

Delta could fly two people to South Africa for the same cost as flying one on SAA

By [James Peron](#)

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The other day I saw a promotion for flights to South Africa and curiosity got the better of me.

While looking at the various options, I remembered the hype made by the government to prop up the failing SAA. They said SAA was important for tourism, so I investigated the flights available with the tourism argument in mind.



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Various online travel sites have different options available – I chose Expedia, which is one of the better ones that often show better prices and more choices. I first investigated the cost to fly out from LAX in Los Angeles on relatively short notice.

The best option Expedia offered was Delta Airlines for \$851 round-trip, taxes and fees included, but baggage fees excluded. The best price SAA offered for the same trip was \$1,668. I then did a global search on a couple dozen other travel sites, but not one indicated the state-owned airline could offer the lowest airfare.

Tourists tend to prefer to spend as little as possible on a flight and as much as possible at their destination. People are tourists, not because they love to fly, but because they want to explore other places. The bulk of the spending done by tourists happens after they get off the plane.

Privately-owned Delta could fly two people to South Africa for the same cost, as flying one on SAA. The lower the airfare, the more an airline attracts tourists. One can say Delta prices encourage tourism to South Africa, while those of SAA discourage it. Given the typical tourist spend of something like R28,000 when they visit, lower airfares are extremely important to the country's GDP. Even though Delta changes half as much as SAA, they operate at a profit while SAA is still a money-hole.

It doesn't take much thinking to realise that when it comes to tourism, the least important factor is whether one airline or another flies the passengers. An airline offering tickets for \$851 attracts a lot more tourists than one offering the same flight for twice as much. Tourists care more about flying costs than they do about who owns the plane.

Would the closure of SAA impact things?

There were 107 different flight options from LAX to Johannesburg using various cities around the world as a stopover. Of these 107 flight options, just 11 (10%) were SAA flights and 45 of the other flights were priced lower. Unless all of the others operate at 100% capacity, the closure of SAA would have little impact on tourism or airfare competitiveness.

Was this just a fluke? Maybe. So I tested it using different dates out of a month. With departures in February, the lowest priced ticket was no longer Delta, but it wasn't SAA either. Ethiopian Airlines ticket was \$759,30 while SAA was again almost twice as expensive at \$1,460. On these dates, there were 149 flight options and SAA provided just 13 (8.7%) of them.

Keeping the same dates, I then chose different points of origin. The lowest airfare Expedia offered starting in London was \$673,80 to Johannesburg. SAA wasn't twice as expensive this time, only 23% more costly at \$828 per ticket. There were 10 different flights to Johannesburg cheaper than SAA. SAA offered only 7.3% of the total flights available.

I tried two more experiments using the same dates. To depart from Tokyo for South Africa, SAA becomes a more significant player, but even here they offer only 20 flight options out of 148 available, just 13.5% of the total. In addition, nine of the alternative flight options were priced within \$50 of the SAA ticket prices. This was as good as it got for SAA in my experiment.

I then chose, starting in Buenos Aires, one of the least competitive routes to South Africa with only 39 flight options available. Of these, while SAA offered 13, or 33% of the total, it wasn't the cheapest option by any means. LATAM Airlines offered numerous flights at \$939, SAA was 81% more expensive with tickets at \$1,699.

Of course, airfares are notorious when it comes to fluctuation. Use different days and starting locations, and results will vary. For instance, using Berlin as the starting point with flights in March, I found 24 flights cheaper than SAA including esteemed private airlines such as KLM, Swiss International, Lufthansa and British Airways.

If you do your own experiment, I suggest the results will be similar.

Rands would be better spent on policing

When it comes to encouraging actual tourism to South Africa, SAA isn't critically important. While pricey SAA airfares discourage tourism, far more detrimental, according to surveys, is crime. The London Telegraph noted that "crime figures may have deterred more than 22 million tourists from visiting the country over the past five years".

Instead of throwing billions of rands at SAA, spending those squandered rands on policing would actually do a lot more to encourage tourism.

ABOUT THE AUTHOR

James Peron is the president of the Moorfield Storey Institute and author of several books including *Exploding Population Myths* and *The Liberal Tide*. He has written for numerous newspapers including The Star, the Wall Street Journal (Europe), the Auckland Herald and others.

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