

Cape Town Economic Value of Tourism Model
Fact Sheet

Foreign Direct Spend (excluding capital expenditure)

	<u>Source</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Foreign Direct Spend in South Africa (R bn)	South African Tourism	60,7	66,6	60,1	74,2
Share of Foreign Direct Spend in the Western Cape	SA Tourism	27,8%	29,7%	29,5%	29,0%
Total Foreign Direct Spend in the Western Cape (R bn)	South African Tourism	16,9	19,8	17,7	21,5
Share of Foreign Direct Spend in Cape Town	Grant Thornton Estimate	68%	68%	68%	68%
Total Foreign Direct Spend in Cape Town (R bn)	Calculation	11,5	13,5	12,0	14,6

Total Domestic Spend

Total spend by domestic tourists in South Africa (R bn)	South African Tourism	21,3	16,5	20,0	25,8
Share of total domestic spend in the Western Cape	Grant Thornton Estimate	13,2%	13,2%	18,0%	15,1%
Total spend by domestic tourists in the Western Cape (R bn)	South African Tourism	2,8	2,2	3,6	3,9
Share of domestic spend in Cape Town	Grant Thornton Estimate	44%	44%	44%	44%
Total spend by domestic tourists in Cape Town (R bn)	Calculation	1,2	1,0	1,6	1,7

Demand Side Economic Value of Tourism

		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Foreign Direct Spend in Cape Town (R bn)	Calculation	11,5	13,5	12,0	14,6
Total spend by domestic tourists in Cape Town (R bn)	Calculation	1,2	1,0	1,6	1,7
Demand Side Economic Value of Tourism in Cape Town (R bn)	Calculation	12,7	14,4	13,6	16,3

Supply Side Economic Value of Tourism

Supply Side Economic Value of Tourism in Cape Town (R bn)	Calculation	7,8
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Employment

		Permanent	Temporary
Low Level	Calculation	12 660	7 832
Medium Level	Calculation	5 858	1 764
High Level	Calculation	4 449	618
Total	Calculation	22 967	10 214

Cape Town Economic Value of Tourism Model
Supply Side Information:

Type of Enterprise	Size	Number	Average Turnover	Average Number of Permanent Employees			Average Number of Temporary Employees			Total Turnover	Total Number of Permanent Employees			Total Number of Temporary Employees		
				Low Level	Medium Level	High Level	Low Level	Medium Level	High Level		Low Level	Medium Level	High Level	Low Level	Medium Level	High Level
B&B	Small	83	350 000	1	0	1	0	0	0	29 050 000	83	0	83	0	0	0
	Medium	43	850 000	2	2	1	1	0	0	36 550 000	86	86	43	43	0	0
	Large	9	2 000 000	4	2	1	2	0	0	18 000 000	36	18	9	18	0	0
Camping	Small	0	100 000	1	0	1	2	0	0	-	0	0	0	0	0	0
	Medium	2	750 000	4	1	1	2	0	0	1 500 000	8	2	2	4	0	0
	Large	0	2 000 000	8	5	3	6	4	0	-	0	0	0	0	0	0
Guesthouse	Small	108	350 000	1	0	1	0	0	0	37 800 000	108	0	108	0	0	0
	Medium	110	850 000	2	2	1	1	0	0	93 500 000	220	220	110	110	0	0
	Large	56	2 000 000	4	2	1	2	0	0	112 000 000	224	112	56	112	0	0
Backpacker	Small	16	250 000	3	2	2	2	0	0	4 000 000	48	32	32	32	0	0
	Medium	6	550 000	5	5	3	5	2	0	3 300 000	30	30	18	30	12	0
	Large	0	2 500 000	10	7	5	10	5	0	-	0	0	0	0	0	0
Hotel	Small	35	1 000 000	15	4	2	2	0	0	35 000 000	525	140	70	70	0	0
	Medium	47	15 000 000	25	7	4	6	2	0	705 000 000	1175	329	188	282	94	0
	Large	9	30 000 000	65	20	10	15	5	0	270 000 000	585	180	90	135	45	0
Lodge	Small	2	300 000	1	0	1	0	0	0	600 000	2	0	2	0	0	0
	Medium	9	750 000	2	2	1	1	0	0	6 750 000	18	18	9	9	0	0
	Large	7	1 250 000	4	2	1	2	0	0	8 750 000	28	14	7	14	0	0
Resort, caravan par	Small	1	1 500 000	1	0	1	2	0	0	1 500 000	1	0	1	2	0	0
	Medium	1	2 500 000	4	1	1	2	0	0	2 500 000	4	1	1	2	0	0
	Large	1	10 000 000	8	5	3	6	4	0	10 000 000	8	5	3	6	4	0
Self-Catering	Small	304	350 000	1	0	1	0	0	0	106 400 000	304	0	304	0	0	0
	Medium	48	1 000 000	2	2	1	1	0	0	48 000 000	96	96	48	48	0	0
	Large	48	2 500 000	4	2	1	2	0	0	120 000 000	192	96	48	96	0	0
Conference Venue	Small	72	1 000 000	3	0	1	2	0	0	72 000 000	216	0	72	144	0	0
	Medium	64	4 000 000	10	5	3	8	4	1	256 000 000	640	320	192	512	256	64
	Large	19	12 500 000	25	10	5	15	5	3	237 500 000	475	190	95	285	95	57
Transport Operator	Small	111	625 000	0	1	1	0	0	2	69 375 000	0	111	111	0	0	222
	Medium	65	1 000 000	2	2	3	0	0	3	65 000 000	130	130	195	0	0	195
	Large	9	5 000 000	6	4	4	0	2	4	45 000 000	54	36	36	0	18	36
Attraction	Small	254	2 500 000	4	2	2	1	0	0	635 000 000	1016	508	508	254	0	0
	Medium	148	17 500 000	6	4	5	2	1	0	2 590 000 000	888	592	740	296	148	0
	Large	22	40 000 000	10	25	10	4	2	2	880 000 000	220	550	220	88	44	44
Restaurant	Small	54	750 000	5	1	1	5	1	0	40 500 000	270	54	54	270	54	0
	Medium	103	1 500 000	10	4	2	10	2	0	154 500 000	1030	412	206	1030	206	0
	Large	197	5 500 000	20	8	4	20	4	0	1 083 500 000	3940	1576	788	3940	788	0
Total/Average		2 063	3 770 516	6,1	2,8	2,2	3,8	0,9	0,3	7 778 575 000	12 660	5 858	4 449	7 832	1 764	618

Economic Value of Tourism (R l 7,8

Employment	Permanent	Temporary	Definitions
Low Level	12 660	7 832	Low Level (Unskilled or semi-skilled)
Medium Level	5 858	1 764	Medium Level (Skilled and technically or academically qualified – supervisor, junior manager)
High Level	4 449	618	High Level (Experienced, professionally qualified, mid to senior managers)
Total	22 967	10 214	

Cape Town Economic Value of Tourism Model**Demand Side Information:****Foreign Arrivals**

	<u>Note</u>	<u>Source</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Foreign Arrivals to South Africa	1	South African Tourism	7 368 742	8 395 833	9 090 881	9 591 828
Share of Foreign Arrivals to the Western Cape	2	South African Tourism	21,6%	20,7%	19,4%	20,6%
Number of Foreign Arrivals to the Western Cape	3	Calculation	1 591 648	1 737 937	1 763 631	1 972 719
Share of Foreign Arrivals to Cape Town	4	Grant Thornton Estimate	93%	93%	93%	93%
Number of Foreign Arrivals to Cape Town	3	Calculation	1 480 233	1 616 282	1 640 177	1 834 629

Foreign Bednights

Total Number of Bednights by Foreign Arrivals to SA	2	South African Tourism	60 268 548	66 496 528	68 210 760	78 704 000
Share of Foreign Bednights in the Western Cape	3	Calculation	27,9%	29,9%	29,4%	26,8%
Number of Bednights by Foreign Arrivals to the Western Cape	2	South African Tourism	16 806 586	19 788 713	20 081 219	21 077 000
Share of Foreign Bednights in Cape Town	4	Grant Thornton Estimate	68%	68%	68%	68%
Number of Bednights by Foreign Arrivals in Cape Town	3	Calculation	11 421 952	13 448 640	13 647 430	14 324 175

Foreign Direct Spend (excluding capital expenditure)

Total Foreign Direct Spend in South Africa (R bn)	2	South African Tourism	60,7	66,6	60,1	74,2
Share of Foreign Direct Spend in the Western Cape	3	SA Tourism	27,8%	29,7%	29,5%	29,0%
Total Foreign Direct Spend in the Western Cape (R bn)	2	South African Tourism	16,9	19,8	17,7	21,5
Share of Foreign Direct Spend in Cape Town	4	Grant Thornton Estimate	68%	68%	68%	68%
Total Foreign Direct Spend in Cape Town (R bn)	3	Calculation	11,5	13,5	12,0	14,6

Cape Town Economic Value of Tourism Model**Demand Side Information:****Domestic Tourism Trips**

		<u>Source</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total number of domestic trips taken in South Africa	2	South African Tourism	36 200 000	37 100 000	35 900 000	32 900 000
Share of domestic trips taken to the Western Cape	3	Calculation	8,3%	8,6%	12,5%	12,5%
Number of domestic trips taken to the Western Cape	2	South African Tourism	3 000 000	3 200 000	4 500 000	4 100 000
Share of domestic trips taken to Cape Town	4	Grant Thornton Estimate	44%	44%	44%	44%
Number of domestic trips taken to Cape Town	3	Calculation	1 320 000	1 408 000	1 980 000	1 804 000

Domestic Bednights

Total number of domestic bednights in South Africa	2	South African Tourism	155 870 000	156 000 000	158 000 000	148 900 000
Share of domestic bednights on trips taken to the Western Cape	3	Calculation	11,0%	11,0%	11,0%	11,0%
Number of domestic bednights on trips taken to the Western Cape	2	South African Tourism	17 200 000	17 214 345	17 435 042	16 430 872
Share of domestic bednights on trips to Cape Town	4	Grant Thornton Estimate	44%	44%	44%	44%
Number of domestic bednights on trips to Cape Town	3	Calculation	7 568 000	7 574 312	7 671 418	7 229 584

Total Domestic Spend

Total spend by domestic tourists in South Africa (R bn)	2	South African Tourism	21,3	16,5	20,0	25,8
Share of total domestic spend in the Western Cape	4	Grant Thornton Estimate	13,2%	13,2%	18,0%	15,1%
Total spend by domestic tourists in the Western Cape (R bn)	2	South African Tourism	2,8	2,2	3,6	3,9
Share of domestic spend in Cape Town	4	Grant Thornton Estimate	44%	44%	44%	44%
Total spend by domestic tourists in Cape Town (R bn)	3	Calculation	1,2	1,0	1,6	1,7

Cape Town Economic Value of Tourism Model**Demand Side Information:**

<u>Source</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Foreign Direct Spend in Cape Town (R bn)	11,5	13,5	12,0	14,6
Total spend by domestic tourists in Cape Town (R bn)	1,2	1,0	1,6	1,7
Economic Value of Tourism (R bn)	12,7	14,4	13,6	16,3

Notes

Based on the data published by South Africa Tourism and exclude workers and contract workers which are included in total arrivals as published by Statistics

1 South Africa

2 Based on surveys published by South African Tourism

3 Calculation by Grant Thornton

4 Estimate by Grant Thornton based on South African Tourism surveys