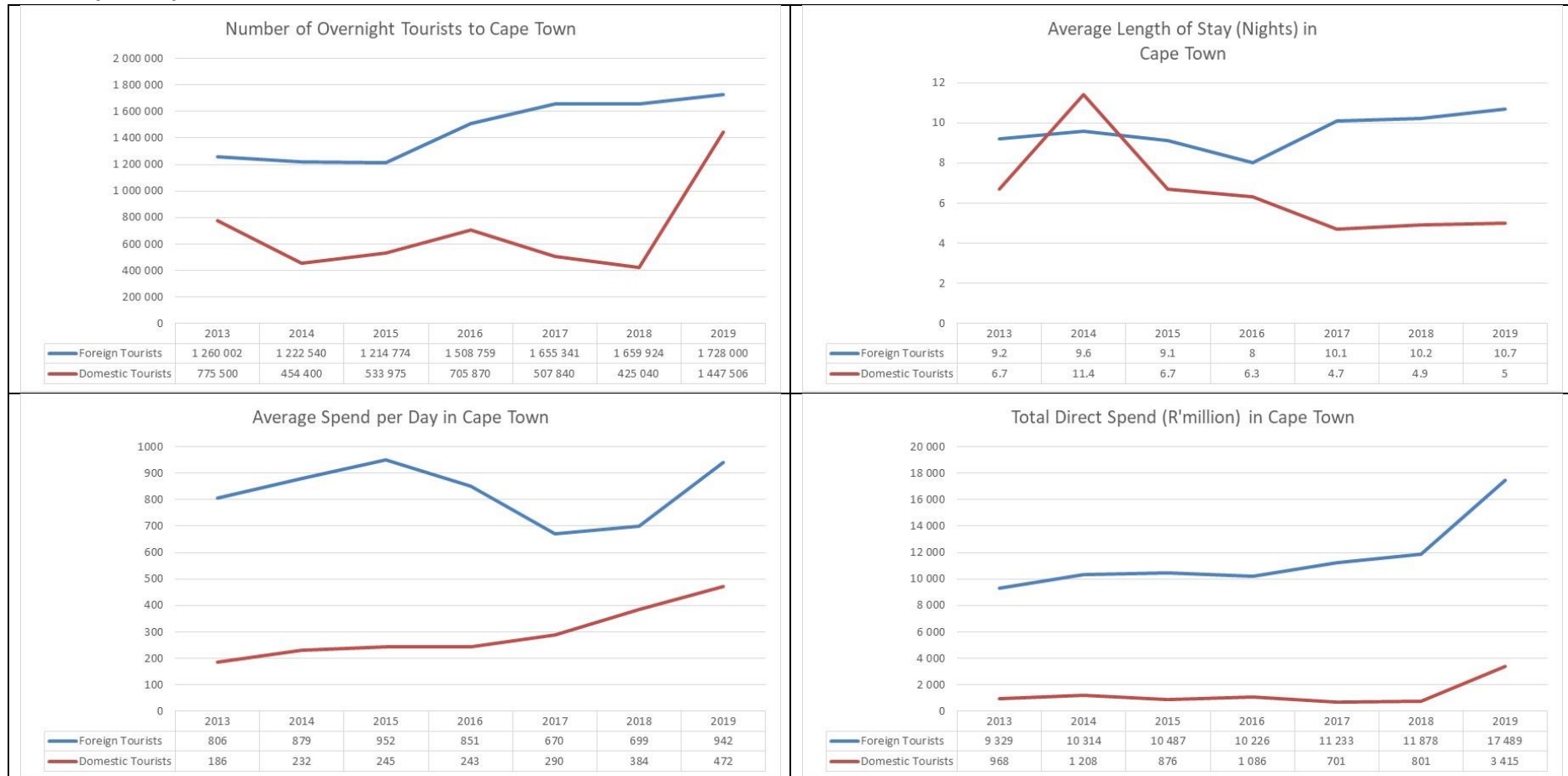
Cape Town Tourism has appointed I and M Futureneer Advisors Pty Ltd to update the EVT for Cape Town. Care should be taken when comparing these projections to previous reports as some data were retrospectively adjusted by SAT and Stat SA.

Summary of Projections

	2013	2014	2015	2016	2017	2018	2019	Annual Growth 13 - 19
Number of Overnight Tourists								
Foreign Tourists	1 260 002	1 222 540	1 214 774	1 508 759	1 655 341	1 659 924	1 728 000	5.4%
Domestic Tourists	775 500	454 400	533 975	705 870	507 840	425 040	1 447 506	11.0%
Average Length of Stay (Nights)								
Foreign Tourists	9.2	9.6	9.1	8.0	10.1	10.2	10.7	2.7%
Domestic Tourists	6.7	11.4	6.7	6.3	4.7	4.9	5.0	-4.8%
Bed Nights Sold								
Foreign Tourists	11 570 401	11 736 076	11 015 651	12 022 607	16 776 214	17 003 787	18 572 533	8.2%
Domestic Tourists	5 203 860	5 196 980	3 575 880	4 468 990	2 411 750	2 085 930	7 240 483	5.7%
Average Spend per Day (R)								
Foreign Tourists	806	879	952	851	670	699	942	2.6%
Domestic Tourists	186	232	245	243	290	384	472	16.8%
Total Direct Tourism Spend (R'millions)								
Foreign Tourists	9 329	10 314	10 487	10 226	11 233	11 878	17 489	11.0%
Domestic Tourists	968	1 208	876	1 086	701	801	3 415	23.4%
Total (R'millions)	10 297	11 522	11 364	11 312	11 934	12 679	20 904	12.5%

Source: SAT data and I and M Futureneer Advisors Pty Ltd projections

Summary of Projections



Source: SAT data and I and M Futureneer Advisors Pty Ltd projections

Cape Town is estimated to have performed significantly better in 2019 than in 2018. This improved performance is due to growth in the share of foreign tourists to the Western Cape (16.5% in 2018 to 17.6% in 2019) as well as a significant improvement in the share of foreign expenditure in the Western Cape (19.7% in 2018 to 29.8% in 2019).

There was also a significant increase in the share of domestic overnight visitors to the Western Cape (7.3% in 2018 to 15.6% in 2019) as well as significant growth in the share of domestic expenditure in the Western Cape (7% in 2018 to 18% in 2019).

These improvements in the Western Cape's share of the tourism market resulted in an estimated 1.7 million foreign tourists to Cape Town in 2019, staying a total of 18.6 million bed nights and spending R17.5 billion. Cape Town is estimated to have attracted 1.4 million domestic overnight trips, staying a total of 7.2 million bed nights and spending R3.4 billion in 2019.

Projected Tourism Value Add (R'million)

Year	Location	+ Foreign tourism expenditure	+ Domestic tourism expenditure	= Total output	- Total intermediate consumption	= Total gross value add	Tourism GVA as % of Total GVA
2013	South Africa*	94 183	124 137	218 320	123 823	94 497	3.0%
2013	Cape Town**	13 743	25 144	38 887	22 055	16 832	5.4%
2014	South Africa*	106 728	133 990	240 718	136 718	104 000	3.0%
2014	Cape Town**	17 154	22 435	39 589	22 485	17 104	5.4%
2015	South Africa*	108 760	122 744	231 504	131 458	100 046	2.8%
2015	Cape Town**	16 734	14 303	31 036	17 624	13 413	4.1%
2016	South Africa*	121 400	143 816	265 216	150 591	114 625	3.0%
2016	Cape Town**	16 433	10 009	26 442	15 014	11 428	3.5%
2017	South Africa*	120 979	130 227	251 206	142 794	108 412	2.9%
2017	Cape Town**	16 834	9 267	26 101	14 837	11 265	3.3%
2018	South Africa*	120 037	153 196	273 233	154 787	118 446	2.9%
2018	Cape Town**	17 282	24 464	41 746	23 649	18 097	5.3%
2019 Est	South Africa*	126 004	254 612	380 616	215 809	164 807	3.3%
2019 Est	Cape Town**	25 439	104 266	129 705	73 543	56 162	16.0%

Source: *Stats SA and ** I and M Futureneer Advisor Pty Ltd Projection

The estimated GVA of Tourism in Cape Town in 2019 increased to R56.2 billion from R18.1 billion in 2018. This increase was fuelled by an increase of 47% in foreign tourism expenditure and a 326% increase in domestic tourism expenditure.

Cape Town's Tourism GVA is projected to represent 16% of Cape Town's total GVA in 2019. The average annual compound growth rate increased to 22.2% per annum between 2013 and 2019.

The increased foreign and domestic expenditure resulted in an increase in Cape Town's tourism employment from 113 009 in 2018 to 350 716 in 2019. The tourism employment is estimated to represent 25.8% of Cape Town's total employment. This share is significant and would need to be reviewed once the Tourism Satellite Account for 2019 have been published.

Projected Tourism Employment

Year	Location	Employment	Tourism Employment as % of Total Employment
2013	South Africa*	655 587	4.4%
2013	Cape Town**	116 773	9.4%
2014	South Africa*	681 915	4.5%
2014	Cape Town**	112 150	8.9%
2015	South Africa*	669 653	4.3%
2015	Cape Town**	89 777	7.0%
2016	South Africa*	705 871	4.4%
2016	Cape Town**	70 376	5.4%
2017	South Africa*	681 619	4.5%
2017	Cape Town**	70 823	5.3%
2018	South Africa*	739 657	4.5%
2018	Cape Town**	113 009	8.3%
2019	South Africa*	1 029 164	6.3%
2019	Cape Town**	350 716	25.8%

Source: *Stats SA and ** I and M Futureneer Advisor Pty Ltd Projection

1. Introduction

1.1 Background

The CoCT started to monitor the economic value of tourism in Cape Town in 2008. The main purpose of the monitoring was to create baseline data on the economic value of tourism (EVT).

Cape Town Tourism (the Client) has appointed I and M Futureneer Advisors Pty Ltd to update the EVT for Cape Town. The update is to specifically highlight the following and the changing trends:

- The number of foreign and domestic arrivals to Cape Town;
- The number of people employed in the tourism industry in Cape Town; and
- The economic value of tourism for Cape Town.

1.2 Our Approach, Methodology, Deliverable and Timing

1.2.1 Approach

Given the lack of tourism data on a city level, the approach to this assignment was to utilise the disaggregation of SAT data as well as the disaggregation of the National Tourism Satellite Account published by Stats SA.

This approach quantified the number of arrivals to Cape Town, employment in Cape Town's tourism industry and the EVT for Cape Town. The approach also provided a consistent basis to measure the changing trends in the data between 2013 and 2019.

1.2.2 Comparability with previous reports

There have been two major changes in the data from Stats SA and SAT that should be considered when reading this report and comparing it with previous reports.

Firstly, prior to the SAT report in 2010, SAT only reported on foreign visitor arrivals as there was no way of separating out day visitors from the overall arrivals. For the first time in 2009, Stats SA was able to separate tourists and day visitors and started to publish a data series for tourist arrivals that was

aligned to the globally accepted definition of a tourist. SAT could only utilise this information for the first time in its 2010 reports. Because of this change, the weighting methodology of SAT has been revised and the results in reports prior to 2010 are not comparable to reports post 2010.

Secondly, in 2014 Stats SA started to exclude overnight transit visitors from the tourist arrivals data that it publishes. Previously, overnight transit visitors (who spend at least one night in South Africa on their way to another destination) have been included in the tourist arrivals data. This is in accordance with the definition of a tourist by the United Nations World Tourism Organisation (UNWTO). The argument is that even though the overnight transit visitors are travelling to another destination, they are still utilising the tourism products in South Africa, such as overnight accommodation.

The result from this exclusion is that the SAT report for 2014 was revised to reflect the change. The 2014 SAT report included comparative data for 2013. Unfortunately, none of the prior year reports were revised resulting in only 2013 and 2014 data being available from SAT for analysis.

Due to these changes in the published data, as well as retrospective revision of expenditure data by SAT in the 2018 report, care should be taken when comparing this report to previous reports. The following data has been revised by SAT in their 2018 report:

- Expenditure by foreign tourists in the Western Cape for 2016 and 2017;
- Number of domestic overnight trips to the Western Cape in 2016 and 2017; and
- Total domestic day trip spend for 2014 to 2017.

Please also note that Stats SA has revised the domestic tourism expenditure in the Tourism Satellite account for 2015, 2016 and 2017.

1.2.3 Methodology

During this assignment we have:

- Conducted an inception meeting with the Client to ensure that all parties agree on the proposed approach, deliverables and timeframes;
- Obtained the relevant data from SAT, Stats SA, ACSA, STR Global, ForwardKeys and others;
- Analysed the data and formulated relevant insights;
- Quantified the economic value of tourism for Cape Town, including the number of arrivals to Cape Town, employment and the EVT;
- Compiled a report detailing the approach, Projections and results of the process; and
- Conducted three presentations to the Client or industry stakeholders on the results of the study.

1.3 Terminology and Abbreviations

The following terminology and abbreviations were used in this report:

ACSA	Airports Company of South Africa
Cape Town	The geographical area represented by the municipal boundaries of the City of Cape Town
CoCT	City of Cape Town
EVT	Economic Value of Tourism
GVA	Gross value add
SAT	South African Tourism
Stats SA	Statistics South Africa
The Client	Cape Town Tourism
TSA	Tourism Satellite Account
UNWTO	United Nations World Tourism Organisation
WTTC	World Tourism and Travel Council

2. Projected Direct Tourism Spend in Cape Town

2.1 Introduction

The projection of direct tourism spend in Cape Town between 2013 and 2019 was based on:

- Information contained in the SAT, Tourism Annual Report 2019;
- Information contained on the dashboard on SAT's website at www.southafrica.net;
- Information contained in the NDT, State of Tourism Report 2017/18; and
- Projections by I and M Futureneer Consulting Pty Ltd regarding Cape Town's share of arrivals, bed nights and spend utilising data obtained directly from SAT during previous studies and SAT reports prior to 2009.

The data previously obtained directly from SAT, SAT reports prior to 2009 and arrivals on international and domestic flights at Cape Town International Airport was utilised to benchmark and serve as proxy for the change in Cape Town's share where data were not available from SAT.

2.2 Foreign Arrivals and Domestic Trips

Table 2.1 indicates the Foreign Arrivals to South Africa, the Western Cape and Cape Town.

Despite a decline in total foreign tourist arrivals to South Africa in 2019, the number of foreign arrivals to Cape Town in 2019 grew due to an increase in the share of foreign arrivals to the Western Cape. The number of foreign arrivals to Cape Town grew to 1,7 million in 2019, which represented growth of 4.1% over 2019 and an average annual compound growth of 5.4% per annum between 2013 and 2019.

The share of foreign arrivals to the Western Cape increased from 14.8% in 2013 to 17.6% in 2019 resulting in an increase in foreign arrivals to the Western Cape from 1.3 million in 2013 to 1.8 million in 2019. This growth equates to an average annual compound growth of 5.2% per annum between 2013 and 2019.

Total foreign arrivals to South Africa has grown by an average annual compound growth rate of 2.2% between 2013 and 2019.

Table 2.1: Projected number of Foreign Arrivals to Cape Town

	2013	2014	2015	2016	2017	2018	2019
Total Foreign Arrivals to South Africa*	8 961 565	9 549 236	8 903 773	10 044 163	10 285 197	10 472 105	10 228 593
Share of Foreign Arrivals to the Western Cape*	14.8%	14.5%	14.9%	15.6%	16.8%	16.5%	17.6%
Number of Foreign Arrivals to the Western Cape*	1 330 520	1 386 100	1 323 283	1 568 357	1 727 913	1 729 087	1 800 000
Share of Foreign Arrivals to Cape Town**	94.7%	88.2%	91.8%	96.2%	95.8%	96.0%	96.0%
Number of Foreign Arrivals to Cape Town**	1 260 002	1 222 540	1 214 774	1 508 759	1 655 341	1 659 924	1 728 000

Source: *SAT ** I and M Futureneer Advisor Pty Ltd Projection

Table 2.2 indicates the Domestic Overnight Trips to South Africa, the Western Cape and Cape Town. Please note that SAT has revised the number of domestic overnight trips to the Western Cape in 2016 and 2017 in their 2018 report.

Table 2.2: Projected number of Domestic Overnight Trips to Cape Town

	2013	2014	2015	2016	2017	2018	2019
Total number of domestic trips taken in South Africa*	25 170 000	28 009 000	24 446 000	24 260 000	17 168 428	17 645 342	28 456 033
Share of domestic trips taken to the Western Cape*	9.3%	5.1%	6.7%	8.8%	9.2%	7.3%	15.6%
Number of domestic trips taken to the Western Cape*	2 350 000	1 420 000	1 643 000	2 139 000	1 587 000	1 288 000	4 431 140
Share of domestic trips taken to Cape Town**	33.0%	32.0%	32.5%	33.0%	32.0%	33.0%	32.7%
Number of domestic trips taken to Cape Town**	775 500	454 400	533 975	705 870	507 840	425 040	1 447 506

Source: *SAT ** I and M Futureneer Advisor Pty Ltd Projection

The number of domestic overnight trips taken to Cape Town increased by 240.6% in 2019 over 2018 due to two main reasons.

Firstly, the number of overnight domestic trips has shown a significant increase (61.3%) during 2019, with 28,5 million trips being taken in 2019, compared to 17,6 million in 2018. The reason for this increase is not clear. The SAT report states that the main reason for not taking a domestic trip is that the respondents cannot afford travel. The recovery of the domestic tourism market is thus dependant on the recovery of the South African economy but there was no significant improvement in the South African economy during 2019.

Secondly, the share of overnight domestic trips taken to the Western Cape more than doubled from 7.3% in 2018 to 15.6% in 2019. Again, the reason for this increase is not clear.

The number of overnight domestic trips taken to Cape Town achieved an average annual compound growth of 11% per annum between 2013 and 2019, despite severe declines recorded in 2014, 2017 and 2018.

2.3 Foreign and Domestic Bed Nights

Table 2.3 indicates the Foreign Bed Nights in South Africa, the Western Cape and Cape Town.

Table 2.3: Projected number of Foreign Bed Nights in Cape Town

	2013	2014	2015	2016	2017	2018	2019
Total Number of Bed Nights by Foreign Arrivals to SA*	73 429 569	78 852 721	81 341 230	88 819 067	120 560 518	118 100 000	112 300 000
Share of Foreign Bed Nights in the Western Cape*	22.2%	20.9%	19.2%	18.9%	19.3%	19.7%	22.9%
Number of Bed Nights by Foreign Arrivals to the Western Cape*	16 296 340	16 483 252	15 625 036	16 744 578	23 300 297	23 292 859	25 700 000
Share of Foreign Bed Nights in Cape Town**	71.0%	71.2%	70.5%	71.8%	72.0%	73.0%	72.3%
Number of Bed Nights by Foreign Arrivals in Cape Town**	11 570 401	11 736 076	11 015 651	12 022 607	16 776 214	17 003 787	18 572 533

Source: *SAT ** I and M Futureneer Advisor Pty Ltd Projection

Foreign bed nights spent in Cape Town has shown healthy growth of 8.2% per annum between 2013 and 2019 to reach 18,6 million in 2019. This growth between 2013 and 2019 out performed the growth in the total number of bed nights spent in South Africa which grew at 7.3% per annum between 2013 and 2019.

Table 2.4 indicates the Domestic Bed Nights in South Africa, the Western Cape and Cape Town.

Domestic bed nights spent in Cape Town benefited from the increase in overnight domestic trips and the increase in the share of domestic overnight trips to the Western Cape. The number of domestic overnight trips to Cape Town increased by 247.2% to 7,2 million in 2019. This equates to an average annual compound growth rate of 5.7% between 2013 and 2019, compared to a decline of 2.7% per annum of domestic bed nights spent in South Africa.

Table 2.4: Projected number of Domestic Bed Nights in Cape Town

	2013	2014	2015	2016	2017	2018	2019
Total number of domestic bed nights in South Africa*	111 215 716	113 224 026	102 486 081	103 417 517	70 146 253	69 284 437	94 144 447
Share of domestic bed nights on trips taken to the Western Cape*	10.9%	10.7%	8.1%	10.0%	8.0%	7.0%	17.9%
Number of domestic bed nights on trips taken to the Western Cape*	12 102 000	12 086 000	8 316 000	10 393 000	5 608 720	4 851 000	16 838 332
Share of domestic bed nights on trips to Cape Town**	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%
Number of domestic bed nights on trips to Cape Town**	5 203 860	5 196 980	3 575 880	4 468 990	2 411 750	2 085 930	7 240 483

Source: *SAT ** I and M Futureneer Advisor Pty Ltd Projection

2.4 Foreign and Domestic Direct Spend

Table 2.5 indicates the Foreign Direct Spend in South Africa, the Western Cape and Cape Town. Please note that SAT has revised the expenditure by foreign tourists in the Western Cape for 2016 and 2017 in their 2018 report. The downward revision of the expenditure of foreign tourists to the Western Cape for 2016 and 2017 seems to be contradictory to the increase in the number of foreign tourists to the Western Cape.

Table 2.5: Foreign Direct Spend in Cape Town (R'million)

	2013	2014	2015	2016	2017	2018	2019
Total Foreign Direct Spend in South Africa (R million)*	63 937	64 171	68 162	75 546	80 725	82 500	81 187
Share of Foreign Direct Spend in the Western Cape*	20.6%	22.6%	21.8%	18.9%	19.3%	19.7%	29.8%
Total Foreign Direct Spend in the Western Cape (R million)*	13 140	14 486	14 876	14 242	15 601	16 271	24 200
Share of Foreign Direct Spend in Cape Town**	71.0%	71.2%	70.5%	71.8%	72.0%	73.0%	72.3%
Total Foreign Direct Spend in Cape Town (R million)**	9 329	10 314	10 487	10 226	11 233	11 878	17 489

Source: *SAT ** I and M Futureneer Advisor Pty Ltd Projection

The increase in the share of foreign arrivals to the Western Cape, combined with the increase in the share of foreign bed nights spent in the Western Cape, resulted in an increase of 47.2% in foreign direct spend in Cape Town. The foreign direct spend reached R17.5 billion in 2019, representing an average annual compound growth rate of 11% per annum between 2013 and 2019.

Table 2.6 indicates the Domestic Direct Spend in South Africa, the Western Cape and Cape Town.

Table 2.6: Domestic Direct Spend in Cape Town (R'million)

	2013	2014	2015	2016	2017	2018	2019
Total spend by domestic tourists in South Africa (R million)*	24 280	26 836	23 600	26 513	22 117	26 400	43 882
Share of total domestic spend in the Western Cape*	9.0%	10.0%	9.0%	10.0%	10.0%	7.0%	18.0%
Total spend by domestic tourists in the Western Cape (R million)*	2 251	2 798	2 031	2 525	1 616	1 848	7 899
Share of domestic spend in Cape Town**	43.0%	43.2%	43.2%	43.0%	43.4%	43.4%	43.2%
Total spend by domestic overnight tourists in Cape Town (R million)**	968	1 208	876	1 086	701	801	3 415

Source: *SAT ** I and M Futureneer Advisor Pty Ltd Projection

The doubling of the share of domestic overnight trips, resulting in the more than doublings of the share in domestic bed nights spent in the Western Cape, resulted in the 326.2% increase in spend by domestic overnight tourists to Cape Town. The spend increased to R3.4 billion in 2019, representing an average annual combined growth rate of 23.4% per annum between 2013 and 2019.

3. Projected Tourism Gross Value Add in Cape Town

3.1 Introduction

The compilation of a tourism satellite account on a city or regional level to quantify the gross value add and employment of the tourism industry has various limitations and challenges. These include the ability to accurately measure the total and tourism economy of the city or region due to the lack of border posts where goods and services and the movement of tourists could be surveyed to allocate the flow of money through the economy.

For example, a scheduled tour of foreign tourists to South Africa may include, overnight stays in Johannesburg, the Kruger National Park and Cape Town. When compiling a tourism satellite account for Cape Town, the accommodation spend would need to be allocated between the various destinations. More problematic would be the allocation between the destinations of the transport costs and the commission owed to the tour operator.

Two approaches to regional tourism satellite accounts have been formulated to address these issues. Firstly, a regionalization approach can be adopted where the national tourism satellite account is apportioned on a regional basis using different indicators and methods. Secondly, a regional estimation approach can be followed where a tourism satellite account is calculated for a region on a similar basis as a national tourism satellite account. This approach requires sufficient data on a regional basis.

Given the lack of data on a city and regional level, a regionalization approach was adopted to quantify the economic contribution of tourism to the economy of Cape Town. The approach disaggregates the National Tourism Satellite Account produced by Stats SA to project the tourism gross value add in Cape Town.

3.2 Methodology

For the purposes of this report, the Tourism Satellite Account for South Africa, final 2016 and provisional 2017 and 2018, published by Stats SA in November 2019 was used as the 2019 figure from Stats SA was not available at the time of writing the report. Please also note that Stats SA has revised the domestic tourism expenditure in the Tourism Satellite account for 2015, 2016 and 2017.

The national tourism satellite account quantifies the foreign, domestic and outbound tourism expenditure for South Africa. The foreign and domestic direct tourism expenditure, as calculated utilising the disaggregation of national tourism data, was utilised to calculate a comparable figure for Cape Town. Unfortunately, the outbound tourism expenditure for Cape Town is not available and there is no reliable source available to estimate this figure.

The national tourism satellite account deducts the intermediate consumption from this tourism expenditure to calculate the gross value added by the tourism industry. The intermediate consumption relates to the expenses related to the tourism expenditure such as salaries of staff, consumables, etc.

The intermediate consumption for Cape Town was assumed to have the same ratio of tourism expenditure to intermediate consumption as South Africa. The national tourism satellite account utilises input-output tables to calculate the intermediate consumption but given the lack of detail on a Cape Town level it was assumed that Cape Town tourism enterprises would have intermediate consumption on a similar ratio than tourism enterprises in South Africa as a whole.

The national tourism satellite account also quantifies the number of persons directly engaged in producing goods and services purchased by visitors. It was assumed that Cape Town's share of the number of persons engaged would be the same as the ratio of Cape Town's gross value add for tourism to South Africa's gross value add for tourism.

It should be noted that the national tourism satellite account produced by Stats SA measures the direct contribution of tourism to the economy. The World Tourism and Travel Council (WTTC) approach measures the direct, indirect and induced contribution of tourism to the economy. For example, the expenditure by a guest in an hotel (direct) results in expenditure by the hotel on food, (indirect) and expenditure by the hotel's employees in local shops (induced). The direct, indirect and induced contribution is often used to compare to the contribution of other industries to the economy while this report quantifies the direct contribution.

The projection of the gross value add for Cape Town in this report utilises the foreign and domestic direct spend, disaggregated from the data published by SAT as a base and extrapolates it taking into account the conceptual and methodological differences as described below.

The Tourism Satellite Account for South Africa, final 2016 and provisional 2017 and 2018, published by Stats SA in November 2019 states that: *"It is important to note that there are conceptual and methodological differences between the tourism foreign direct spend (TFDS) published by SAT, the BoP as compiled by the SARB, and consequently also the total inbound tourism expenditure in the TSA (Table 1 of the TSA).*

TFDS includes all expenditure by foreigners in South Africa. From this total, SAT excludes capital expenditure and the shopping expenditure of traders ('shuttle trade') as this is already included elsewhere in BoP statistics. The BoP is inclusive of concepts such as 'travel' receipts and 'international transportation' receipts. 'Travel' receipts include the domestic spending of seasonal and non-resident workers. The total inbound tourism expenditure as reflected in Table 1 of the TSA therefore includes the 'travel' receipts and 'international transportation' receipts from the BoP as provided by the SARB, but excludes the domestic spending of seasonal and non-resident workers."

Table 3.1 indicates the difference between the foreign direct spend in South Africa as projected by SAT and the inbound tourism expenditure in South Africa as projected by Stats SA. On average, between 2013 and 2018, the Stats SA projection was 155% more than the SAT projection.

Table 3.1 also indicates the difference between the domestic direct spend in South Africa as projected by SAT and the domestic tourism expenditure in South Africa as projected by Stats SA. On average, between 2013 and 2018, the Stats SA projection was 540% more than the SAT projection.

The 2019 inbound tourism expenditure in South Africa and 2019 domestic tourism expenditure in South Africa data from Stats SA were not available at the time of writing this report.

Table 3.1: Projections by SAT and Stats SA (R'million)

	2013	2014	2015	2016	2017	2018
Foreign direct spend in South Africa*	63 937	64 171	68 162	75 546	80 725	82 500
Inbound tourism expenditure in South Africa**	94 183	106 728	108 760	121 400	120 979	120 037
Difference	147%	166%	160%	161%	150%	145%
Domestic direct spend in South Africa*	24 280	26 836	23 600	26 513	22 117	26 400
Domestic tourism expenditure in South Africa**	124 137	133 990	122 835	143 816	130 227	153 196
Difference	511%	499%	520%	542%	589%	580%

Source:

*SAT

** Stats SA

3.3 Projected Tourism Value Add and Employment

Table 3.2 and Table 3.3 indicates the tourism value add for Cape Town between 2013 and 2019 when the projected foreign direct spend in Cape Town is adjusted by the difference between the foreign direct spend in South Africa as per SAT and the inbound tourism expenditure in South Africa as per Stats SA.

The projected domestic direct spend in Cape Town is adjusted by the difference between the domestic direct spend in South Africa as per SAT and the domestic tourism expenditure in South Africa as per Stats SA.

The estimated GVA of Tourism in Cape Town in 2019 increased to R56.2 billion from R18.1 billion in 2018. This increase was fuelled by an increase of 47% in foreign tourism expenditure and a 326% increase in domestic tourism expenditure.

Cape Town's Tourism GVA is projected to represent 16% of Cape Town's total GVA in 2019. The average annual compound growth rate increased to 22.2% per annum between 2013 and 2019.

Table 3.2: Projected Tourism Value Add (R'million)

Year	Location	+ Foreign tourism expenditure	+ Domestic tourism expenditure	= Total output	- Total intermediate consumption	= Total gross value add	Tourism GVA as % of Total GVA
2013	South Africa*	94 183	124 137	218 320	123 823	94 497	3.0%
2013	Cape Town**	13 743	25 144	38 887	22 055	16 832	5.4%
2014	South Africa*	106 728	133 990	240 718	136 718	104 000	3.0%
2014	Cape Town**	17 154	22 435	39 589	22 485	17 104	5.4%
2015	South Africa*	108 760	122 744	231 504	131 458	100 046	2.8%
2015	Cape Town**	16 734	14 303	31 036	17 624	13 413	4.1%
2016	South Africa*	121 400	143 816	265 216	150 591	114 625	3.0%
2016	Cape Town**	16 433	10 009	26 442	15 014	11 428	3.5%
2017	South Africa*	120 979	130 227	251 206	142 794	108 412	2.9%
2017	Cape Town**	16 834	9 267	26 101	14 837	11 265	3.3%
2018	South Africa*	120 037	153 196	273 233	154 787	118 446	2.9%
2018	Cape Town**	17 282	24 464	41 746	23 649	18 097	5.3%
2019 Est	South Africa*	126 004	254 612	380 616	215 809	164 807	3.3%
2019 Est	Cape Town**	25 439	104 266	129 705	73 543	56 162	16.0%

Source: *Stats SA and ** I and M Futureneer Advisor Pty Ltd Projection

The increased foreign and domestic expenditure resulted in an increase in Cape Town's tourism employment from 113 009 in 2018 to 350 716 in 2019. The tourism employment is estimated to represent 25.8% of Cape Town's total employment. This share is significant and would need to be reviewed once the Tourism Satellite Account for 2019 have been published.

Table 3.3: Projected Tourism Employment

Year	Location	Employment	Tourism Employment as % of Total Employment
2013	South Africa*	655 587	4.4%
2013	Cape Town**	116 773	9.4%
2014	South Africa*	681 915	4.5%
2014	Cape Town**	112 150	8.9%
2015	South Africa*	669 653	4.3%
2015	Cape Town**	89 777	7.0%
2016	South Africa*	705 871	4.4%
2016	Cape Town**	70 376	5.4%
2017	South Africa*	681 619	4.5%
2017	Cape Town**	70 823	5.3%
2018	South Africa*	739 657	4.5%
2018	Cape Town**	113 009	8.3%
2019	South Africa*	1 029 164	6.3%
2019	Cape Town**	350 716	25.8%

Source: *Stats SA and ** I and M Futureneer Advisor Pty Ltd Projection