

Switching on the corporate aspect of travel for economic growth

According to PWC's Public and Private Growth Initiative (PPGI) Report (2019), tourism is the number one industry with the potential to stimulate South Africa's inclusive economic growth and employment, creating the greatest multiplier effect of jobs and export potential. But tourism is more than game lodges, beach resorts and Cape Town city breaks.



Image source: [Gallo/Getty](#)

The value chain of tourism is long and deep, running from car rental to aviation, accommodation to restaurants.

"Contributing some R120bn in foreign exchange from visitor receipts in 2018, adding up to about 8.7% of South Africa's exports – second only to mining – tourism really is more than palm trees and piña coladas. Its potential to reignite South Africa's economy cannot be underestimated," says Thembi Kunene-Msimang, spokesperson of the #IAmTourism lobby.

"The general perception of tourism is that it is the preserve of well-heeled local and international tourists taking a holiday. The reality is that much of tourism is in fact travel for business, conference and trade purposes. This type of travel has been as negatively impacted by the Covid lockdown as holiday travel, and both make a significant contribution to South Africa's economy although many may not even regard it as tourism."

Inbound business travellers are vital to support our globally linked economic sectors

"Without global connectivity for business leaders and experts, South Africa would not be able to sustain our trading relationships with any, and particularly our main export trading partners such as China, Germany, the USA, the UK and Japan. Without international mobility, FDI, which we need to support economic growth, cannot be facilitated.

"As much as we need to re-open up our economy locally, we need to re-open our economy internationally else we will hamper our growth and constrain our development," explains Kunene-Msimang.

Similarly, international business event tourism (conferences, conventions and exhibitions) is vital to support B2B trade in globally linked sectors and to stimulate and support research and development in the social, economic, scientific, medical, and many other fields.

"Our associations and academic institutions rely on global inter-connectivity to enhance and develop knowledge and expertise. While initially and even in the longer term some of this may divert to online mechanisms, the expectation is that business travel will re-emerge."

Events industry

According to the SA Events Council (SAEC), a formal Industry body that comprises a collaboration of 12 industry associations that represent the meetings, incentives, conference, exhibitions (MICE), events and business events industry, about half a million people are employed through the associated and related economic activity.

"This industry contributed 11.4% of foreign tourism in 2019. That same year, South Africa hosted 103 international Association meetings, of which 57 were held in Cape Town and the Western Cape," says Tes Proos, chairperson South Africa Events Council.

"On average, Cape Town hosted 20,227 international delegates during the year and in South Africa, a total of 39,579 international delegates culminating in an estimated economic impact of International Association meetings of R905m for the year. Exhibitions then add R24m to business tourism, which creates 35,000 jobs directly and R40bn in business deals concluded at trade shows."

To date, 100% of Exhibitions and Events have been postponed from 2020 to 2021 and even 2022, representing R68 billion of lost economic impact for the South African economy in 2020, which critically comes with a devastating loss of employment.

The sector is not insensitive to the need to balance saving livelihoods and lives. "Based on the WHO regulations and the Department of Health guidelines, the events sector has collaborated and established Reopening Guidelines which call for compulsory registration of every person that attends events, allowing vigilant, screening, tracking, and tracing together with a host of safety protocols to ensure that events are hosted in a safe, controlled and organised manner," explains Proos.

Beyond the opening of borders, the Events sector requires the reopening of events for 300+ persons immediately, with a phased approach that includes the reopening of the greater Industry by October, 2020 and for international events, by November 2020.

"The entire tourism sector, including corporate travel and business events, cannot grow to its full potential unless several interventions are introduced swiftly to improve our competitiveness as a tourism destination and drive demand. We need a reopening date and we need an enabling environment that reduces red tape so Tourism can take root and flourish," concludes Kunene-Msimang.