



Tourism Industry Survey of South Africa: COVID-19

Preparedness for Reopening

JULY 2020: SURVEY 2



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA



TBCSA
TOURISM BUSINESS COUNCIL OF SOUTH AFRICA



IFC

**International
Finance Corporation**
WORLD BANK GROUP

Foreword

This survey, which is a collaboration between IFC, Department of Tourism, and TBCSA and all its member associations, is the second of three and assists all the relevant tourism stakeholders to gauge the depth of the crisis in the tourism sector of our country. The results of the surveys provide important additional data to the collaborative work that is currently underway between government and the private sector towards reopening the tourism sector in the context of the risk-adjusted approach adopted by our government. Every bit of information is vital for us in our attempt to manage the delicate balance between protecting livelihoods and the economy on the one hand, and protecting people's health on the other.

Leaders and economists across the globe have largely admitted that the COVID-19 crisis will leave the global economy in a state not seen since the Great Depression of 1929. Undoubtedly, the tourism sector, internationally and locally, has been the biggest casualty of the current crisis. We are still uncertain about the full impact of the Coronavirus on the tourism sector, but also, more worryingly, about how long the crisis will take to go away, if at all. The United Nations Conference on Trade and Development (UNCTAD) has listed our country as one of the top 15 countries that is being negatively impacted by the near-closure of the international travel industry during the pandemic. The survey results are indeed an indication that the COVID-19 crisis has already significantly devastated the supply side of the tourism sector as a result of the demand collapse in our country.

It is too early to proclaim that the worst is over because much is still unknown. Even in parts of the world where it seemed they had brought the pandemic under control, uncertainty still lingers. Our task, however, government and business, is to continue to closely work together to prepare for recovery of the sector. This too shall pass!



I would like to thank the 1501 respondents who, in the midst of the worst crisis, took time to complete the survey. Let me also thank Tourism Department officials, TBCSA and IFC on this collaborative effort in administering this survey.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

Mmamoloko Kubayi-Ngubane, MP
Minister of Tourism

Highlights

- 99% of responding enterprises are affected by COVID-19.
- Business are marginally more optimistic now in June than in April, with 67% feeling neutral or positively believing their business will survive to take part in the recovery, up from 64% in April.
- 61% of enterprises are not currently operating, with 54% planning to reopen by September. Most of these reopenings will be partial.
- The most significant concern for businesses considering reopening is sufficient demand to break-even, and 66% of enterprises highlight the requirement for international and domestic markets to open before they will consider reopening.
- 95% of enterprises (83% in March) report that revenues in May 2020 are down more than 50% compared to May 2019, and 75% of enterprises say revenues are 100% less. This is significantly more than in the previous survey, where 34% of enterprises said revenues were 100% less.
- 64% of enterprises were unable to service their debts and 67% of enterprises were unable to cover fixed costs in May 2020.
- The most common mitigation measure regarding workforce management remains wage reduction – as it was during the last survey, and it has increased to include 55% of enterprises with more than half their workforce on reduced wages (up from 50% in March). The number of enterprises employing furlough measures has stayed constant, as have the numbers of enterprises making redundancies. 43% of enterprises say they have not made any redundancies.
- Medium-sized enterprises are the most affected in terms of wage reduction (89% have reduced wages for more than half their workforce) and furlough, followed by large businesses, and large businesses are most likely to have made more than half their staff redundant (16%).
- The most commonly applied mitigation measures by businesses are supporting deferment of bookings instead of cancellation, and providing refunds.
- In a similar pattern to the results from the April survey, all businesses prioritized the need for financial support for cashflow, financial support for recovery, and tax relief. In this survey, expert advice on business recovery, advice on health and safety measures, and support for commercial debt repayment have climbed higher on the priority list.
- As before, micro enterprises claim cashflow is their first priority, small enterprises prioritize financial support for recovery, and both medium and large enterprises prioritized tax relief.
- The support facilities with the most respondent awareness are the UIF scheme and the Tourism Relief Fund of the Department of Tourism. There has been strong uptake for all facilities, and success rates and public perception has improved dramatically since the previous April survey.



June Respondent Profile Summary

- 1501 total respondents.
- 99% are affected by COVID-19. Of those affected:
 - 65% are micro with 1 - 10 employees.
 - 53% have an annual turnover of R0 - 3m.
 - 59% are accommodation providers, 16% are tour operators, and 9% are activity or experience providers.
 - 60% of enterprises are 10 years or older.

April Respondent Profile Summary

- 1610 total respondents.
- 99% are affected by COVID-19. Of those affected:
 - 66% are micro with 1 - 10 employees.
 - 52% have annual turnover of R0 - 3m.
 - 46% are accommodation providers, 20% are tour operators, and the rest split between activity providers, Meetings, Incentives, Conventions and Exhibitions (MICE), conservancy-related, community-based, transport and other.
 - 62% of enterprises are 10 years or older.

Results

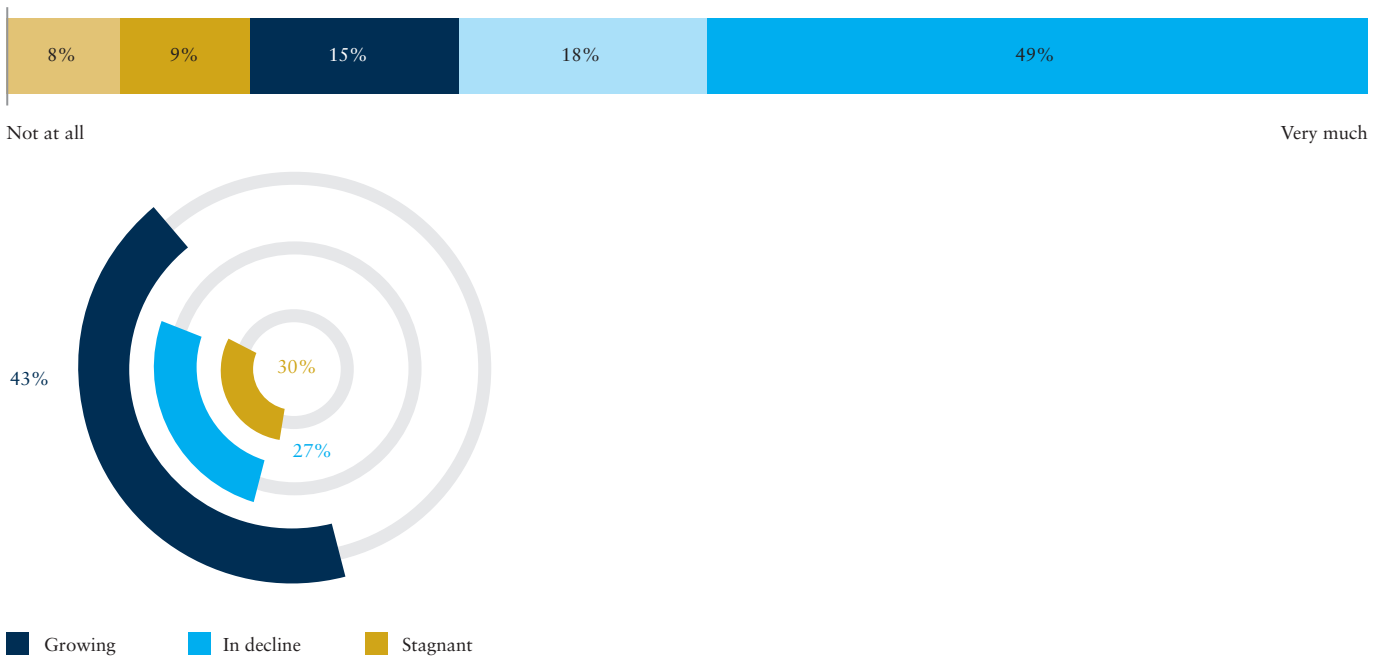
Overview

Before COVID-19, in February 2020, the performance and optimism around the South African tourism economy was relatively positive. 43% of responding enterprises claim they were growing, with a further 30% performing at a constant level. Most enterprises felt either neutral or positive about the future of their business and tourism in South Africa.

After three months of feeling the impact of COVID-19, 99% of enterprises claim to be affected by the pandemic. 29% feel neutral or optimistic about the future, compared to 23% in the April survey.

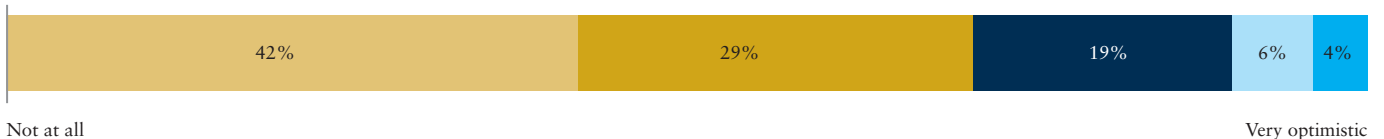
BEFORE COVID-19

Sentiment pre-COVID (recollected now in June and before in the April survey) are similar - recording 82% feeling neutral or optimistic about their business and the future of tourism in SA (June) compared to 79% (April).



NOW IN JUNE 2020

29% feel neutral or optimistic about their business and the future of tourism in SA, up from 23% in April.



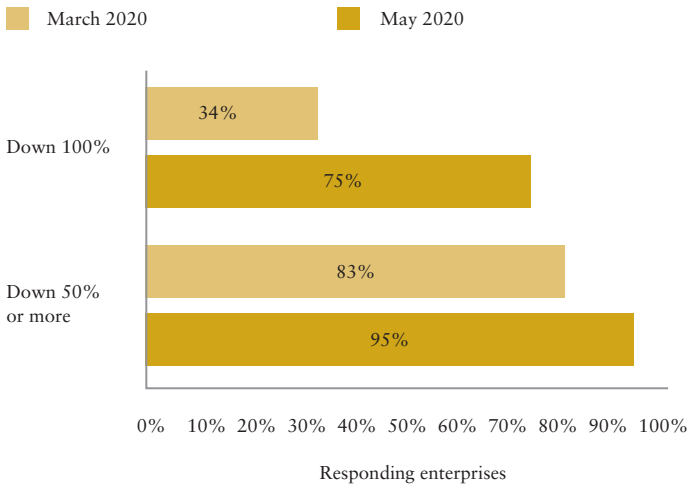
67% feel neutral or positively believe their business will survive to take part in the recovery, up from 64% in April.



Business impact of COVID-19

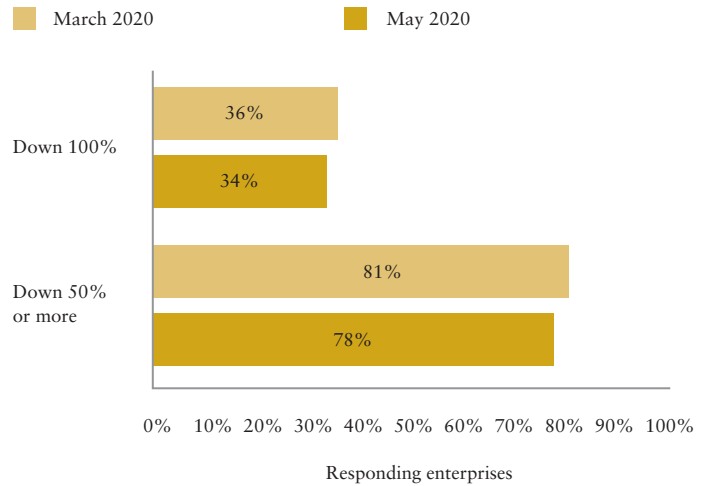
REVENUE

95% of enterprises (83% in March) report revenues in May 2020 are down more than 50% compared to May 2019, and 75% of enterprises say revenues are 100% less. This is significantly more than in the previous survey, where 34% of enterprises said revenues were 100% less.



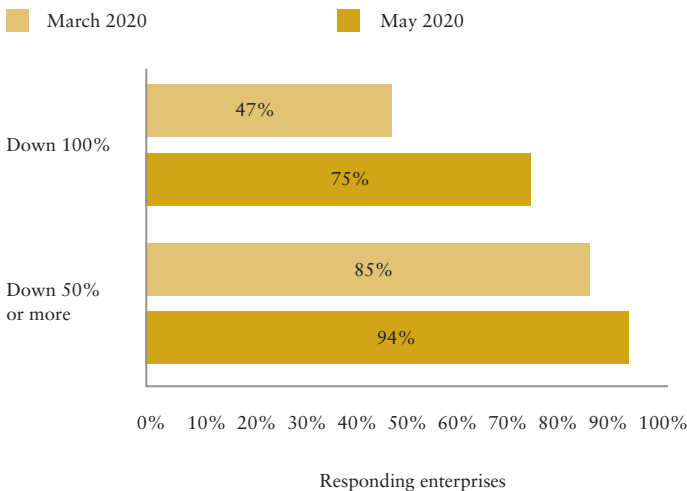
FORWARD BOOKINGS

78% of enterprises (81% in March) report forward bookings held in May 2020 are at least 50% less than bookings held in May 2019, and 34% hold 100% fewer bookings compared to 36% in the previous survey.



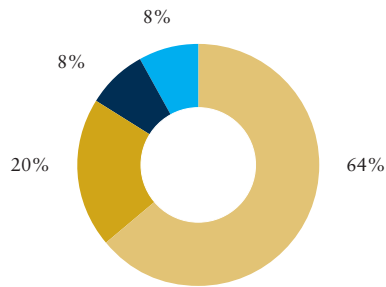
OCCUPANCY/CUSTOMER USE

94% of enterprises (85% in March) say occupancy or patronage in May 2020 is down more than 50% compared to May 2019, and 75% say occupancies are 100% less. This is significantly more than in the previous survey, where 47% of enterprises said occupancies were 100% less.



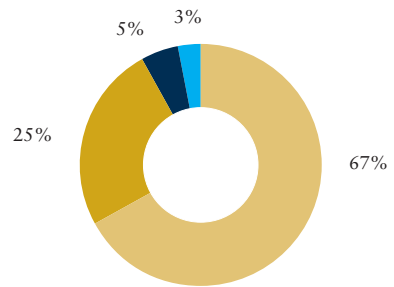
DEBT SERVICE

64% of enterprises were unable to service their debts in May 2020, compared to 58% in April.



FIXED COSTS

67% of enterprises were unable to cover fixed costs in May 2020, compared to 54% in March.



Business impact: Insights

SIZE OF ENTERPRISE

The survey in April showed micro and small enterprises were slightly more affected in terms of loss of revenue, but a few months later the larger enterprises are suffering more of a loss compared to their figures for last year.

		Micro	Small	Medium	Large	Total
% of enterprises with more than 50% revenue decline	March 2020	83%	83%	76%	80%	83%
	May 2020	95%	96%	97%	98%	95%
Average (mean) percentage revenue decline in 2019, compared to 2020	March 2020	-72%	-70%	-63%	-62%	-71%
	May 2020	-91%	-92%	-94%	-93%	-92%

SUB-SECTOR

Enterprises providing activities and experiences have seen the most dramatic loss in revenue compared to the same month the previous year, together with transport, accommodation and tour operators. Community-based enterprises have seen the least decline. Transport businesses are holding the least forward bookings as a percentage of last year, followed by activity/experience providers and accommodation.

		Accommodation	Activity/ experience	Community- based	Conservancy/ protected area	F&B	MICE	Tour operator	Transport	Other	Total
Average (mean) percentage revenue decline in 2020, compared to 2019	March 2020	-66%	-80%	-76%	-87%	N/A	-83%	-74%	-69%	-73%	-71%
	May 2020	-93%	-95%	-63%	-81%	-76%	-94%	-95%	-94%	-92%	-92%
Average (mean) forward bookings decline in 2020, compared to 2019	March 2020	-72%	-71%	-83%	-73%	N/A	-70%	-66%	-73%	-69%	-70%
	May 2020	-70%	-72%	-64%	-62%	-67%	-61%	-63%	-79%	-70%	-69%

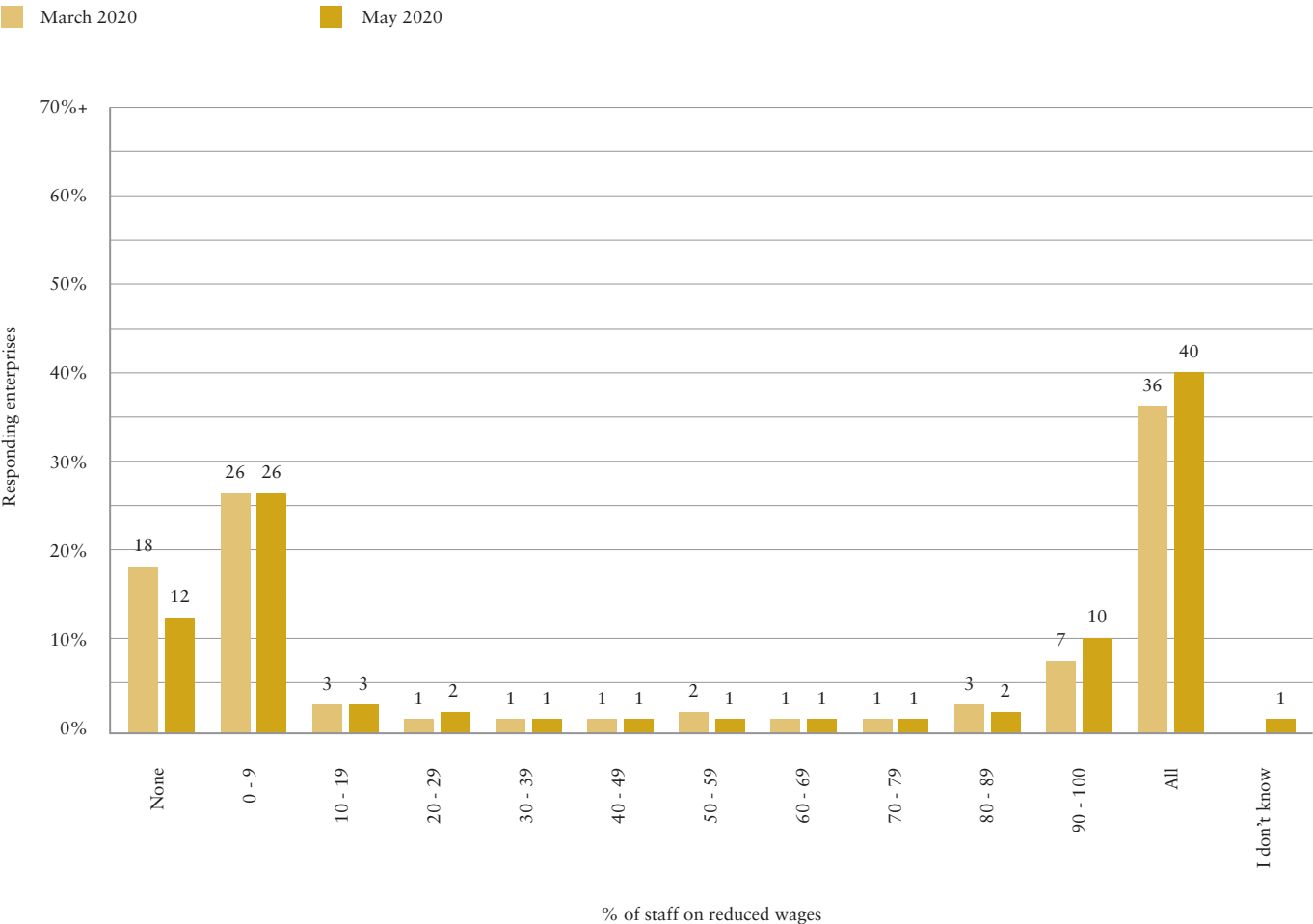
Mitigation measures

Employment measures

The most common mitigation measure regarding workforce management remains wage reduction – as it was during the last survey, and it has increased to include 55% of enterprises with more than half their workforce on reduced wages. The number of enterprises employing furlough measures has stayed constant, as have the numbers of enterprises making redundancies. 43% of enterprises say they have not made any redundancies.

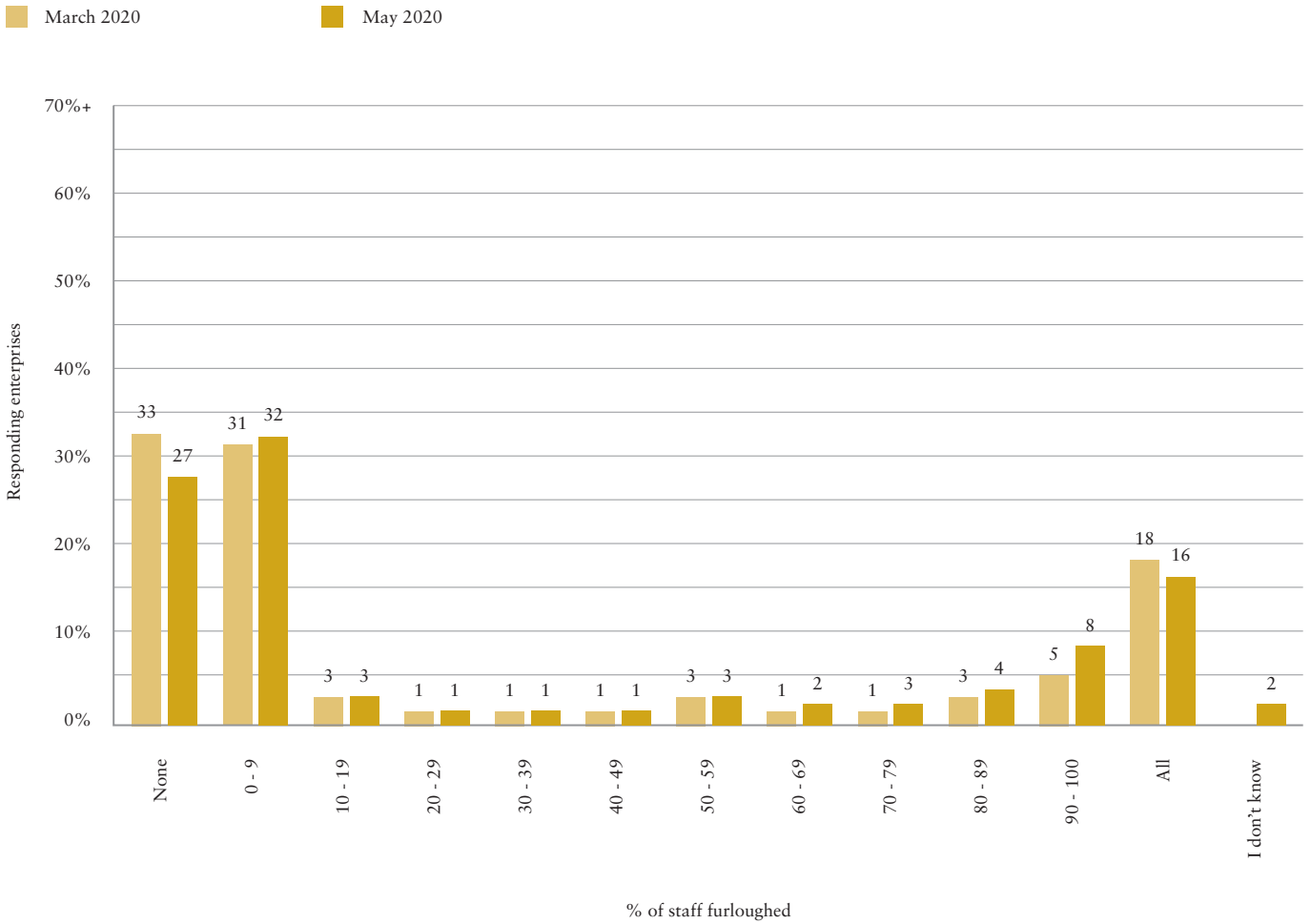
REDUCED WAGES

Reductions in wages have increased since the previous surveyed month of March. Currently 55% of enterprises (50% in March) have reduced wages for more than 50% of staff, and 40% (36% in March) of enterprises have reduced wages for all staff. 12% have not reduced wages at all, compared to 18% in March.



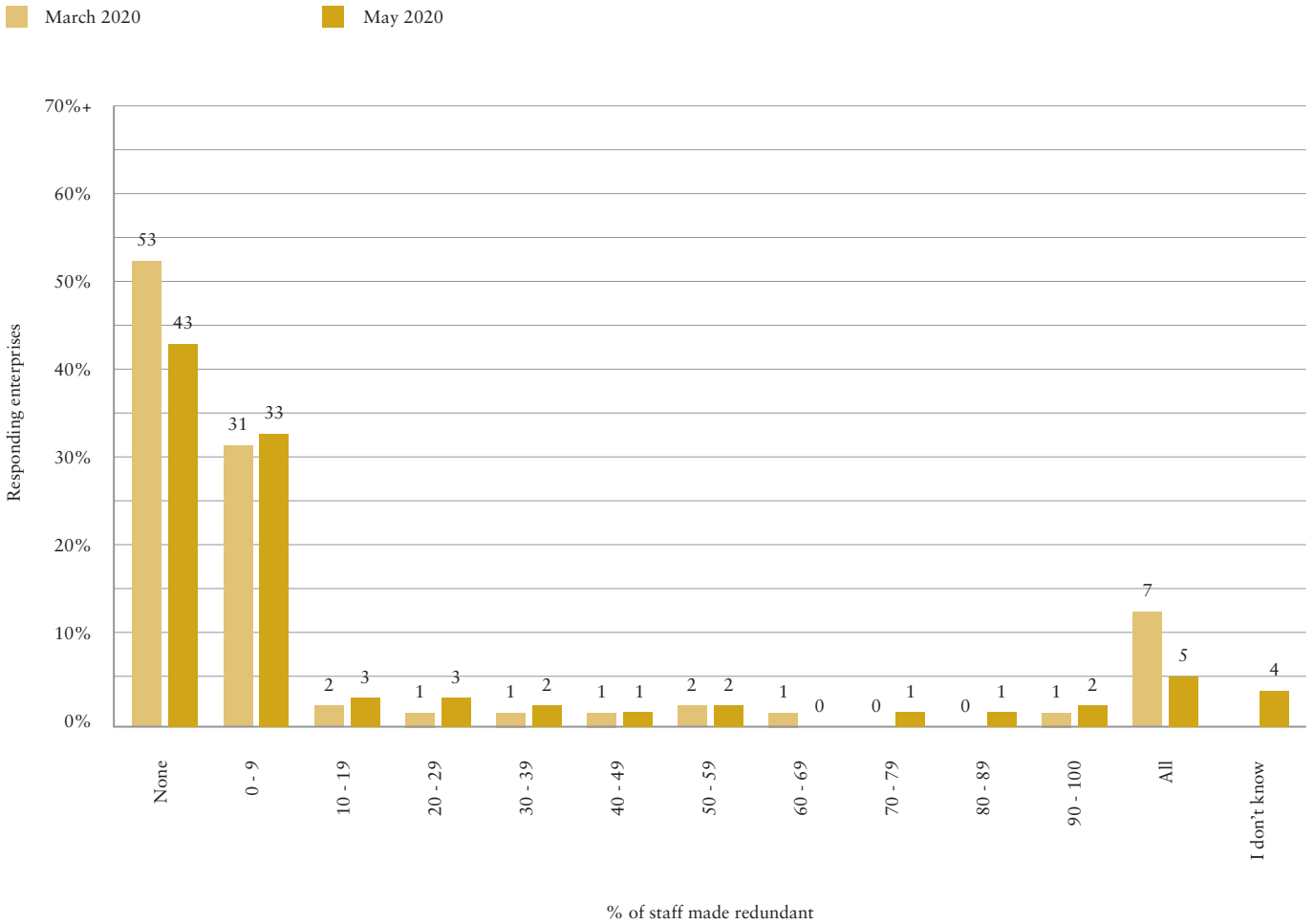
FURLOUGHED STAFF

The number of enterprises to have furloughed staff since the previous survey has stayed constant, with a minor reduction in the number of enterprises who have furloughed all staff. 34% of enterprises (34% also in March) have furloughed more than 50% of staff, and 16% of enterprises have furloughed all staff, compared to 18% in March. 27% have not put any staff on furlough, compared to 33% in the previous survey.



REDUNDANCIES

The numbers of enterprises making most of their staff redundant has stayed constant over the last few weeks. 11% of enterprises (11% in March) have made more than 50% of staff redundant, and 5% of enterprises (7% in March) made all staff redundant. 43%, however, have not made any redundancies – compared to 53% in the previous survey.



Mitigation measures: Employment measures insights

SIZE OF ENTERPRISE

The table below shows the percentage of each size of enterprise that has introduced these measures to more than 50% of staff. Since the last survey where the workforce of small and medium business was relatively more impacted by these measures, there has been a shift towards greater impact on workforces of medium and large enterprises. Medium enterprises are the most affected in terms of wage reduction and furlough, followed by large businesses, and large business are the most likely to have made more than half their staff redundant.

		Micro	Small	Medium	Large	Total
Reduced wages	March 2020	42%	64%	75%	61%	50%
	May 2020	46%	67%	89%	67%	55%
Furloughed staff	March 2020	27%	38%	38%	26%	32%
	May 2020	25%	39%	68%	51%	33%
Redundancies	March 2020	11%	31%	12%	4%	11%
	May 2020	11%	14%	14%	16%	12%

SUB-SECTOR

The table below shows the percentage of each type of enterprise that has introduced these measures to more than 50% of staff. Proportionally, tour operators and transport have been most active in reducing staff wages, and many conservancies and transport enterprises have furloughed staff. The least proportion of MICE enterprises have furloughed and made staff redundant. Accommodation and F&B enterprises have also done well in retaining staff and avoiding redundancy.

		Accommodation	Activity/ experience	Community- based	Conservancy/ protected area	F&B	MICE	Tour operator	Transport	Other	Total
Reduced wages	March 2020	52%	37%	13%	77%	N/A	57%	52%	47%	50%	50%
	May 2020	55%	53%	58%	46%	49%	52%	64%	60%	48%	55%
Furloughed staff	March 2020	34%	25%	25%	27%	N/A	27%	36%	36%	25%	32%
	May 2020	35%	33%	33%	46%	39%	26%	33%	40%	23%	33%
Redundancies	March 2020	9%	17%	50%	14%	N/A	9%	15%	9%	10%	11%
	May 2020	10%	14%	24%	0%	10%	11%	18%	26%	11%	13%

Mitigation measures: Other measures

Enterprises have put in place a variety of measures to help mitigate against the impacts on their business. The most commonly applied measures are supporting deferment of bookings instead of cancellation at 67%, providing refunds at 64% and temporary closure at 57%. This compares to the top measures recorded in April as; temporary closure at 69%, supporting deferment of bookings instead of cancellation at 60%, and significant downscaling at 58%.

In the current survey, 52% (51% in previous survey) have canceled planned investments or upgrades which will have consequences for other areas of the economy. 45% have lowered prices compared to 28% in March, 42% have already borrowed capital (up from 25% in March), and 31% have invested in upskilling staff (17% in March). 60% of responding enterprises are not, so far, considering permanent closure.

		Already done	Considering	Not considering	Not applicable	I don't know
Introduced vouchers	March 2020	18%	23%	18%	33%	8%
	May 2020	24%	15%	29%	29%	3%
Introduced alternative products	March 2020	13%	29%	11%	42%	5%
	May 2020	23%	24%	18%	34%	2%
Amended cancellations/ refund policies	March 2020	53%	18%	8%	19%	2%
	May 2020	55%	15%	10%	19%	1%
Supported deferment instead of cancellation	March 2020	60%	16%	5%	16%	3%
	May 2020	67%	12%	5%	15%	1%
Provided refunds	March 2020	54%	13%	11%	19%	3%
	May 2020	64%	8%	9%	18%	1%
Offered lower prices	March 2020	28%	29%	19%	21%	2%
	May 2020	45%	22%	19%	13%	1%
Adjusted marketing strategies	March 2020	36%	45%	5%	12%	3%
	May 2020	55%	33%	4%	7%	1%
Borrowed capital from bank, family/friends, other	March 2020	25%	36%	24%	12%	3%
	May 2020	42%	18%	25%	13%	3%
Upskilling staff through online courses and webinars	March 2020	17%	23%	22%	36%	2%
	May 2020	31%	17%	21%	29%	1%
Investing in renovations, upgrades or business improvements	March 2020	13%	19%	46%	21%	1%
	May 2020	22%	18%	39%	20%	1%
Canceled planned upgrades, expansions or improvements	March 2020	51%	15%	11%	22%	1%
	May 2020	52%	14%	13%	20%	1%
Significant downscaling	March 2020	58%	17%	8%	15%	2%
	May 2020	49%	17%	14%	18%	2%
Temporary closure	March 2020	69%	10%	14%	6%	2%
	May 2020	57%	11%	22%	8%	2%
Permanent closure	March 2020	2%	26%	53%	9%	9%
	May 2020	1%	20%	60%	11%	8%
Repurposed business towards a different sector	March 2020	N/A	N/A	N/A	N/A	N/A
	May 2020	10%	23%	36%	29%	2%

Mitigation measures: ‘Other measures’ insights

SIZE OF ENTERPRISE

The table below shows the percentage of enterprises who have already put in place the mitigation measure. Across all measures, medium-sized enterprises are the largest group to have put measures in place, and micro the enterprises the least. Relatively more smaller enterprises have borrowed capital than larger enterprises.

Following the pattern of the previous survey, smaller businesses also report fewer temporary and permanent closures than larger businesses. 62% of medium enterprises have canceled planned investments or upgrades.

		Micro	Small	Medium	Large	Total
Introduced vouchers	March 2020	14%	23%	31%	33%	18%
	May 2020	20%	28%	37%	25%	24%
Introduced alternative products	March 2020	10%	19%	17%	26%	13%
	May 2020	20%	27%	28%	27%	23%
Amended cancellations/ refund policies	March 2020	48%	61%	67%	86%	53%
	May 2020	51%	58%	73%	56%	55%
Supported deferment instead of cancellation	March 2020	54%	71%	73%	82%	60%
	May 2020	62%	73%	82%	80%	67%
Provided refunds	March 2020	51%	58%	60%	67%	54%
	May 2020	60%	70%	73%	71%	64%
Offered lower prices	March 2020	24%	29%	44%	56%	28%
	May 2020	42%	51%	52%	47%	45%
Adjusted marketing strategies	March 2020	30%	42%	58%	60%	36%
	May 2020	49%	63%	70%	67%	55%
Borrowed capital from bank, family/friends, other	March 2020	24%	30%	19%	26%	25%
	May 2020	40%	49%	34%	38%	42%
Upskilling staff through online courses and webinars	March 2020	15%	16%	27%	30%	17%
	May 2020	30%	25%	49%	42%	31%
Investing in renovations, upgrades or business improvements	March 2020	15%	10%	9%	11%	13%
	May 2020	22%	23%	27%	16%	22%
Canceled planned upgrades, expansions or improvements	March 2020	47%	58%	61%	65%	51%
	May 2020	49%	58%	62%	53%	52%
Significant downscaling	March 2020	53%	70%	73%	75%	59%
	May 2020	44%	58%	58%	65%	49%
Temporary closure	March 2020	65%	75%	77%	79%	69%
	May 2020	53%	63%	65%	62%	57%
Permanent closure	March 2020	2%	2%	2%	5%	2%
	May 2020	1%	1%	2%	2%	1%
Repurposed business towards a different sector	March 2020	N/A	N/A	N/A	N/A	N/A
	May 2020	10%	8%	9%	11%	10%

SUB-SECTOR

- The accommodation sub-sector is the group to have issued the most refunds at 74% and supported deferment at 74%. It is also relatively the largest sub-segment to have reduced prices, and to have borrowed capital.
- As in the previous survey, activity and experience providers are the largest group to have closed permanently (at 2%, down from 4% in April), together with tour operators (also at 2%). 63% have also canceled planned investments or upgrades.
- Community-based enterprises have implemented proportionally the fewest measures across the board, and they are also the lowest in terms of temporary closures (at 42%, up from 38% in April), possibly reflecting their lower market dependence and debt exposure. 50% of entities have upskilled staff, and 58% have invested in upgrades or improvements – the highest sub-segment to do so.
- Conservancies, reserves or enterprises in protected areas are the sub-sector to have least borrowed at 23% and are the largest group to have closed temporarily at 69%.
- The food and beverage (F&B) sub-segment (new to this survey) has relatively invested the least in upskilling staff at 22%, or in improvements and physical upgrades at 15%.
- The MICE sub-segment has maintained prices, with just 32% offering lower deals.
- 70% of tour operators have supported deferment instead of cancelation, the largest group to do so. Only 29% have offered lower prices, and 2% of responding enterprises have permanently closed.
- Transport is proportionally the largest sub-sector to have downscaled, as in the previous survey (71% compared to 66% in April). 60% have canceled planned upgrades and 60% are temporarily closed.

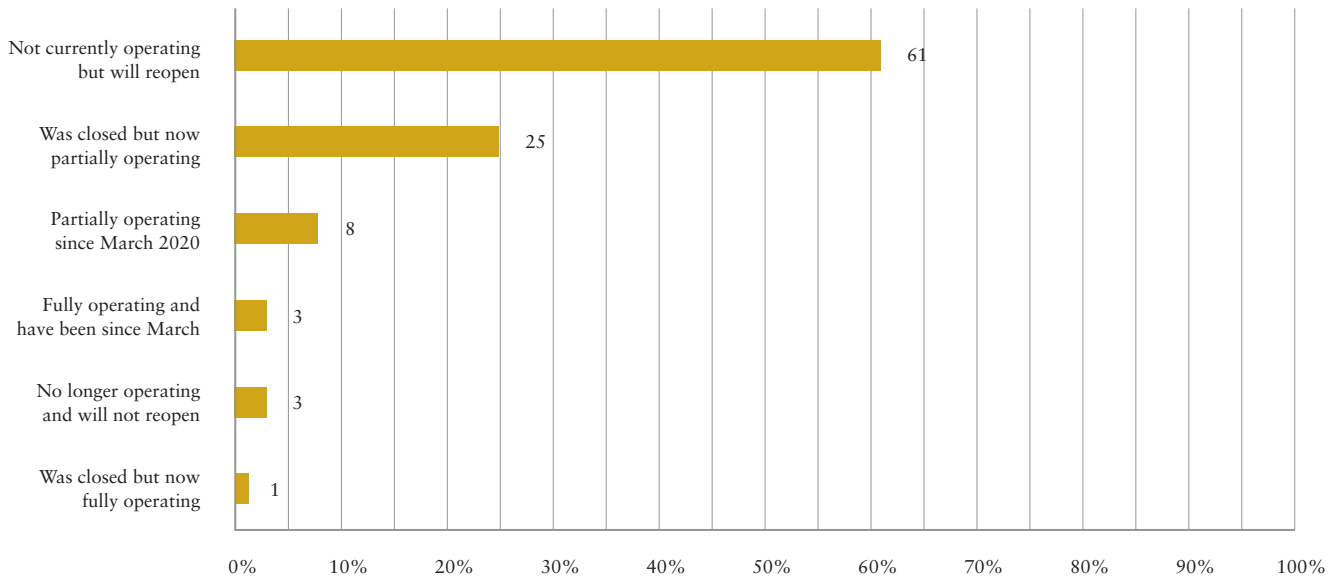


		Accommodation	Activity/ experience	Community- based	Conservancy/ protected area	F&B	MICE	Tour operator	Transport	Other	Total
Introduced vouchers	March 2020	20%	12%	0%	14%	N/A	5%	22%	19%	15%	18%
	May 2020	27%	23%	8%	15%	24%	10%	22%	12%	16%	24%
Introduced alternative products	March 2020	9%	10%	13%	27%	N/A	31%	13%	23%	17%	13%
	May 2020	14%	31%	25%	23%	31%	45%	20%	26%	25%	23%
Amended cancellations/ refund policies	March 2020	61%	40%	38%	41%	N/A	51%	57%	56%	35%	53%
	May 2020	67%	52%	42%	62%	13%	36%	52%	43%	39%	55%
Supported deferment instead of cancellation	March 2020	64%	48%	0%	55%	N/A	73%	68%	54%	45%	60%
	May 2020	74%	59%	25%	69%	22%	64%	70%	52%	60%	67%
Provided refunds	March 2020	64%	37%	25%	50%	N/A	45%	56%	51%	35%	54%
	May 2020	74%	62%	42%	62%	22%	53%	59%	64%	52%	64%
Offered lower prices	March 2020	36%	19%	0%	18%	N/A	29%	21%	36%	16%	28%
	May 2020	56%	37%	50%	31%	33%	32%	29%	40%	33%	45%
Adjusted marketing strategies	March 2020	37%	29%	25%	50%	N/A	53%	29%	37%	37%	36%
	May 2020	57%	58%	42%	62%	54%	55%	49%	48%	55%	55%
Borrowed capital from bank, family/ friends, other	March 2020	29%	29%	13%	36%	N/A	23%	20%	26%	16%	25%
	May 2020	47%	39%	42%	23%	46%	36%	36%	40%	31%	42%
Upskilling staff through online courses and webinars	March 2020	9%	17%	13%	18%	N/A	38%	23%	17%	28%	17%
	May 2020	20%	28%	50%	38%	22%	51%	45%	43%	56%	31%
Investing in renovations, upgrades or business improvements	March 2020	18%	13%	0%	5%	N/A	7%	9%	6%	9%	13%
	May 2020	29%	20%	58%	31%	15%	19%	17%	12%	8%	22%
Canceled planned upgrades, expansions or improvements	March 2020	56%	47%	13%	77%	N/A	55%	45%	43%	45%	51%
	May 2020	55%	63%	33%	46%	42%	58%	46%	60%	43%	52%
Significant downscaling	March 2020	65%	52%	25%	64%	N/A	52%	54%	66%	50%	59%
	May 2020	49%	51%	42%	38%	40%	52%	48%	71%	48%	49%
Temporary closure	March 2020	82%	63%	38%	64%	N/A	64%	54%	54%	56%	69%
	May 2020	57%	63%	42%	69%	54%	52%	59%	60%	50%	57%
Permanent closure	March 2020	2%	4%	0%	0%	N/A	1%	2%	1%	2%	2%
	May 2020	1%	2%	0%	0%	0%	0%	2%	0%	0%	1%
Repurposed business towards a different sector	March 2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	May 2020	9%	16%	17%	8%	4%	12%	16%	15%	14%	10%

Reopening

CURRENT STATUS

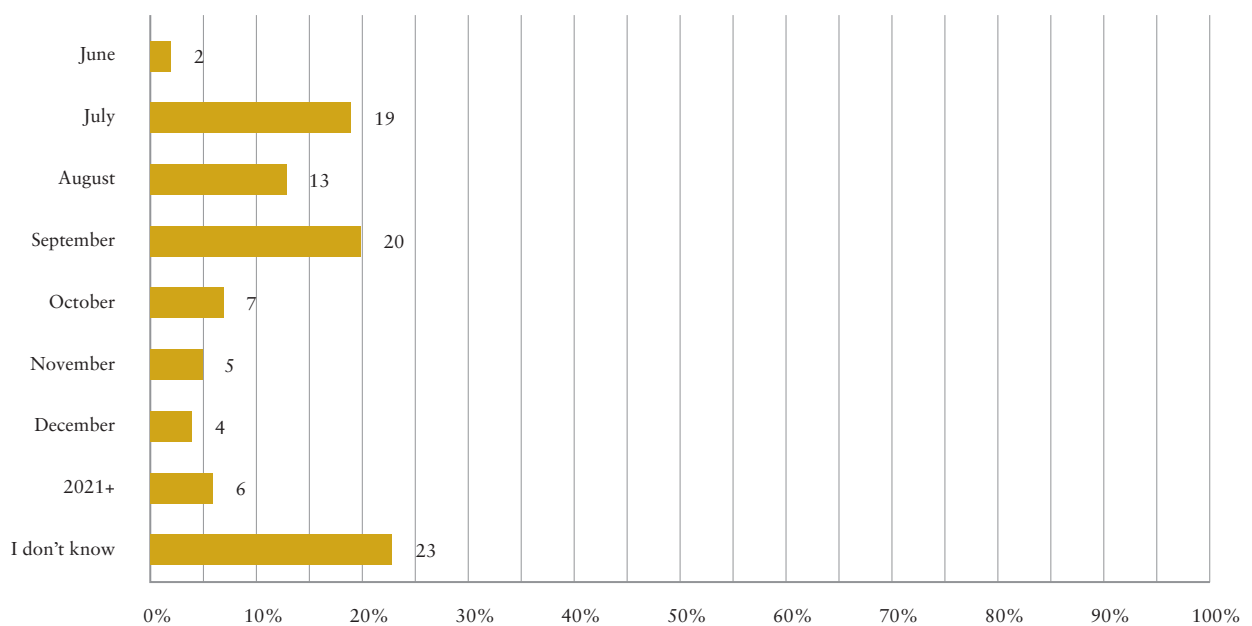
The majority (61%) of responding enterprises are currently not operating but plan to reopen. A further 25% have already reopened and are partially operating.



TIMEFRAME

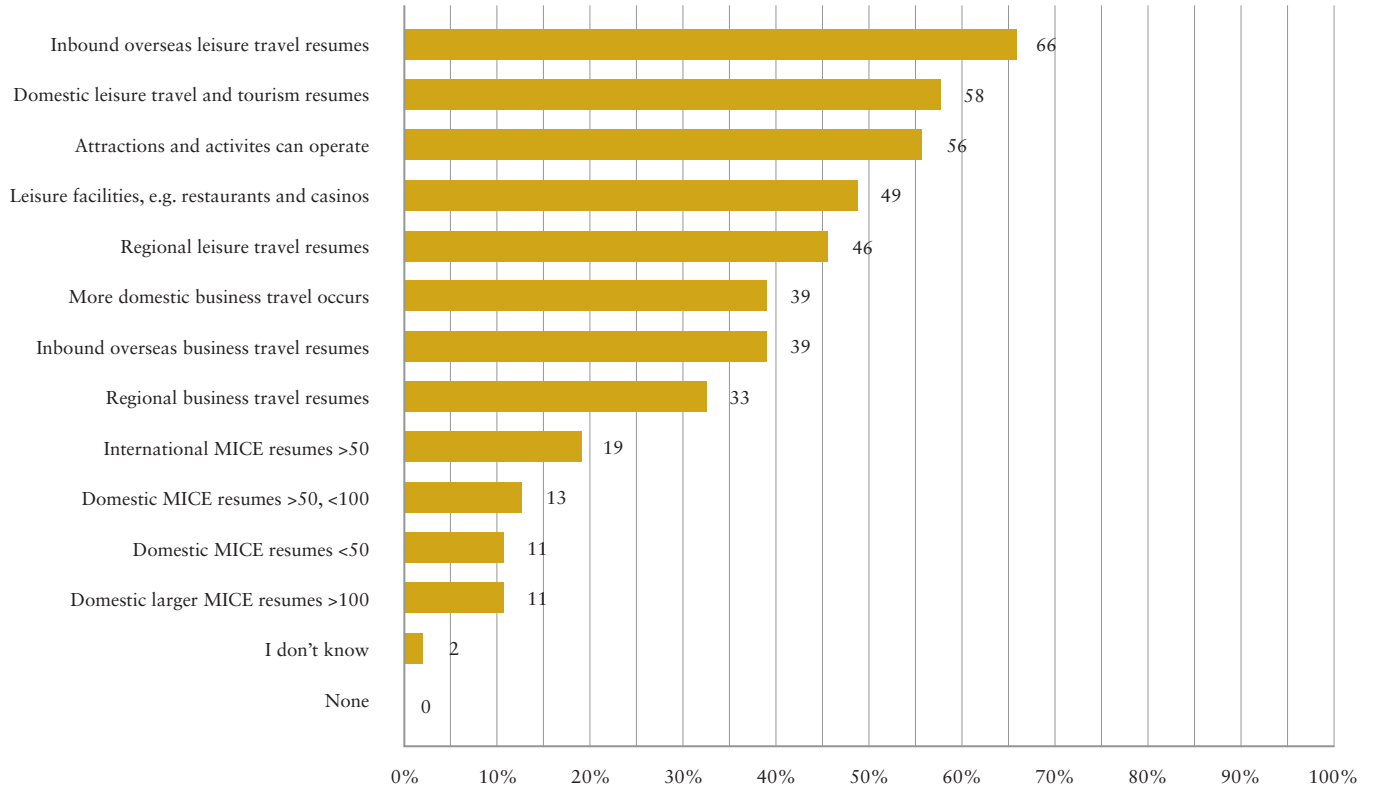
Only businesses who indicated they were temporarily closed responded to the following sections. This constitutes 899 businesses (61% of the total sample).

54% of non-operating respondents indicate they will reopen by September, but many are still unsure. 31% of respondents say when they reopen it will be in full, and 69% indicate it will be partial reopening.



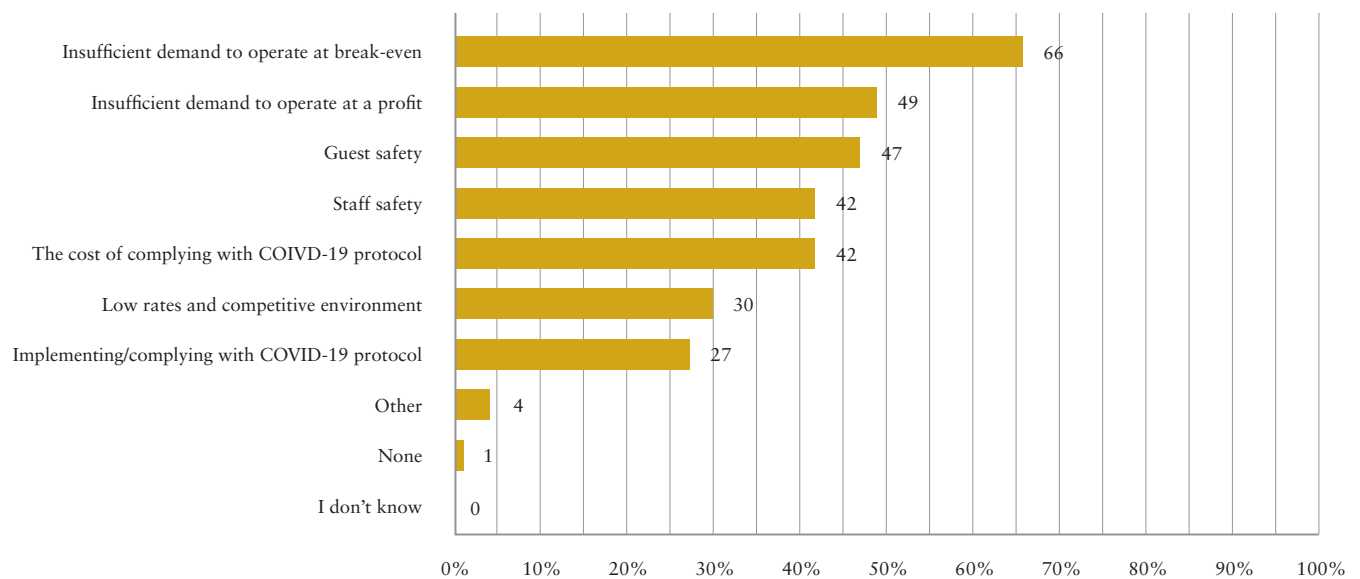
DECIDING FACTORS

The following pre-conditions to opening have been prioritized by enterprises. The vast majority require inbound international travel to resume, closely followed by a requirement for domestic travel to resume.



PRIMARY CONCERNS FOR REOPENING

66% highlight insufficient demand to break-even as their primary concern, followed by insufficient demand to make a profit. Respondents are immediately concerned with the market and the implications this has on the business.



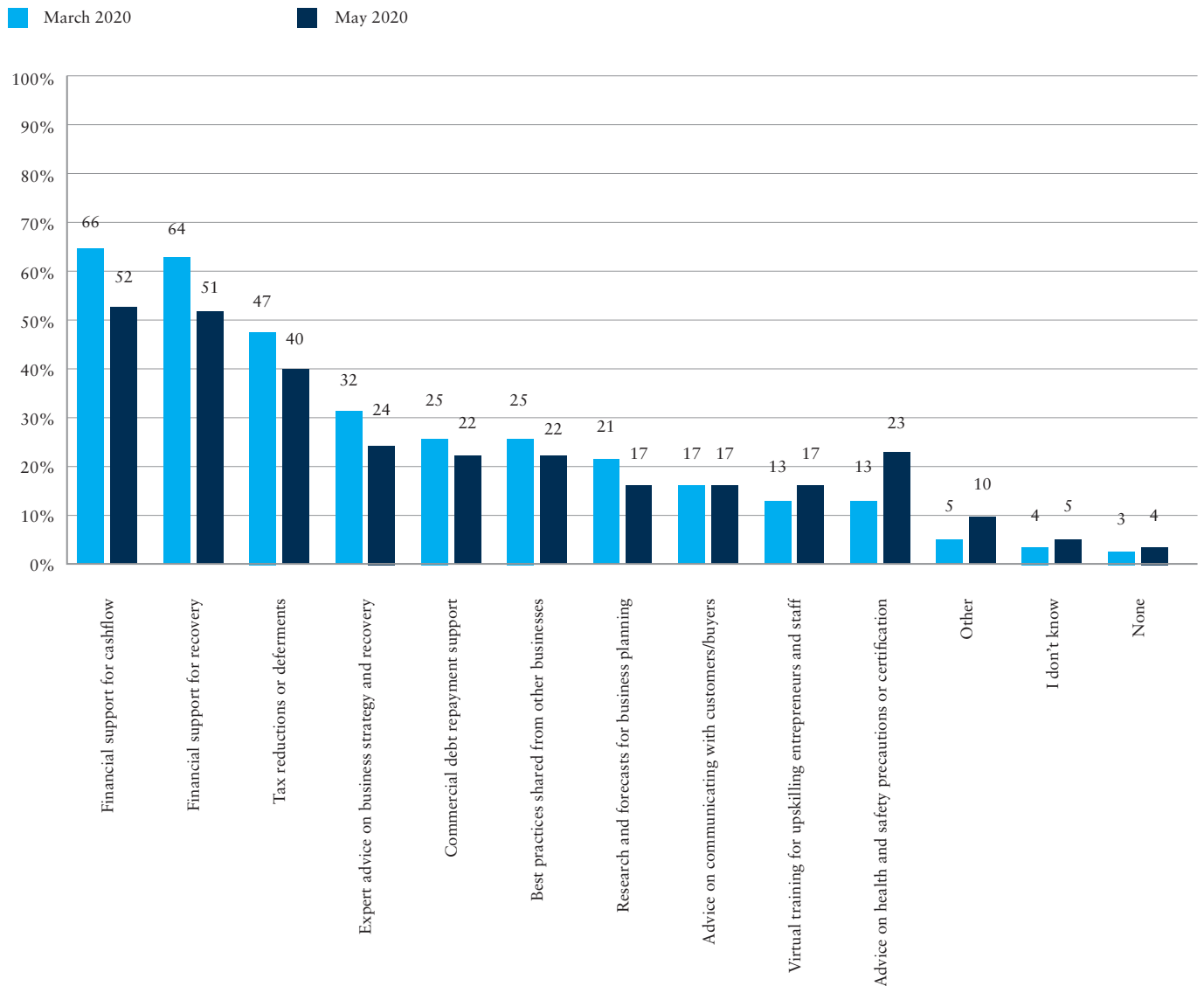
Support measures

Responding enterprises indicated their awareness and uptake of the following supporting mechanisms. The facilities with the most awareness are the UIF scheme and the Tourism Relief Fund of the Department of Tourism. Known eligibility is highest for the UIF scheme and there has been strong uptake for most facilities, the Solidarity Fund and SARS having the least applications. Success rates have improved for most of the schemes, and correspondingly the perception of their value has also improved since the survey in April, notably the Relief Fund at the Department of Tourism.

		Aware	Of those aware, know eligible	Of those know eligible, applied	Of those applied, successful	Of those applied, perceive value
SMME Relief Fund	March 2020	30%	53%	68%	1%	1%
	May 2020	47%	25%	75%	11%	50%
IDC Corporate Plan	March 2020	19%	19%	37%	9%	6%
	May 2020	27%	13%	49%	8%	50%
Department of Tourism Relief Fund	March 2020	84%	39%	60%	2%	2%
	May 2020	89%	41%	89%	32%	81%
UIF scheme	March 2020	96%	67%	69%	5%	3%
	May 2020	97%	73%	92%	71%	78%
SARS tax subsidy	March 2020	63%	49%	35%	12%	7%
	May 2020	60%	48%	43%	55%	82%
Solidarity fund	March 2020	69%	23%	48%	1%	1%
	May 2020	74%	22%	13%	6%	89%
SA Future Trust	March 2020	20%	42%	55%	14%	8%
	May 2020	30%	48%	68%	54%	87%

Needs

Enterprises selected their top five outstanding needs. The five most repeated needs from all enterprises in June 2020 are: liquidity (cashflow), financial support for recovery, tax relief, expert advice on business recovery, and advice on health and safety measures. Support for commercial debt repayment is also a priority. These have not changed since the last survey was conducted in April, indicating an on-going need to find solutions to these issues.



‘Other requests’¹ for support include: ‘need clearer policy decisions and dates from government’, ‘open up for domestic tourism’, ‘clear markets focus and communication from SA Tourism so we can align to their targets’, ‘more focus on rural areas including rate cutting’, ‘allow rural safari and lodge operators to open if casinos are open’, ‘cease relief discrimination on the basis of race – many white-owned companies are forced to retrench hundreds of black staff’, ‘staff are demotivated without guests – we need training and the J2E Journey to Excellence follow-up training’, ‘Tourism Relief needs to be more responsive and better at communicating’, ‘reduce local municipality rates’, ‘extend TERS until international border open’, ‘Insurance should be paying out for Business Interruption cover’, and ‘commercial banks are rejecting applications because we work in tourism.’

¹ These are not verbatim to protect identities of respondents.

Needs: Insights

SIZE OF ENTERPRISE

The graphic below shows the percentage of enterprises that identified a particular need. Micro enterprises identified their biggest need as cashflow and capital for recovery. Small enterprises prioritized capital for recovery and cashflow. Medium enterprises indicated a preference for tax relief and cashflow, and large enterprises had a more even breakdown across all measures – still with a preference for tax relief and capital for recovery.

		Micro	Small	Medium	Large	Total
Advice on communicating with customers	March 2020	18%	15%	17%	12%	17%
	May 2020	19%	14%	10%	22%	17%
Advice on health and safety	March 2020	12%	10%	13%	25%	13%
	May 2020	20%	24%	27%	31%	22%
Financial support for cashflow	March 2020	64%	69%	67%	54%	66%
	May 2020	51%	55%	52%	38%	52%
Financial support for recovery	March 2020	62%	72%	52%	44%	63%
	May 2020	50%	58%	44%	42%	51%
Tax relief	March 2020	42%	57%	64%	54%	47%
	May 2020	33%	52%	58%	45%	40%
Commercial debt repayment support	March 2020	22%	34%	27%	32%	25%
	May 2020	19%	30%	22%	16%	21%
Research/forecasts for business planning	March 2020	20%	18%	27%	23%	20%
	May 2020	16%	15%	21%	20%	17%
Best practices from other business	March 2020	22%	27%	37%	26%	25%
	May 2020	21%	22%	28%	13%	21%
Expert advice on business recovery	March 2020	33%	32%	29%	19%	32%
	May 2020	24%	25%	23%	13%	24%
Virtual training for upskilling	March 2020	14%	12%	12%	11%	13%
	May 2020	16%	19%	19%	15%	17%

Survey details

Methodology

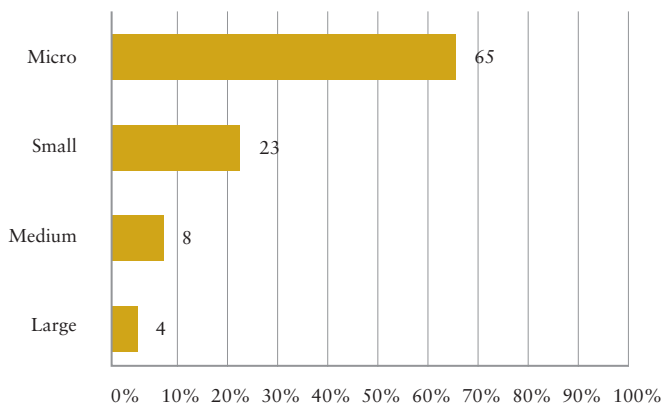
Our survey sample is made up of a wide spectrum of tourism businesses across South Africa. The survey was distributed through the networks of the Department of Tourism, and the Tourism Business Council of South Africa and all its member associations.

The questionnaire was sent out on Thursday, 18th June and closed on Friday, 26th June 2020. The questionnaire was distributed electronically by email. It had five sections: general profile questions (which provide a breakdown of the type of responding businesses); questions on the business impact of COVID-19; questions on the business's response; the support measures available; and outstanding needs of the businesses.

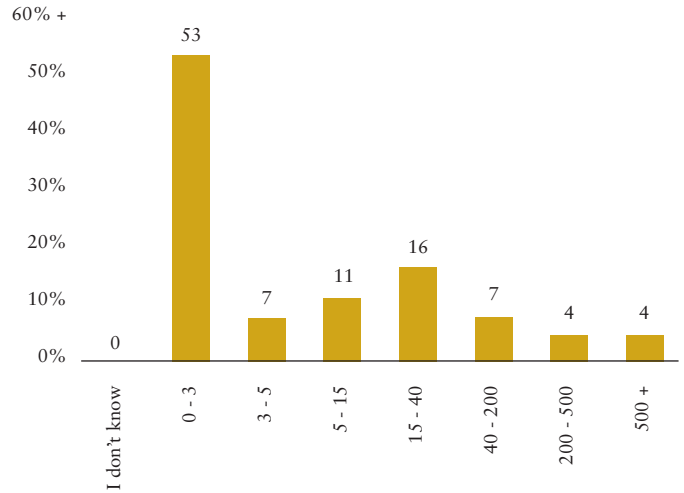
Profile of responding businesses

The survey yielded 1501 responses. After the question 'Has your business been affected by COVID-19?', 18 were discounted from remainder of the full analysis, leaving 1483 respondents. The pre-COVID profile of respondents can be seen below:

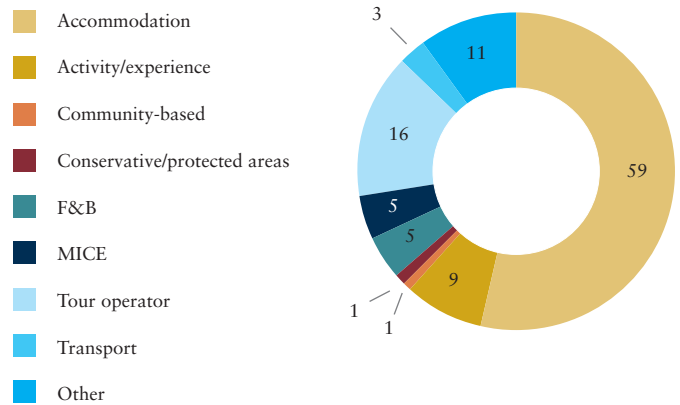
SIZE OF ENTERPRISE BY NUMBER OF EMPLOYEES²



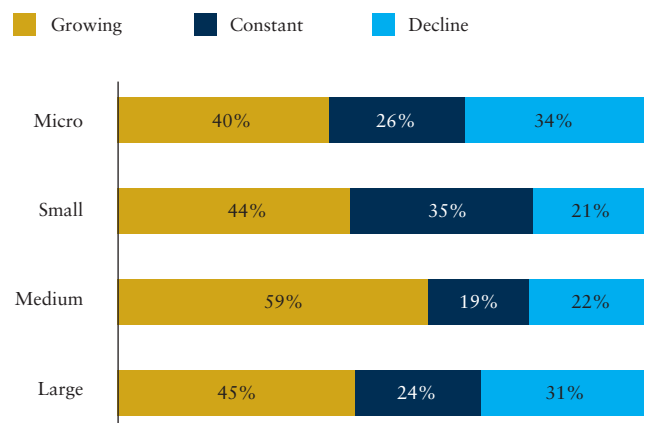
ANNUAL TURNOVER IN RANDS (MN)



TYPE OF ENTERPRISE



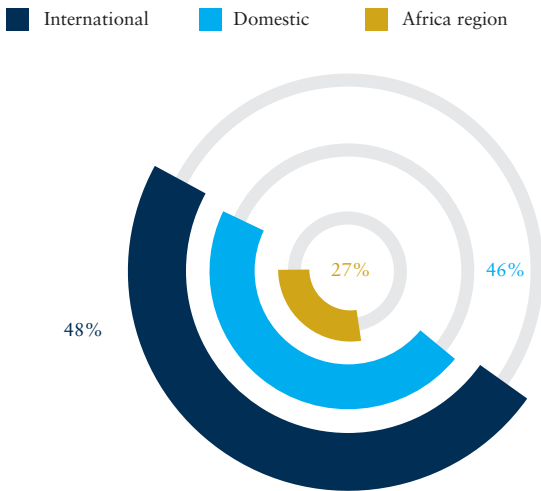
PERFORMANCE (PRE-COVID) OF ENTERPRISES



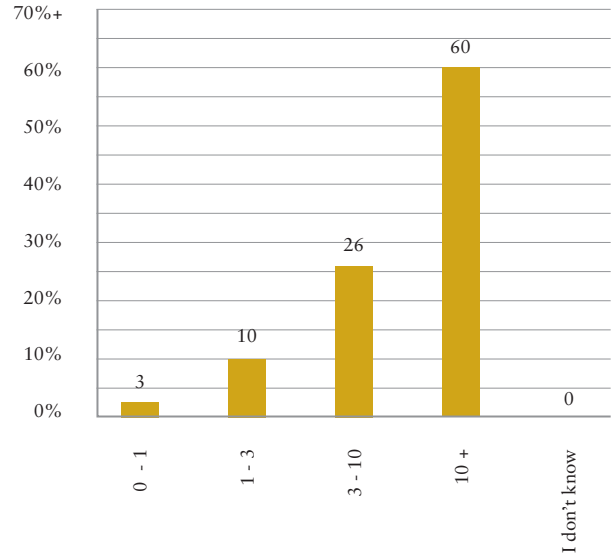
² Size has been determined by number of employees. 1 - 10 = micro; 11 - 50 = small; 51 - 250 = medium; 251 + = large.

MARKET FOCUS

Respondents average (mean) market share is:

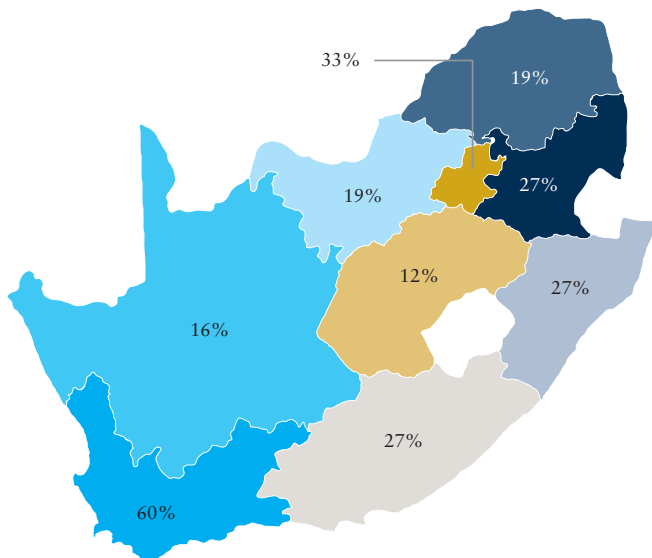


AGE OF BUSINESS IN FEBRUARY 2020



PROVINCE(S) OF OPERATIONS

Respondents indicate all the provinces (can be more than one) where they have operations. The total is therefore not 100%.





tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

