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**MINISTRY OF TOURISM**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY:**

**QUESTION FOR WRITTEN REPLY:**

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**Mr M S F de Freitas (DA) to ask the Minister of Tourism:**

With reference to the lockdown to curb the spread of COVID-19, (a)(i) by what date will international borders be open for tourism and (ii) on what information does the Government rely in this regard and (b)(i) what research has been undertaken in respect of the economic impact and job losses on the tourism sector and (ii) what are the findings of such research? NW3463E

**REPLY:**

1. **(i)**International Borders are open as announced by the President of the Republic on 11 November 2020

**(ii)** Not Applicable

1. **(i) What research has been undertaken in respect of the economic impact and job losses on the tourism sector?**

The Department of Tourism in collaboration with International Finance Corporation (World Bank Group) and the Tourism Business Council of South Africa (TBCSA) has conducted a tourism Industry Survey on the impact of COVID-19 on the tourism sector. The survey aims to quantify the extent of the impact of COVID-19: how effective the support has been and what kind of help is still required. The survey was planned to be conducted three times over a period of the next 12 months to track progress. The first survey was done in April 2020 and covered the month of March and had 1 610 respondents. The analysis of the third survey is currently being conducted.

**(ii) What are the findings of such research?**

The second survey was done in July 2020 and covered the month of June and had 1 501 respondents. The following are the findings from the survey:

* 99% of responding enterprises were affected by COVID-19.
* Business were marginally more optimistic 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 were not operating in June, with 54% planning to reopen by September. Most of these re-openings were to be partial.
* The most significant concern for businesses considering reopening was sufficient demand to break-even, and 66% of enterprises highlighted the requirement for international and domestic markets to open before they will consider reopening.
* 95% of enterprises (83% in March) reported that revenues in May 2020 were down more than 50% compared to May 2019, and 75% of enterprises said revenues were 100% less. This was 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, remained wage reduction 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 had stayed constant, as have the numbers of enterprises making redundancies. 43% of enterprises indicated that they did not make redundancies.
* Medium sized enterprises were the most affected in terms of wage reduction (89% have reduced wages for more than half their workforce) and furloughed, followed by large businesses, and large business were most likely to have made more than half their staff redundant (16%).
* Furthermore, the survey revealed that most commonly applied mitigation measures by businesses were supporting deferment of bookings instead of cancellation, and providing refunds.
* In a similar pattern to the results from the April survey, all businesses prioritised 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 had climbed higher on the priority list. As before, micro enterprises indicated that cashflow was their first priority, small enterprises prioritised financial support for recovery and both medium and large enterprises prioritised tax relief.
* The support facilities with the most respondent awareness were the UIF scheme and the Tourism Relief of the Department.

More detail is available on the department’s website.

https://www.tourism.gov.za/CurrentProjects/Tourism\_Relief\_Fund\_for\_SMMEs/Documents/South%20Africa%20Tourism%20Survey%202%20on%20COVID-9%20(June%202020)%20Results.pdf