



DATE: 06 MAY 2020

**REPORT TO: PORTFOLIO COMMITTEE – ECONOMIC OPPORTUNITIES AND ASSET
MANAGEMENT**

1. ITEM NUMBER EAM 17/06/20

2. SUBJECT

CAPE TOWN TOURISM QUARTER 3 PROGRESS REPORT

ONDERWERP

VORDERINGSVERSLAG VIR KAAPSTAD TOERISME VIR KWARTAAL 3

ISIHLOKO

INGXELO ENGENKQUBELA YEKOTA YESI-3 YEZOKHENKETHO EKAPA

LSU: L3914

3. DELEGATED AUTHORITY

In terms of delegation

This report is FOR NOTING BY

- Committee name** : Portfolio Committee on Economic Opportunities and Asset Management
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

DISCUSSION

Introduction

This quarter started well with January and February 2020 recording growth figures in international arrivals at Cape Town International of 5 % in January and 6 % in February. The domestic arrivals showed similar growth with a 5% growth for January and 6% for February if compared to 2019. However, this came to an abrupt end due to Covid 19 measures introduced nationally and internationally. The March figures are not yet available but we expect significant drop-off in all arrival figures.

The impact of the National Disaster announcement necessitated Cape Town Tourism (CTT) to review and prioritize specific areas of delivery and spending. Spending was reallocated to deal with immediate crisis mitigation and business continuity implementation. They executed a 'work from home' policy to allow staff, where possible, to continue working from home. The business continuity planning preparations due to previous work done under the Disaster and Risk Management programs, came to good stead and could be implemented speedily.

The agreement between CTT and the City of Cape Town (CCT) regarding the City Hall premises was signed during the third quarter and CTT have started with the next phase of site installation to expedite the occupation process. The current 'lockdown' will delay these plans by at least 6-8 weeks.

Research programme

The following research measures have been concluded or adapted due to Covid 19:

- Visitor Satisfaction research achieved a total of 176 respondents through intercept interviews over the period of January – March 2020. Fieldwork has been placed on hold and the project will be reviewed when lockdown ends.
- The seasonal figures and annual overview including industry sentiment, attraction and accommodation performance was compiled and distributed to stakeholders and was well received.
- There will be a large component of research that will input into the recovery phase. Some of the projects identified could include the following:
 - Visitor impact: what does the new visitor journey look like and how have the visitor expectations evolved,

- Market-readiness: which markets can we market to soonest, and how,
- Cape Town Landscape: how has the landscape evolved; what is the current product offering and where are the gaps in terms of new demand patterns,
- impact on the economic value of tourism.

Destination Marketing

Planned marketing activity, such as trade shows and hostings have been cancelled, as well as general destination content and the Domestic Winter Campaign. CTT is still trying to deliver on both the service delivery components of the MOU as well as the fiscal targets. However, in some cases this may not be possible, and an adjusted delivery schedule has been compiled with CTT to ensure that high priority actions due to Covid 19 receive immediate attention.

On a positive note, the City and CTT have been exceptionally quick to react and change our plans to become the source of trustworthy information around COVID-19, from both a public relations and digital perspective. CTT has also begun messaging stories of hope and positivity to keep spirits up of citizens, industry and visitors.

We have started working with CTT on a Bounce Back Strategy that prepares us for communicating and actioning recovery measures as soon as the time is right to start inviting visitors back to Cape Town.

Media engagements

The following media engagements took place during this quarter:

- Positive media coverage: Over this quarter we have seen a remarkable increase in positive sentiment in coverage due to several pro-active media releases gaining good traction. The positive response regarding the safety incident in Khayelitsha in January 2020 where 11 international tourists were robbed while on an educational outing, saw a spike in positive coverage during the quarter. Pro-active statements in cooperation with Alderman James Vos were distributed to media on topical issues e.g. the refugee incident at Green Market Square, the State of the Nation Address, the Budget Speech, the reasons for cancelling big events due to COVID-19, all contributed to increasing our overall performance on positive sentiment towards Cape Town.
- COVID-19: Leading on the COVID-19 pro-active Communications and Public Engagement Plan, has proven very successful in the media and member audience groups. Launching the Seeing is Believing video campaign has generated considerable coverage, with a particular interest from broadcast

channels which resulted in multiple interviews on SABC, Morning Live and ENCA as well as multiple radio interviews on Cape Talk.

- **Member communications:** The CTT member communications activity plan was adapted due to the impact of the COVID-19 pandemic. They have become a credible industry information source, communicating to their members and industry on a daily basis and provide a vital link between the private sector and the City of Cape Town. Prior to lockdown, site visits by the CEO, Enver Duminy and Alderman James Vos to SME's were key interventions that provided first-hand information on challenges that business face and how they can be overcome.
- **Social media campaign:** CTT launched their 21-day Lockdown Survival Guide on their social media channels featuring proudly Capetonian musos, sports stars, radio personalities, comedians doing a short video clip giving us their favourite lockdown tips. This campaign was launched to keep spirits up, create positive energy around the lockdown and the situation we find ourselves in.
- **Radio SAFM partnership:** CTT's partnership with SAFM was launched with the CEO, Enver Duminy hosting an hour-long show with the Jet Set Sunday Breakfast, which will continue as part of the recovery plan post the COVID-19 pandemic.
- **Media hosting:** CTT partnered with the Radisson Middle East & Africa hotel group providing them the opportunity to host 10 international content creators for their #InstaMeetSA campaign. They enjoyed 4 days in CT while documenting their unique experience online to their 3.5 million followers, collectively. They also managed to foster strong relationships with national lifestyle and travel media after partnering with Tsogo Sun on their *48 hours in Cape Town* experience. They managed to showcase Cape Town's LGBTQ offering to Out There, an LGBTQ luxury and experiential magazine (UK & USA). They secured 64 pages solely focused on Cape Town, as well as the cover in the next issue being released in September 2020.
- **Online Travel Training:** CTT launched the Cape Town Specialist online training course in partnership with a UK-based company, Online Travel Training (OTT) to international trade in the Netherlands, UK and USA.
- **Live chat:** 24/7 Live Chat launched on the website.

Tourism Development Initiatives

Three community tour experiences were procured for buyers at World Travel Market Africa (WTMA) to encourage and support community tourism. Unfortunately, the event had to be cancelled due to the Covid 19 pandemic. The Neighbourhood Routes Development Programme were well under way in Langa, Grassy Park and Khayelitsha with community meetings being concluded in January and February. This will be continued once communities and tourism demand have stabilised, where after new demand factors as well as community requirements have been established.

Visitor Services

The visitor services indicators took a serious downturn due to the impact of Covid-19 on visitor travel and purchasing behaviour. The year-to-date indicators until mid-March show that CTT was well on its way to achieving the annual targets. However, safety of frontline staff, cancellation of large events and Covid-19 regulations meant that the mobile team was “grounded”, VICs closed and teams focused on servicing visitors online.

Financial Implications None Opex Capex

Capex: New Projects

Capex: Existing projects requiring additional funding

Capex: Existing projects with no additional funding requirements

4.1. Policy and Strategy Yes No

4.2. Legislative Vetting Yes No

4.3. Legal Compliance

This report complies with the Grants-In-Aid Policy 2019/2020 (policy number 21144E) of the City of Cape Town. The grant to Cape Town Tourism is payable in accordance with Council decision C 19/07/14.

4.4. Staff Implications Yes No

4.5. Risk Implications Yes No

5. RECOMMENDATIONS

It is recommended that this quarterly progress report on Cape Town Tourism be noted as required by the Grants-In-Aid Policy 2019/2020 (policy number 21144E), paragraph 8.2.15 "... Grants-in-Aid that will be allocated under GL 457100 in terms of this Policy for creating an enabling environment for Local Tourism and Development.

AANBEVELING:

Daar word aanbeveel dat daar kennis geneem word van hierdie kwartaallikse vorderingsverslag oor Kaapstad Toerisme soos vereis deur die hulptoelaebeleid 2019/2020 (beleidnommer 21144E), paragraaf 8.2.15 "...Hulptoelae wat toegeken word onder GL 457100 kragtens hierdie beleid vir die skep van 'n bemagtigende omgewing vir plaaslike toerisme en ontwikkeling.

IZINDULULO

Kundululwe ukuba makuqwalaselwe le ngxelo yarhoqo ngekota engenqubela-phambili yabe-Cape Town Tourism njengoko kuyimfuneko kuMgaqo-nkqubo ojongene neziBonelelo zoNcedo ka-2019/20 (inombolo yepolisi 21144E) umhlathi 8.2.15. "...iziBonelelo zoNcedo ezizakwabiwa phantsi kwe-GL 457100 ngokwalo Mgaqo ngeenjongo zokudala imimandla efanelekileyo yokusingqongileyo kuPhuhliso noKhenketho lweNgingqi.

ANNEXURES: NONE

A PRESENTATION WILL BE DELIVERED BY CAPE TOWN TOURISM

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