

SA's tourism boom: A gateway to job creation, economic growth, and social equity

Tourism plays a crucial role in South Africa's economic landscape and overall perception. As per the Department of Tourism, expenditures by tourists exceeded R25bn during the initial quarter of the year. Given the country's current unemployment rate of 32.6%, the tourism sector holds a distinctive opportunity to address this challenge.

Projections suggest that the industry could generate 800,000 employment opportunities and contribute R287bn to the national economy. In a nation grappling with the world's highest income inequality, these statistics underscore the potential of tourism to contribute towards reducing this disparity.



Image source: [Gallo/Getty](#)

Samantha Williams, commercial director at Profitroom says: "Tourism is one of the most important sectors in South Africa having contributed 3.7% to the country's GDP and employing about 4.7% of the workforce. Going forward it's poised to play a pivotal part in South Africa's economic growth and by extension, help empower millions."

Balancing the scales

The hospitality industry is currently going through a purple patch.

During the first quarter of the year, the country welcomed more than double the amount of visitors it had during the same period last year and current estimates have it contributing almost one million jobs by the end of the decade.

A healthy tourism industry does wonders for local communities.

South Africa's world-renowned flora and fauna attract hotels and guests to more remote parts of the country.

When hotels partner with the communities they are in to offer visitors access to activities in and around the community, this helps much-needed revenue circulate the community while also giving visitors a more well-rounded experience.

Success needs diversity, training, and trust

Providing opportunities within organisations is the first step toward balancing the scales. For the hospitality industry to maintain its growth it must actively create opportunities for a diverse section of its workforce to learn and grow.

Research has shown that companies with diverse boards and staff compliments tend to outperform companies that do not have diverse teams by a big margin.

The first step toward reaping these benefits is by attracting and retaining the right staff. Research indicates that 86% of millennials would be more likely to stay in their current job if their employer offered training and development opportunities.

Additionally, 34% of employees who left their previous jobs did so because they were seeking better career development prospects. By empowering staff with the skills they need to thrive in an increasingly digital world, the hospitality industry can ensure better staff retention rates and improved service.

Michael Puffett, senior business development manager at Profitroom says: "The tourism industry experienced significant employee losses during the pandemic and while it has recovered somewhat, there is still a staff shortage that makes training more important than it has ever been. Empowered staff attract and retain visitors and do not need to be micromanaged, which is crucial when operating in understaffed environments."

He adds that, in some hotels, we are beginning to see what can happen when hoteliers ignore training. "Thanks to a lack of training and understaffing, there are instances where staff at hotels are directing customers to book stays with online travel agencies rather than directly through the hotel, which is negatively impacting the hotel's profitability."

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