

# South Africa's economic growth depends on tourism – here's how to get the most out of it

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Tourism is a catalyst for economic growth. It boosts job creation, cultivates entrepreneurship, generates revenue, and produces a multiplier effect that ripples through related sectors. In 2021, tourism contributed 3.2% to South Africa's GDP. While updated GDP figures are yet to be released, UN Tourism's findings that international travel was on track to reach 90% of pre-pandemic levels by the end of 2023 suggest that this contribution has likely increased in the last two years.



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But are we getting as much out of tourism as we can? Are there still opportunities to be leveraged so that we can grow the sector — and our local and national economies — even more? How do we go about accessing these opportunities?

## Start with the basics

Tourism in Cape Town and the rest of the Western Cape is booming, with the region seeing over 20% growth year-on-year. Domestic and international travellers are drawn by its astounding natural beauty, its endless variety of activities, and its culinary delights. While these characteristics can be found elsewhere in the country, there is little doubt that the region's relatively robust basic service delivery is playing an important role in pushing it to the top of many travellers' go-to lists.

KwaZulu-Natal, sadly, stands in sharp contrast. Though it was once one of the country's most popular destinations, this position has faltered — hopefully temporarily. Over the 2023 festive period, the closure of several beaches over health and safety concerns had a huge impact on tourism. Uncertainty around the development of the Durban waterfront was another contributing factor. And the gradual decline of many international flights at King Shaka International Airport has affected the status quo, too.

Service delivery affects the desirability of tourism locations. It needs to be a sector priority.

Of course, these challenges are deep and systemic — and don't have a quick and easy fix. But by drawing attention to how they affect lives and livelihoods, and implementing small incremental solutions, the tourism sector can help to ignite change. If we're going to solve South Africa's service delivery crisis, we must start with what's achievable now, and capitalise on the positive momentum that follows.

## **Demonstrate a meaningful commitment to the planet**

There has been a spotlight on how the tourism industry contributes to and strives to mitigate its impact on, the environment for some time — a trend that is showing no signs of slowing down. International travellers are increasingly second-guessing long-haul travel, partly because of increased costs amid a global cost-of-living crisis, and partly because of the impact of long-haul travel on the planet.

As a result, local and regional travel are likely to become more prominent markets for South Africa in the years to come. As government and operators in the sector design and promote their offerings, we need to keep these markets in mind.

Operators also need to demonstrate that they're not paying mere lip service to the sustainability cause. The efforts we introduce into our daily operations need to show tangible change. We must ask ourselves: How do we capitalise on solar and limit our reliance on the grid or fossil fuels? How do we work within South Africa's water challenges? And how do we reduce, reuse and recycle our waste?

## **Care for the people involved**

Our environmental efforts need to go hand in hand with how we engage with and support the communities that are affected by our industry. Hotels and resorts, in particular, are often located in remote, destination areas that don't receive the attention or investment of projects located in urban environments. The tourism sector can help fill this gap.

In areas where operators interact with local municipalities and tourism offices, small towns and rural areas start to thrive. Where skills development initiatives are put in place, local community members are more likely to be hired or become entrepreneurs. And as these entrepreneurs create the businesses that the tourism sector, and those that operate around it, needs, so local economies start to grow.

Like other sectors, tourism in South Africa has its challenges, but it is also ripe with potential. There is so much that it can contribute — to individual lives, to business growth, and to the country's economy — if we strive to address these issues and leverage the opportunities. It's an ongoing task.

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