

# Covid-19 impact on the tourism sector



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South African Tourism CEO, Sisa Ntshona shares his thoughts on the impact of Covid-19 on the tourism sector, challenges faced and recovery strategies to consider post-Covid-19.



Tourism was among the first sectors to immediately feel the impact of Covid-19 as we saw the cancellation of conferences, meetings and bookings. The sector came to a stand-still when borders closed, and flights were suspended.

Covid-19 has been particularly devastating to small and medium enterprises. The reality is that many businesses will struggle to survive, and numerous jobs will be at risk.

As we go through this pandemic, which has an unknown end date, it will be important for tourism businesses to be informed and aware of all the initiatives put in place to aid their survival. Thus, belonging to associations and industry bodies becomes a key source of information as this can be a very lonely period.

#### **Post-Covid considerations**

It is important for tourism businesses to consider that the post-Covid-19 tourist may have different needs and expectations. We cannot assume that the sector will revert to what it was prior to the outbreak. The re-set button has been pressed.

The sector has to re-shape itself. We must allow ourselves to be driven by what the traveller wants. We must be attuned to consumer trends and preferences.

Despite the numerous challenges we face, I believe that there is always an opportunity in a crisis. That is why we are using this period to shape the sector for the future. To that objective, we are developing a sector recovery strategy to prepare for the post-Covid-19 era.

Our strategy is inclusive of the entire sector - large, medium and small businesses.



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As we develop this plan, a coordinated response and collaboration are key as we develop what will be the blueprint on how we reposition ourselves domestically and internationally.

To this end, we are hosting a series of webinars to gain insights, ideas from key thought-leaders in our sector, covering hotel chains, airlines, tour operators and other stakeholders.

Sometimes it takes a crisis to bring about unity. Tourism is government-led, but private sector fulfilled. We have to all work together as a sector in terms of pricing and geographic spread.

## Addressing sector, country shortcomings

The recovery plan is an appropriate instrument to influence the change that the sector wants to see.

This pause gives us an opportunity to address many of the sector and country's shortcomings and also implement new technologies that improve our global tourism competitiveness and enhances the visitor experience for tourists. This is also a period for us to address legacy challenges such as visa processing, as well as safety and security, whilst enhancing geographic spread so that the benefits of tourism go beyond the popular urban areas.

Safety and security have become a factor for all travel destinations across the world, in terms of health. This has somewhat levelled the playing field, and it is up to us to seize this opportunity.

This also gives us an opportunity to address seasonality to ensure tourism activities happen throughout the year.

It is also clear that the pandemic's trajectory will differ across countries and regions. How and when key source markets and competitor destinations emerge will strongly influence the shape of South Africa's recovery. Our approach will consider when international markets open and may require looking at new source markets aligned to the global lift on travel.

## **Ampliying market diversification**

While each set of conditions is unique, a number of features are common to successful recoveries. In this regard, I can single out the importance of market diversification. When core source markets become constrained, the focus must shift to growth territories.

Successful recoveries often achieve structural change because they force investment into new regions while traditional markets return organically over time.

#### We must also give enough attention to barrier messaging.

Since currency depreciation often accompanies a crisis period, recovering destinations have successfully combined price and value for money propositions with high-intensity, always-on communication campaigns focused on safety and security barrier messaging.

# Levelling the playing field

Safety and security have become a factor for all travel destinations across the world, in terms of health. This has somewhat levelled the playing field, and it is up to us to seize this opportunity. How South Africa carries itself out of it will be a key differentiator.



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An emerging theme in industry engagements is that the recovery is going to be led by domestic tourism, then regional and ultimately international tourism. There is no doubt about our competitiveness as a tourism destination.

South Africa is geopolitically distinctive, possessing natural and cultural diversity that supports a globally compelling tourism

proposition.

We will emerge from this crisis as a strong resilient player in the global tourism market and will have the opportunity to once again celebrate our country as the home of humanity. The time will come when we can safely "visit each other and welcome the world".

#### ABOUT SISA NTSHONA

Sisa Ntshona was appointed Chief Executive Officer of South African Tourismin October 2016. In this position, he is responsible for steering the mandate and all operations of the National Destination Marketing Organisation's head office and its country offices.

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