

Making tourism development part of the crisis recovery in South Africa

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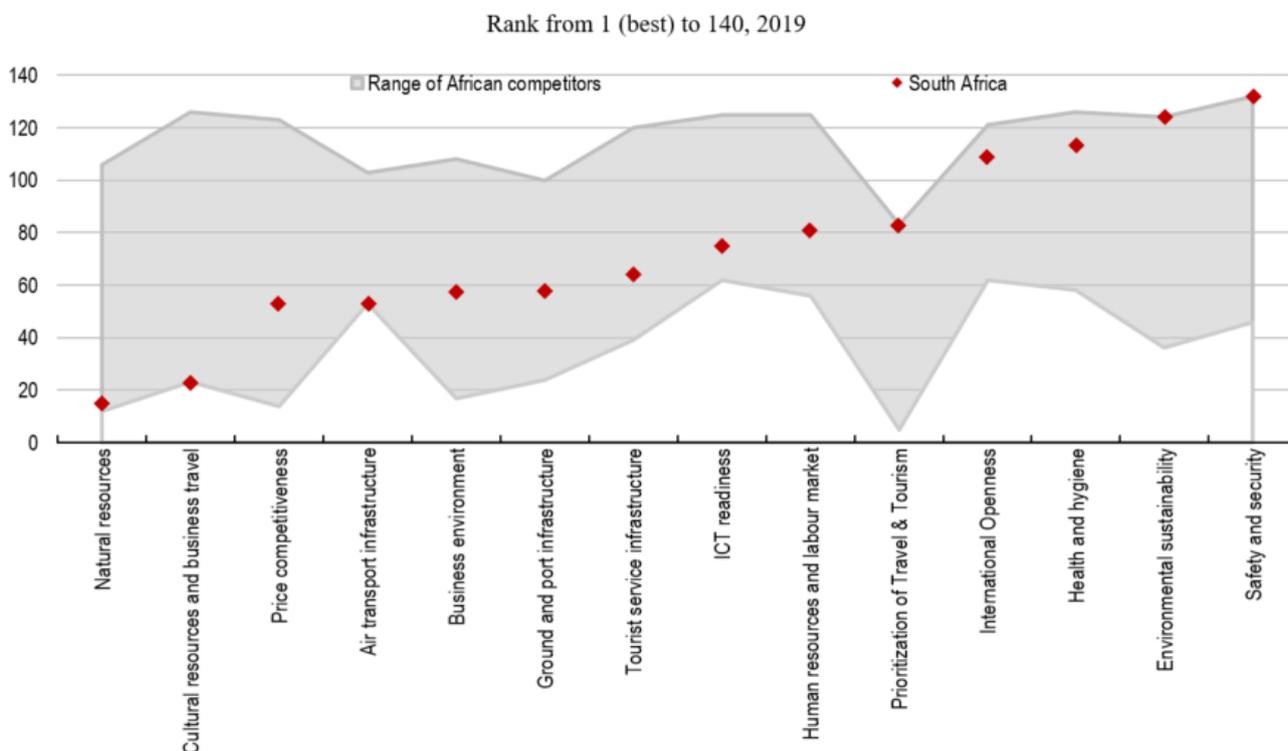
The recent COVID-19 pandemic and resulting containment measures have hit hard the economy and in particular tourism. Yet, the sector has good potential to support the South African economy and contribute to employment growth post-COVID-19. As tourism is a labour intensive sector that can also bring foreign currency into the country, it was identified as a priority area by the South African government. Between 1995 and 2017, international tourist arrivals doubled while employment directly related to tourism tripled. To ensure that the sector continues to play a key role in the economy following the COVID-19 pandemic, a recovery plan is being finalised focussing on stimulating demand, protecting and renewing supply and strengthening enabling capability.

South Africa has rich and diverse natural and cultural assets. Still, tourism development has been challenged by the country's geographic location and perceived safety and security issues. As the country is a long-haul destination for many large source markets, good accessibility and international openness is key to expand international tourism. Following the COVID-19 crisis, a managed re-opening is envisioned, followed by growth interventions to reclaim market share and drive long-term growth. Although South Africa's air transport infrastructure is well developed compared to African competitors (see Figure 1), the country lags far behind in terms of international openness due to burdensome visa regulations for tourists. Tourism strategies to attract international visitors therefore have to reduce the administrative barriers and uncertainty related to visa

requirements to remain globally competitive.

Once travel restrictions due to the COVID-19 pandemic are eased, potential tourists could still be deterred from selecting South Africa as a destination based on concerns around safety and security. South Africa continuously performs poorly with respect to safety and security indicators. As these indicators do not capture tourism-related incidents, credible and up-to-date information on safe areas that are easily accessible for domestic and international tourists alike should be provided. Such information could be complemented by greater visibility of safety and police personnel in main tourist areas as proposed in the recently finalised safety monitor programme. This is a welcome step as it could reduce crime against tourists, make them feel safer and portray a more positive outlook to potential tourists. A general reduction in crime will also improve the well-being of the local population.

South Africa has attractive natural resources but is lagging behind in many domains, 2019



Note: Range of selected competitors include Botswana, Namibia, Mauritius, Kenya and Tanzania.

Source: World Economic Forum (2019), Travel and Tourism

http://www3.weforum.org/docs/WEF_TTCR19_data_for_download.xlsx

Increasing tourist arrivals is necessary for tourism development, but the strength of the relationship between tourism and economic growth depends on the economic integration of the tourism industry in the local economy. In order to achieve inclusive growth, the economic benefits of tourism must also spread geographically –beyond mature destinations in South Africa – to create economic opportunities in less travelled and less prosperous regions. This is especially important in a country that is as spatially segregated and unequal as South Africa. To promote the geographic spread of tourists into more remote or distressed areas requires better domestic transport infrastructure. Moreover, municipalities need sufficient capacity to plan for sustainable tourism development and to provide supportive infrastructure for basic services and tourism-related activities. As unchecked tourism growth can increase the pressure on environmental resources and on housing markets and increase inequality, tourism policies need to be planned carefully and in a holistic way. Policies that are taking into account the interdependencies across different sectors and are allowing for input from different levels of government will not only create a more enjoyable visitor experience, but will also contribute to better living conditions for residents in the local tourist destination.

References:

OECD (2020), *OECD Economic Surveys: South Africa 2020*, OECD Publishing, Paris, <https://doi.org/10.1787/2218614x>.