



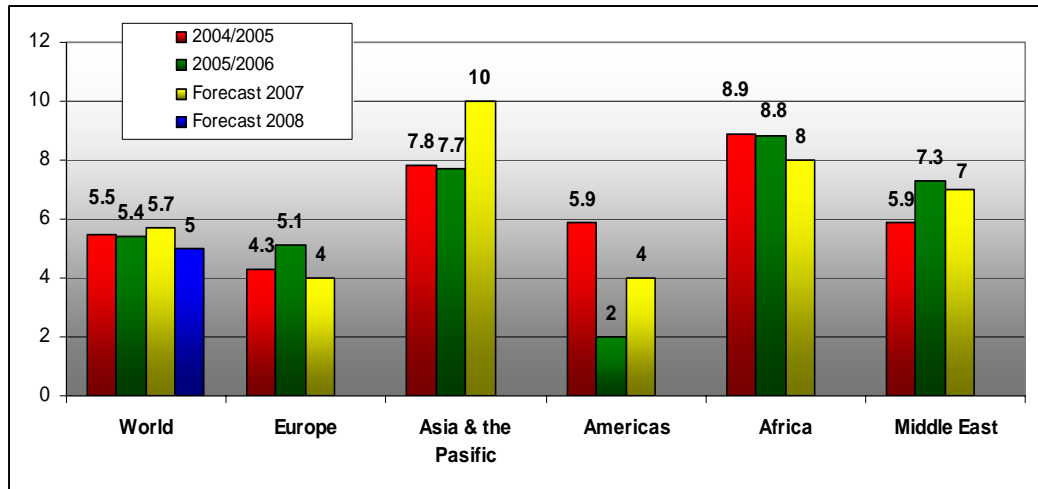
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GLOBAL TRENDS

For the first 8 months (January-August) of 2007, interim data on international tourist arrivals showed continued growth over the past few years. Compared to 578 million international arrivals between January and August 2006, January to August 2007 achieved an estimated 610 million international arrivals worldwide, 32 million more than in 2006 representing 5.6% growth. Growth has been driven primarily by the emerging destinations in Asia, the Pacific, Africa and the Middle East. The more mature regions of Europe and the Americas showed moderate growth of 4% during the same period. 2008 is expected to grow by 5%. Asia & the Pacific have been enjoying the highest growth rate followed by Africa as shown in Figure 1 below.

Figure 1: International tourist arrivals % change by region



(Source: UNWTO, 2007)

Global lodging statistics

According to Deloitte HotelBenchmark (2007) the global hotel industry enjoyed double digit growth rates in both average room rates and revenue per available room (RevPar) in 2007. Central and South America enjoyed the highest growth in both average room rate (19.7%) and

RevPar (24%), followed by Europe (Table 1). Growth in Asia was driven by the Southern markets particularly India, while growth in Europe was driven by the Central and Eastern European markets. Growth in the Middle East was driven by Jordan, Oman and Egypt.

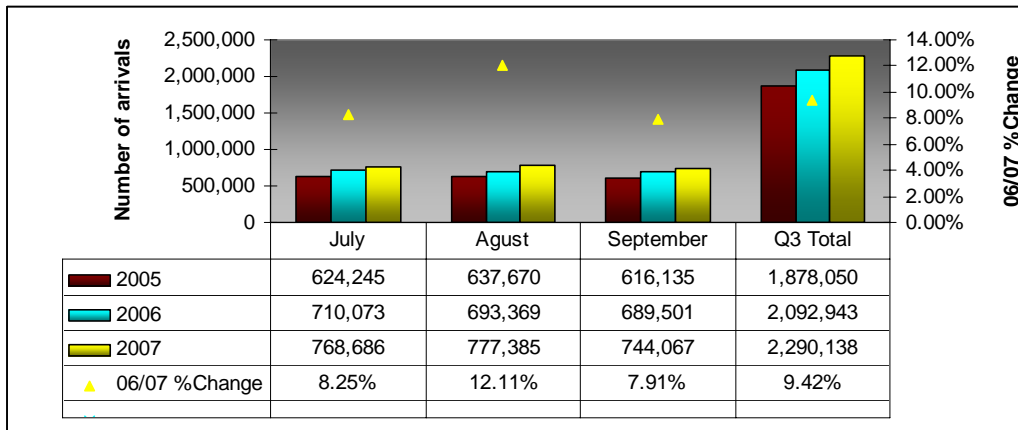
Table 1: 2007 Global Hotel performances by region

Region	Occupancy		Average room rate		RevPar	
	%	%Change	US\$	%Change	US\$	%Change
Asia Pacific	71.5	0.1	135	12.7	96	12.7
Central & South America	66.4	3.6	113	19.7	75	24.0
Europe	69.9	1.1	163	14.6	114	15.8
Middle East	71.6	4.6	157	11.6	112	16.8

(Source: Deloitte HotelBenchmark, 2007)

NATIONAL TOURISM PERFORMANCE

Figure 2: Q3 2005-2007 International arrivals to South Africa

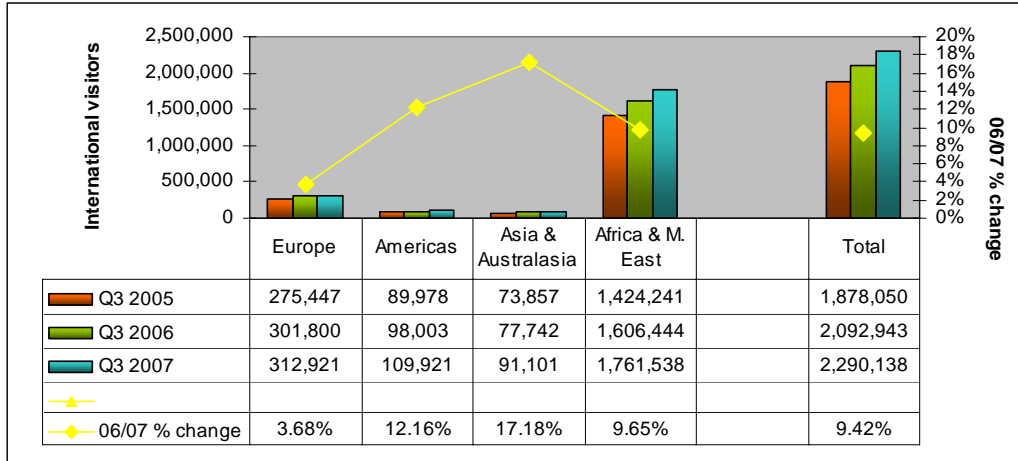


(Source: SAT, 2007)

In Q3 2007 there were a total of 2.3 million international arrivals to South Africa representing 9.42% growth from 2.09 million international arrivals in Q3 2006, (refer to Figure 2). The highest Q3 2007 percentage growth of 12.12% was achieved in August, followed by July (8.25%) and September (7.91%).

Q3 2005 to 2007 International arrivals to South Africa by region of origin are presented in Figure 3 below. Africa and the Middle East was the major source region for international arrivals to South Africa across all the years. However, the highest Q3 2007 year-on-year growth (17.18%) was from Asia and Australasia.

Figure 3: Q3 2005-2007 International arrivals to South Africa by region of origin

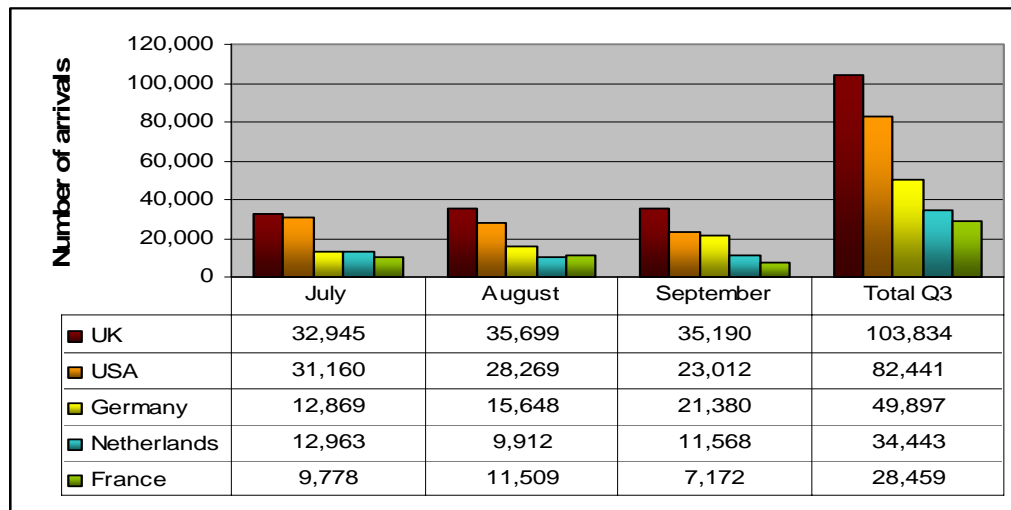


(Source: SAT, 2007)

The United Kingdom was the top overseas source market for South Africa in Q3 2007 with a total of 103,834 arrivals. The US

was second with 82,441 arrivals, followed by Germany (49,897), Netherlands (34,443) and France (28,459).

Figure 4: Q3 2007: Top five overseas source markets for South Africa



(Source: SAT, 2007)



National Lodging statistics

Table 2: National Lodging statistics

Item	Sep-07	Q3 (July-Sept) 2006	Q3 (July- Sept) 2007	Q3 06/07 % change
% Occupancy rate	51,8	47,5	49,5	4,2
Average income per stay unit sold (R)	538,3	447,9	518	15,7
RevPar (R)	278,83	212,75	256,41	20,52

(Source: Statistics South Africa (statssa), 2007)

In Q3 2007 occupancy was 49.5% 4.2% increase from 47.5% in Q3 2006. The

average income per stay unit sold increased by 15.7% to R518 in Q3 2007 from R447.90 in Q3 2006.

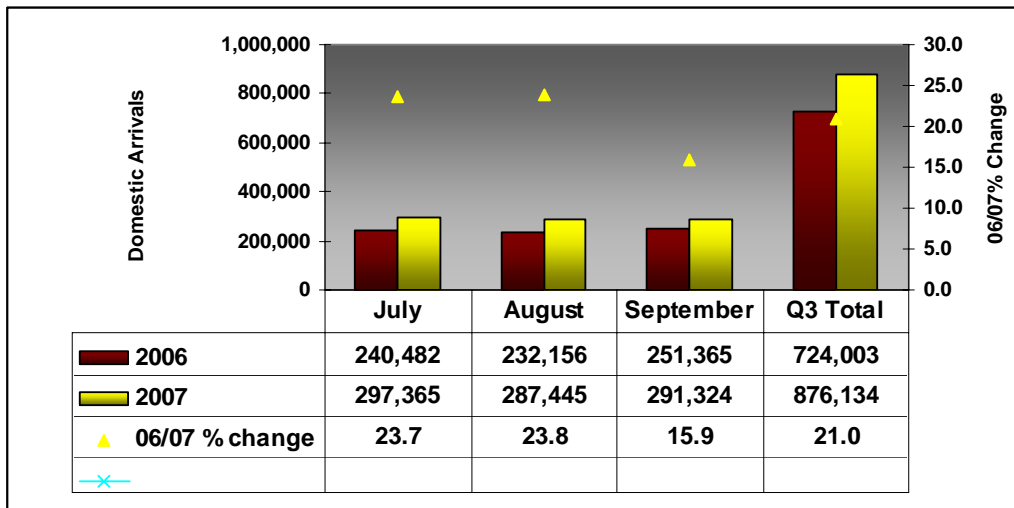
Provincial Tourism Trends

This section shows the short term tourism performance indicators including airport arrivals and visitation statistics to major tourist attractions to give an indication of overall tourism performance for the period.

In Q3 2007 domestic arrivals through Cape Town International Airport increased by 21% in from the same period in 2006. The highest growth of 23.7% was recorded in August.

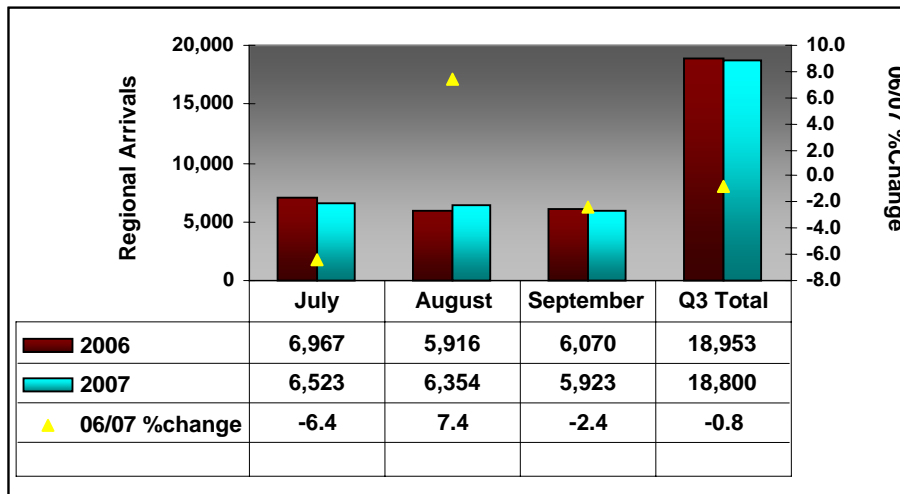
ACSA Cape Town International Airport Arrivals

Figure 5: Q3 2007 Domestic arrivals through Cape Town International Airport



(Source: ACSA, 2007)

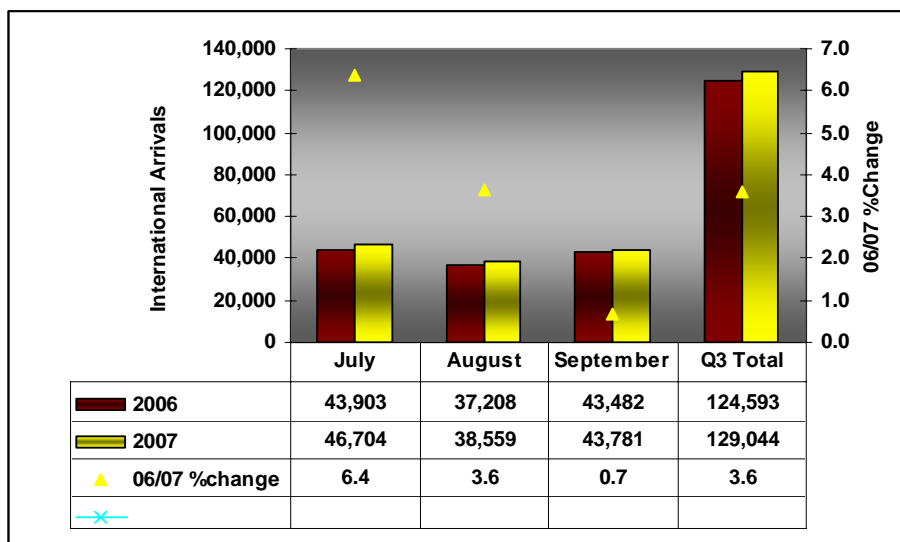
Figure 6: Q3 2007 Regional arrivals through Cape Town International Airport



Q3 2007 regional arrivals through Cape Town International Airport showed year-on-year decline of about one percent. International arrivals through Cape Town

International Airport showed modest growth of 3.6%. The highest growth in international arrivals (6.4%) was recorded in July.

Figure 7: Q3 2007 International Arrivals through Cape Town International Airport

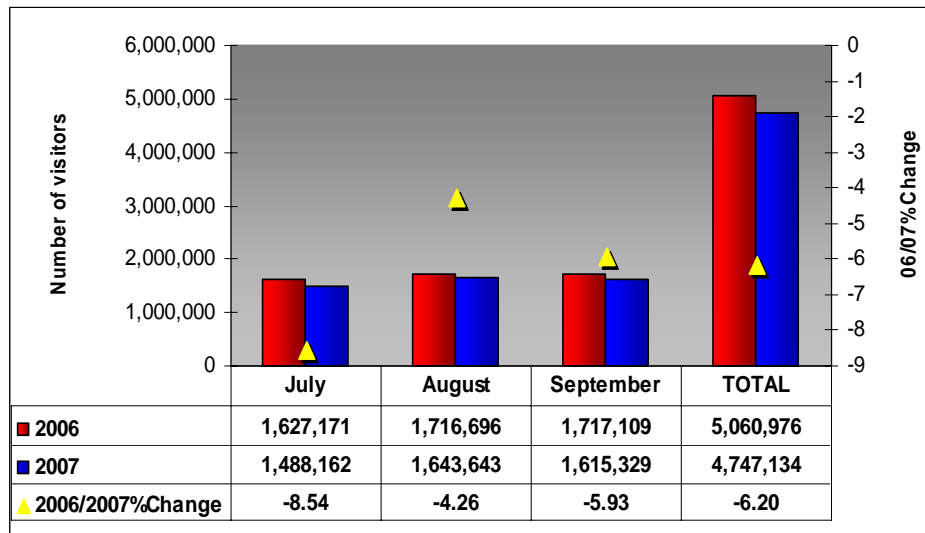


(Source: ACSA, 2007)

INDICATORS: Attractions

V& A Waterfront

Figure 8: Q3 2007 V&A Waterfront



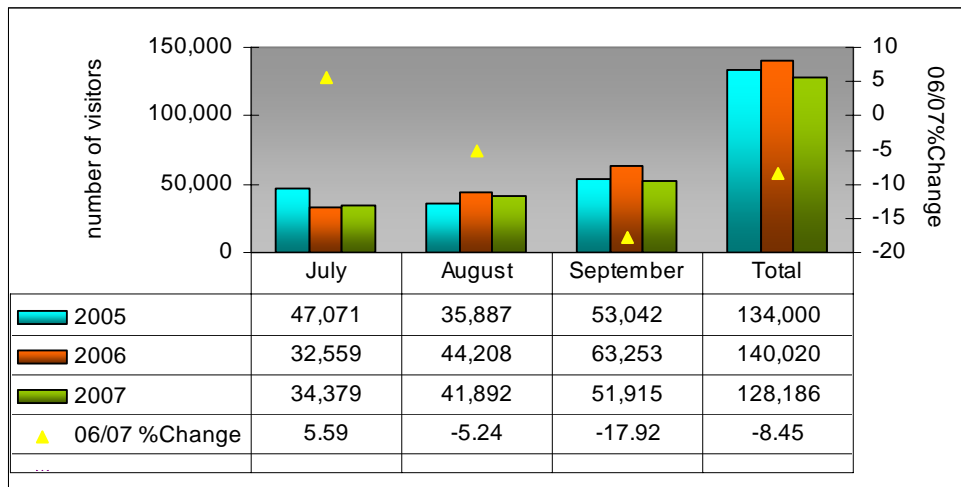
(Source: V&A Waterfront, 2007)

In Q3 2007 the V&A Waterfront experienced an overall year-on-year decrease of 6.2% in number of visitors. August, with 1,643,643 visitors had the highest visitation for the quarter. The

decline in visitation could be an indication of an overall slower growth rate for this tourism season in comparison with the previous year's growth.

Kirstenbosch

Figure 9: Q3 2007 Kirstenbosch Botanical Gardens visitation



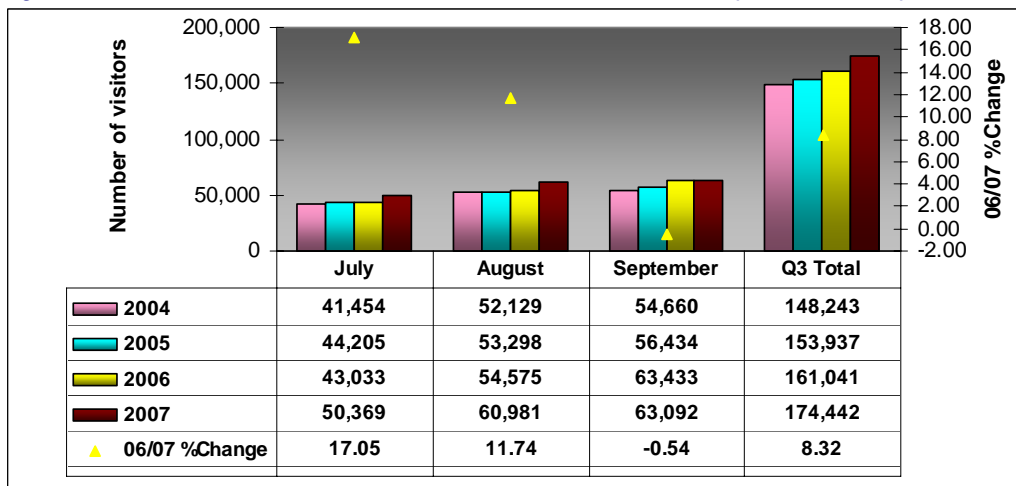
(Source: Kirstenbosch, 2007)

Visitation to Kirstenbosch in Q3 2007 also showed an overall year-on-year decline. July 2007 was the only Q3 month with

positive growth in number of visitors. September performed the worst with 17.9% year-on-year decline in visitation.

Table Mountain National Park: Cape of Good Hope

Figure 10: Q3 2007 Visitation to Table Mountain National Park: Cape of Good Hope



(Source: Table Mountain National Park, 2007)

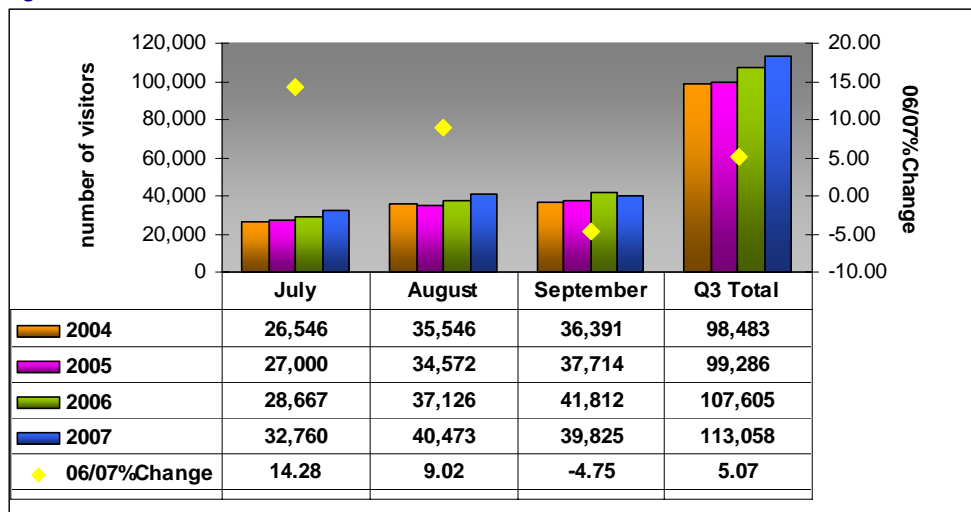
Contrary to the trend from the previous two attractions, Table Mountain National Park: Cape of Good Hope experienced 8% growth in visitation in Q3 2007 from Q3 2006. September was the only Q3 month with negative change.

Cape of Good Hope. There was an overall increase in visitation in Q3 2007 from the same period in 2006. A total of 113,058 visitors were recorded in Q3 2007 representing 5.07% from Q3 2006. July experienced the highest Q3 year-on-year growth of 14.28%.

Visitation to Table Mountain National Park: Boulders had the same trend as that for

Visitation to Table Mountain National Park: Boulders

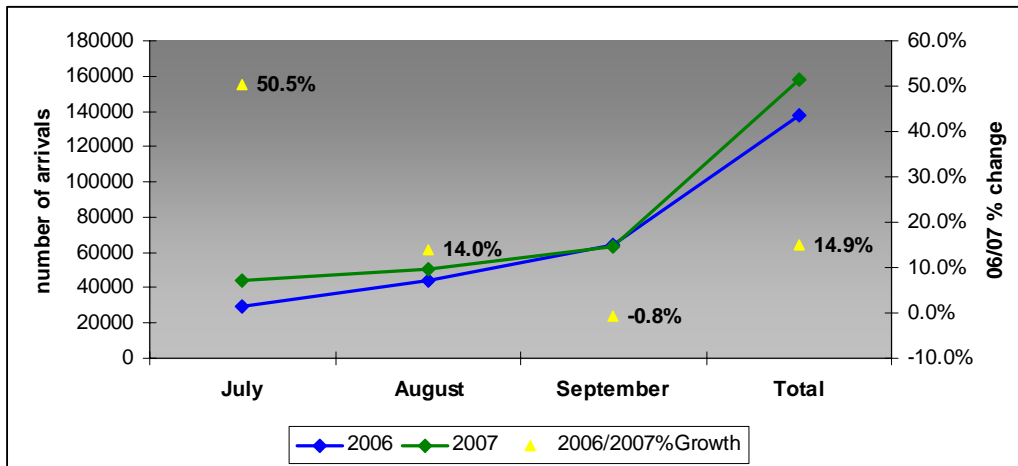
Figure 11: Q3 2004- 2007: Visitation to Table Mountain National Park: Boulders



(Source: Table Mountain National Park, 2007)

Table Mountain Aerial Cableway

Figure 12: Q3 2006/2007 Table Mountain Aerial Cableway



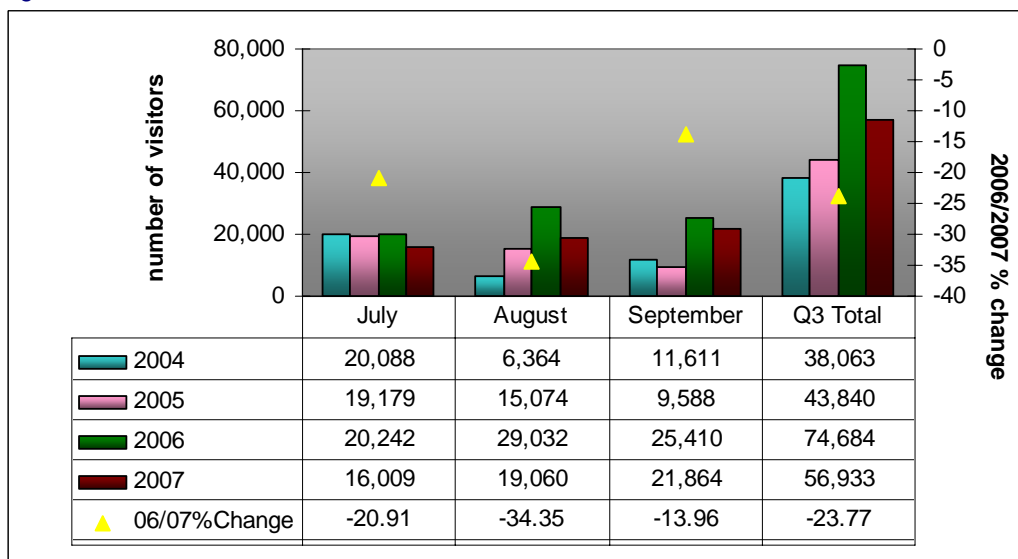
(Source: Table Mountain Cableway, 2007)

An overall growth of 14.9% in visitation was experienced in Q3 2007 from Q3 2006. September 2007 was also the only

Q3 month that experienced a slight decrease (-0.8%) in 2007 from September 2006.

Robben Island

Figure 13: Q3 2004- 2007 visitation to Robben Island



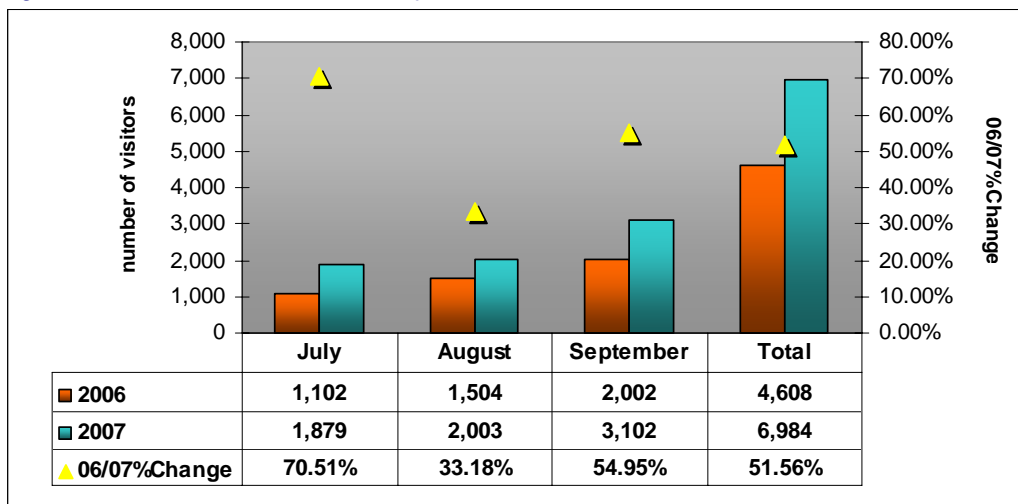
(Source: Robben Island, 2007)

Overall, Robben Island experienced 23.8% decline in number of visitors in Q3 2007 from Q3 2006. The highest decline (34.35%) was experienced in August.

Kleinplasia Museum in Worcester showed remarkable performance in Q3 2007 with an overall growth of 51.56% from the same period in 2006. Each Q3 month showed exceptional growth of over 30%.

Kleinplasia Museum in Worcester

Figure 14: Q3 2007 Visitation to Kleinplasia Museum in Worcester



(Source: Worcester Kleinplasia Museum, 2007)



Q3 2007 CAPE TOWN REGIONAL TRENDS

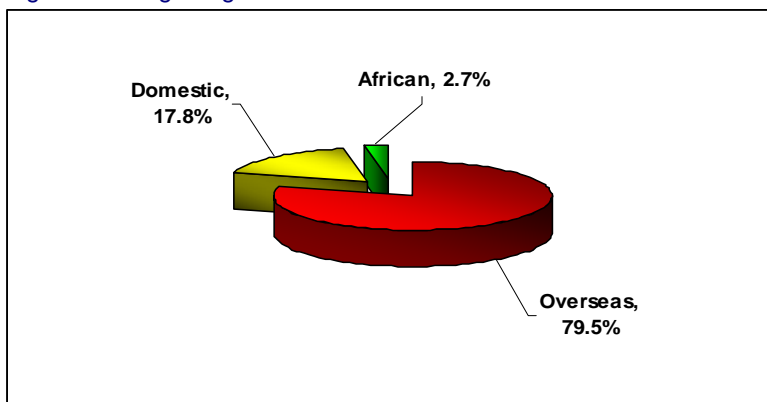
There were a total of 421 responses from Cape Town Region in Q3 2007 from the following visitor information centers (VICs): Waterfront Gateway, Somerset West, Muizenberg/Simonstown, Cape Town International Airport International and Domestic Terminals, Blaauwberg and Tygervalley. The responses were distributed across the three Q3 months as follows:

- July (15.9%)
- August (48.7%)
- September (35.4%)

Origin of visitors

The UK was the largest source market accounting for 28.5%. UK was followed by South Africa (17.8%), Germany (9.2%) and USA (6.7%). Other top source countries included Netherlands (4.7%), Australia (4.5%), Italy (4.2%), Canada (2.2%) and France (2.2%).

Figure 15: Origin region of visitors

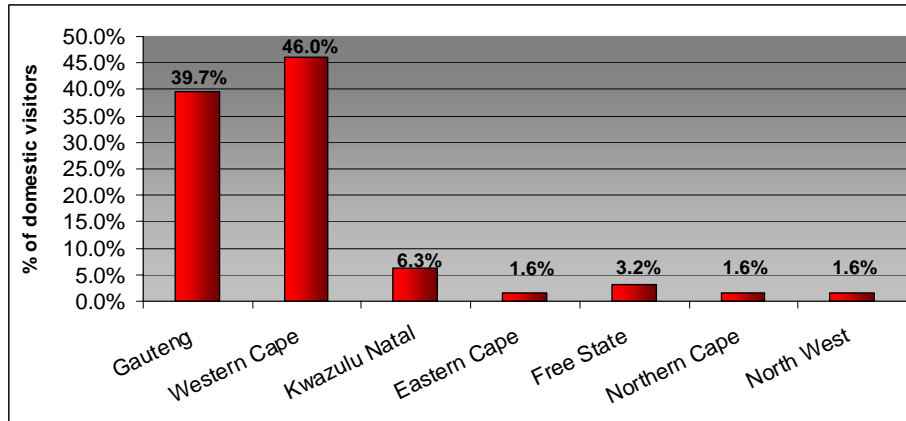


Of the domestic visitors, most (46%) were from the Western Cape followed by Gauteng with 39.7%. The rest of the visitors were from KwaZulu-Natal (6.3%),

Free State (3.2%), Eastern Cape (1.6%), Northern Cape and North West each with 1.6%.



Figure 16: Q3 2007 Domestic visitor's province of origin



Travel Group size and length of stay

The average travel group size for Cape Town was three; however, the most common was two. 58.2% travelled in pairs and 19.4% travelled alone. Of the overseas visitors, the majority (63.8%) travelled in pairs and 15.1% travelled alone. Of domestic visitors, 41.4% travelled in pairs and 35.7% travelled alone. Results illustrate that then majority of both overseas and domestic visitors travelled in pairs, whereas the majority (54.6%) of African (excluding domestic) visitors travelled alone.

Almost all (90.7%) visitors stayed overnight, of which the majority (80.2%) were overseas visitors, followed by domestic (17.1%) and African (2.7%) visitors.

The average length of stay was six nights and the most common length of stay was three nights. 11.3% stayed for one night, 12.3% for two nights, 18.3% three nights, 17.5% four nights and 12.6% stayed for five nights.



Purpose of visit & mode of transport

The main purpose of visit to Cape Town was holiday (85.6%) followed by business (11%). Main purpose of visit didn't vary much with origin region of the visitors. All, Overseas, Domestic and African visitors' main purpose of visit was holiday. 91.7% of overseas visitors travelled for holiday and 5.6% for business. 57.1% of domestic visitors travelled for holiday and 34.9% for business, while 63.6% of African visitors travelled for holiday and 36.4% for business.

Most (52.1%) of all visitors used cars as their mode of transport, followed by public transport (30.7%). The majority (41.9%) of overseas visitors used cars and public transport (40.1%). 87.3% of domestic

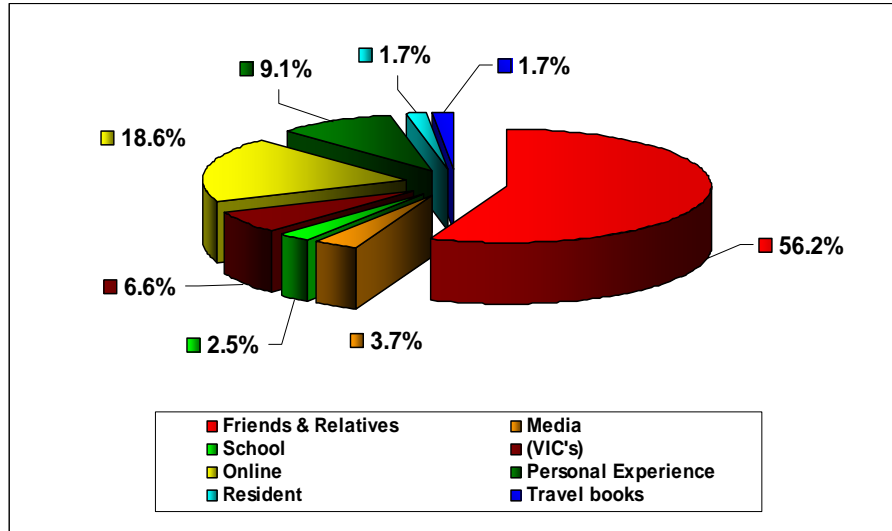
visitors and 45.5% of African visitors also used cars as their primary mode of transport.

Information sources

Friends and relatives (56.2%) consistently ranks top on 'how the visitors hear of the destination.' Word of mouth was followed by the web (18.6%), personal experience (9.1%), and VICs (6.6%). Media (3.7%), schools (2.5%) and travel books (1.7%) were also important sources of information. The majority of respondents across all source markets indicated that their main source of information was friends and relatives. 58.1% of the overseas visitors heard of the destination from their friends and relatives, followed by 19.9% who obtained information from online sources.



Figure 17: Q3 2007 Main source of information



54.5% of domestic visitors' main source of information was friends and relatives, followed by VICs (11.4%). Personal experience (11.4%) emerged as important for the domestic market, illustrating the importance of repeat business from the domestic market. Among the African visitors, 50% obtained their information from friends and relatives and 37.5% online.

Daily budget

The average daily budget for visitors to Cape Town was R682.63. However, the

most common daily budget for this quarter was R300.00.

Asked if they would want to hear from us again, 64.1% of the visitors said they would and 35.9% said they would prefer not to. 53.3% of the overseas visitors indicated that they would like to hear from us again and 46.7% said they wouldn't. 79.2% of domestic visitors indicated that they would like to hear from us again and 20.8% indicated that they didn't.



Repeat visits

Asked if they would visit again 68.4% said they would, 26.8% said maybe and 4.8% said they wouldn't. The majority of visitors across all source markets indicated that they would definitely visit the Western Cape again, illustrating the importance of repeat business to the province. Broken down by market, 61.8% of overseas visitors said they would definitely visit again, 33.3% stated maybe and only 4.9% said they would not visit again. Almost all (94%) of domestic visitors said they would visit again, 2% said they might visit again and 4% said they would not visit again.

General comments about Cape Town

The general comments from almost all (57.5%) visitors, both overseas and domestic, showed Cape Town as a great and wonderful destination. 21.6% could not provide any comments as they had just arrived. Almost all domestic (95%) and

African (85.7%) visitors indicated that Cape Town is an excellent destination.

Cape Town Q3 2007 Lodging Statistics

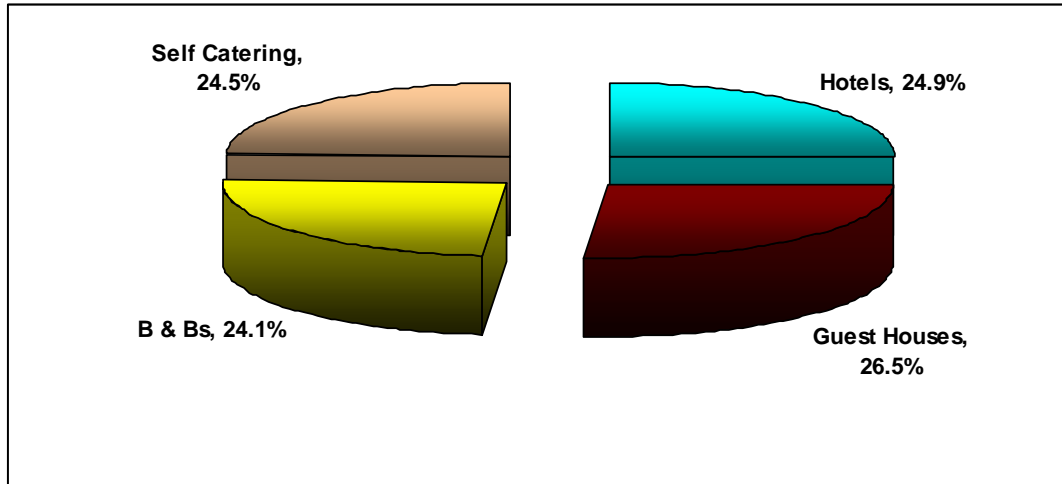
A total of 246 responses were received during Q3 2007. The responses were almost equally distributed across the three Q3 months as follows: 35.4% in July, 32.1% in August and 32.5% in September. All the Cape Town were also, almost equally represented:

- Cape Town-Central: 24.4%
- Cape Town-East: 26.8%
- Cape Town-North: 24%
- Cape Town-South: 24.8%

The most responses (54.3%) were received from 4-star establishments, followed by 3-star (29.3%), 5-star (13.6%) and 2-star (2.9%). Four lodging categories were represented as shown in Figure 18 below.



Figure 18: Represented lodging categories



The overall lodging statistics for Q3 2007 were as follows:

- Average occupancy rate: 55.01%
- Average room rate: R691.67
- RevPar: R380.49
- Forward booking October: 53.4% (as reported in September)
- Forward booking November: 54.5% (as reported in September)
- Forward booking December: 53.8% (as reported in September)

Analysis of the data by Cape Town region showed that Cape Town South achieved the highest average room rate (R949.24) while Cape Town Central achieved the highest average occupancy rate (61.9%). Cape Town East had the highest forward booking rates for every month of the three months after September (Table 3).



Table 3: Q3 2007 Lodging Statistics by Cape Town Region

Cape Town Region/Item	% Occupancy	Ave Room Rate (R)	RevPar (R)	%Forward* booking 1month	%Forward* booking 2months	%Forward* booking 3months
Central	61.91	910.82	563.89	54.05	55.79	50.42
East	55.45	450.76	249.95	62.00	59.00	60.50
North	57.98	478.25	277.29	53.71	46.75	49.33
South	44.46	949.24	422.03	41.00	-	-
All	55.01	691.67	380.49	53.44	54.53	53.81

* September as benchmark month

Analysis of the data by lodging category showed that hotels attained both the highest average room rate (R979.25) and average occupancy rate (57%) for the Quarter, followed by self catering establishments with R849.16 average room rate and 56.96% average occupancy (refer to Table 4 below). The 2007 festive season outlook looked good as most of the establishments were already over 50% booked in September for the Quarter 4 months. Self catering establishments were

already over 60% booked for December in September.

As would be expected, 5-star establishments achieved the highest average room rate (R1370.50), but 3-star establishments achieved the highest average occupancy rate (65%). 4-star establishments achieved an average room rate of R761.18 and 55.2% occupancy (Table 5).

Table 4: Q3 2007 Lodging statistics by Category of establishment

Category/Item	% Occupancy	Ave Room Rate (R)	RevPar (R)	%Forward* booking 1month	%Forward* booking 2months	%Forward* booking 3months
Hotel	57.00	979.25	558.17	56.39	54.11	54.78
Guest House	53.35	542.41	289.37	51.39	47.77	46.20
B & B	51.91	419.00	217.50	45.38	58.31	54.56
Self Catering	56.96	849.16	483.68	60.50	57.86	60.62

* September as benchmark month



Table 5: Q3 2007 Lodging statistics by star-grading

Star Grading/Item	Average room rate (R)	% Occupancy
3-star	476.05	64.95
4-star	761.18	55.18
5-star	1370.50	64.59

Table 6 below, shows how the different lodging categories performed in each region. Hotels in Cape Town Central had both the highest average room rate (R1363.75) and occupancy rate (69.25%) while guest houses achieved both the lowest average room (R677.00) and occupancy (55.36%) rates.

Cape Town North had the lowest average room rates overall. Hotels average room rate for Cape Town North was lower than Guest House average room rates for Cape Town Central and South. While hotels

generally perform the best across all the regions, the results illustrate that different category establishments' performance varies with the region they are in. Self Catering establishments performed better than B & Bs and Guest Houses in Cape Town Central only second to Hotels, but the opposite was true for Cape Town South where Guest Houses performed better than both Self Catering and B & B establishments coming second to Hotels.

Table 6: Regional Lodging statistics by establishment category

Category/Region	Cape Town Central		Cape Town East		Cape Town South		Cape Town North	
	Ave. Room Rate (R)	% Occupancy	Ave. Room Rate (R)	% Occupancy	Ave. Room Rate (R)	% Occupancy	Ave. Room Rate (R)	% Occupancy
Hotel	1363.75	69.25	780.67	46.67	1237.00	44.62	629.67	65.00
Guest House	677.00	55.36	328.00	58.50	775.00	49.67	431.55	47.54
B & B	812.77	61.23	311.25	55.63	329.69	31.92	278.57	58.00
Self Catering	864.00	58.07	433.33	60.00	712.55	50.00	558.08	60.31

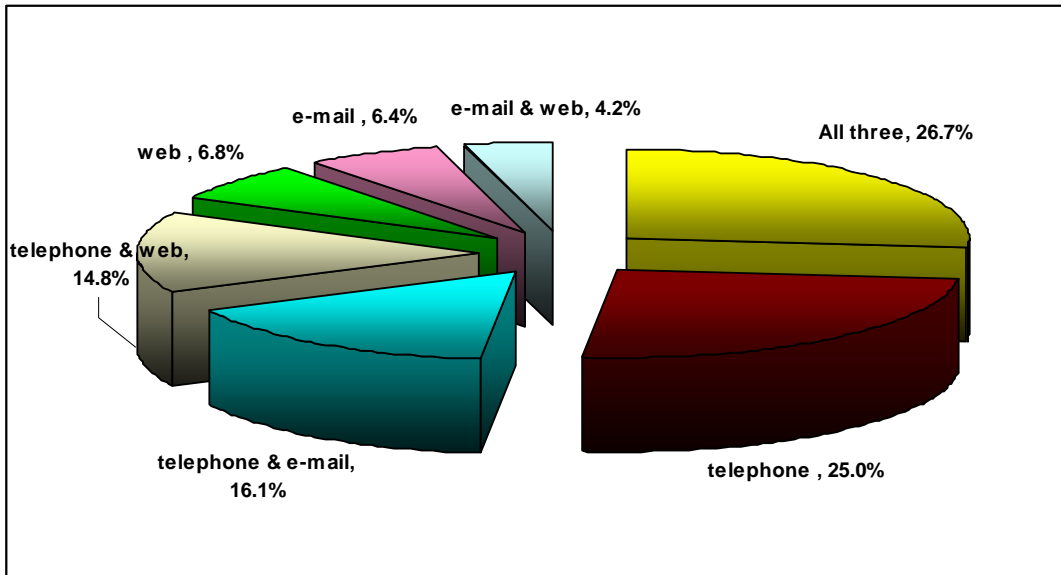


Booking Method

As illustrated in Figure 19 below most of the establishments (26.7%) indicated that the bulk of their bookings were received

through all three channels including telephone, web and email followed by telephone alone (25%) and e-mail alone (16.1%).

Figure 19: Channel through which bulk of lodging bookings were received (Q3 2007)





Q3 2007 CAPE WINELANDS TOURISM TRENDS

There were a total of 252 responses from the Cape Winelands Region in Q3 2007. 64.7% were from Tulbagh and 35.3% from Robertson.

Origin of visitors

57% of visitors to the participating Cape Winelands towns were domestic followed by overseas (39.9%). 2.1% were from the Middle East and 0.4% were African. UK, Germany and the Netherlands were the

top overseas source markets. Of the domestic visitors, 52.7% were from the Western Cape and 29.5% from Gauteng and the rest from the other provinces (refer to Figure 20 below).

Travel Group size and length of stay

The overall average travel group size was four while the most common travel group size was two. 63% travelled in pairs, 10% in fours, 9% in threes and 4% alone (Figure 21).

Figure 20: Domestic visitors' province of origin

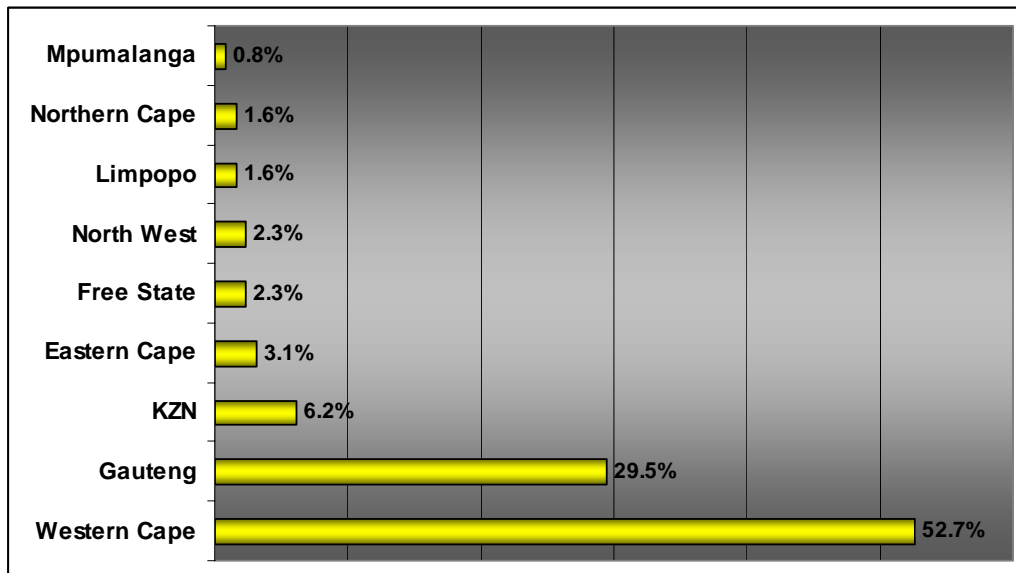
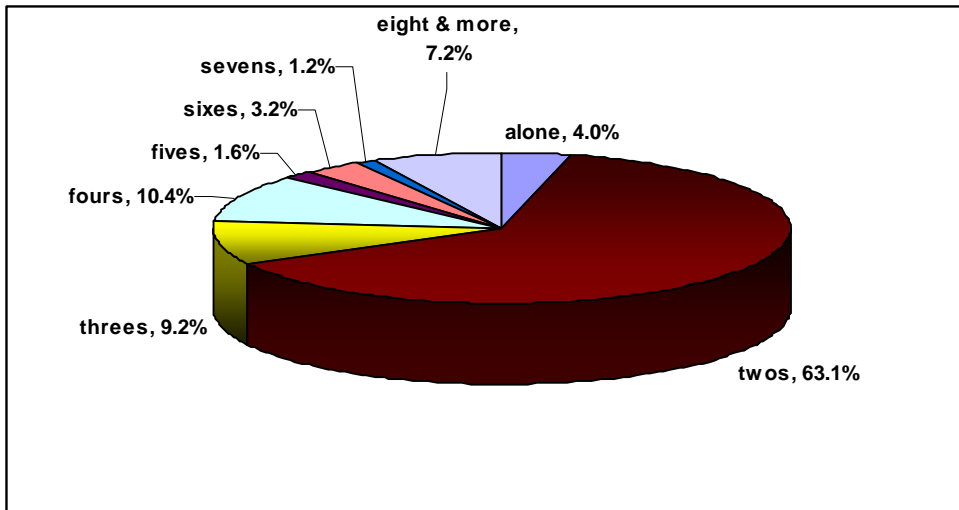




Figure 21: Travel group size



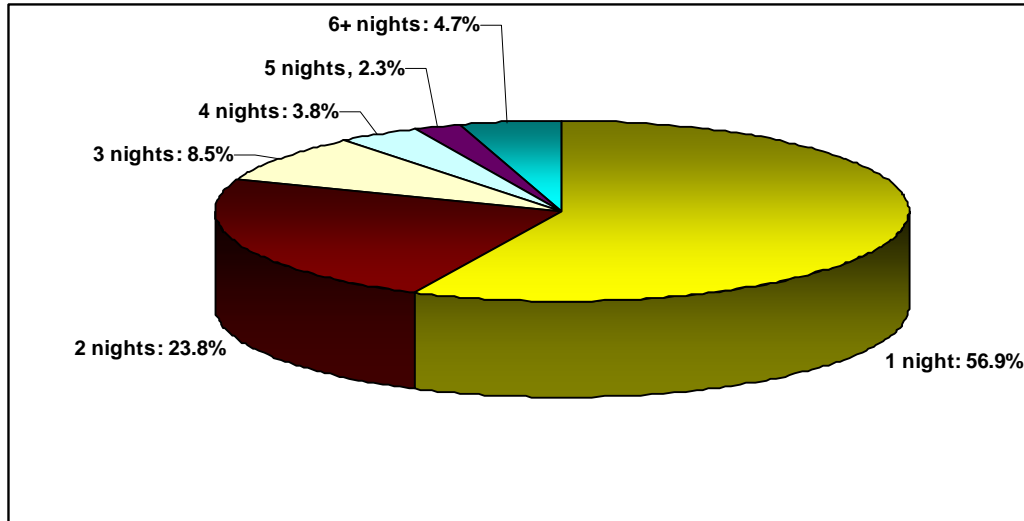
Average travel group size for overseas visitors was four while that for domestic visitors was five.

The overall average length of stay in the respective towns was two nights, however, the most common length of stay was one

night. 56.9% stayed for one night, 23.8% for two nights, 8.5% for three nights and the rest for four nights and over (refer to Figure 22 below)



Figure 22: Length of stay



Overseas visitors' average length of stay was three nights while that for domestic visitors was two nights. Visitors stayed an average of three nights in Robertson and two nights in Tulbagh.

Purpose of visit and mode of transport

The most (93.2%) common purpose of visit was holiday, followed by business (3.8%) and visiting friends and relatives (1.7%) in that order (Figure 23).

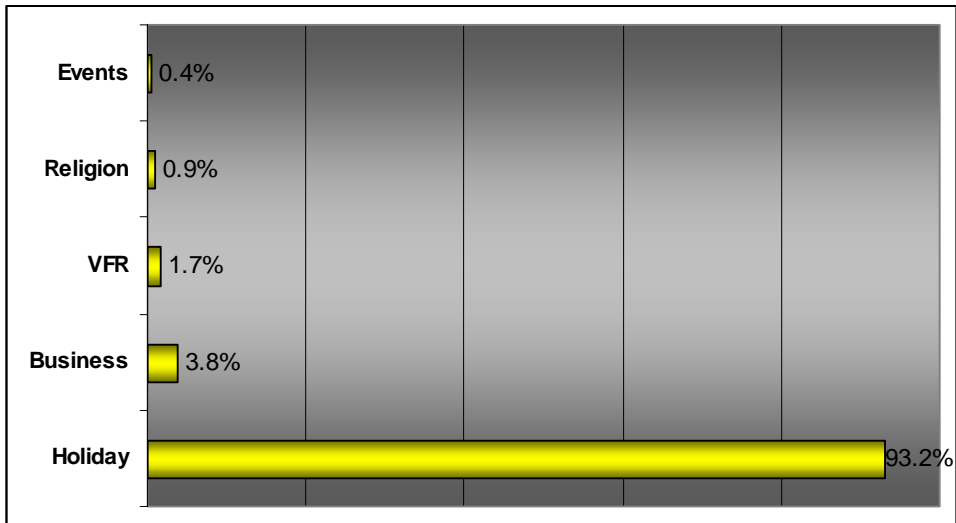
The most common mode of transport was car (93.6%), followed by bus (5.5%).

General comments

The general comments conveyed for Cape Winelands were all positive. 51.5% indicated that it is a great destination, 19.1% said the people were very friendly and helpful and 17.6% indicated that they had a wonderful and fantastic experience in the destination. There were no negative comments at all.



Figure 23: Main Purpose of visit





Q3 2007 REGIONAL TRENDSCAPE KAROO REGIONAL TRENDS

A total of 84 responses were received from the Cape Karoo region in Q3 2007. Information was collected at the visitor information centre in Prince Albert in August (26.2%) and September (73.8%) 2007.

Origin of visitor

The majority (72.3%) were domestic visitors, 26.5% were from overseas and 1.2% were African (excluding domestic) visitors. The top overseas source markets were UK and Germany (4.8% each), Italy and Australia (3.6% each) and France and Canada (2.4% each). Of the domestic

visitors, 50% were from within the Western Cape, 25% from Gauteng, 14.3% from the Eastern Cape, 5.4% from the Free State, 3.6% from the Northern Cape and 1.8% North West as shown in Figure 24 below.

Group size and length of stay

The average and most common travel group size was two. 67.5% of the visitors to Cape Karoo travelled in pairs, 9.6% travelled alone, 8.4% in fours, 7.2% in threes, and 7.2% in groups of five and more. Most of both overseas (63.6%) and domestic (96.5%) visitors travelled in pairs (see Figure 25)

Figure 24: Q3 2007 Domestic visitors' province of origin

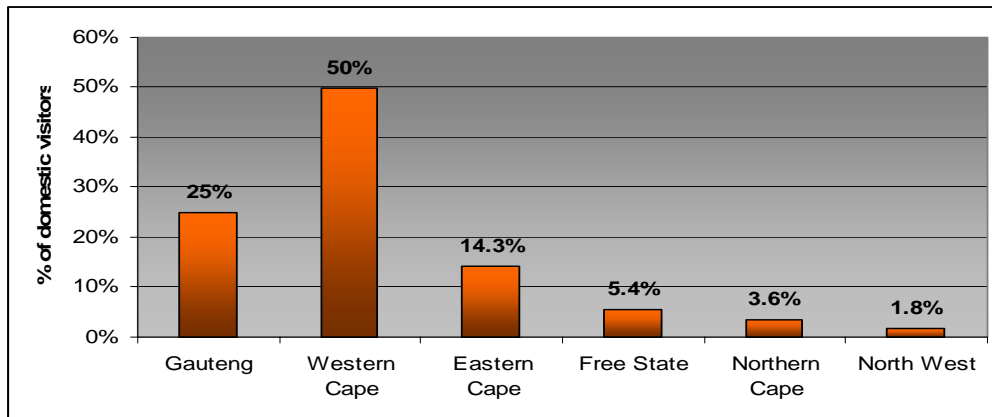
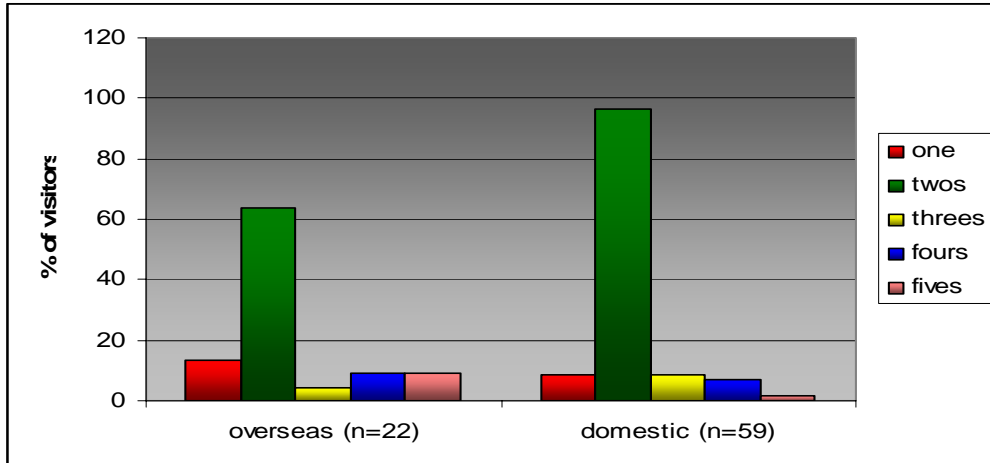




Figure 25: Travel group size

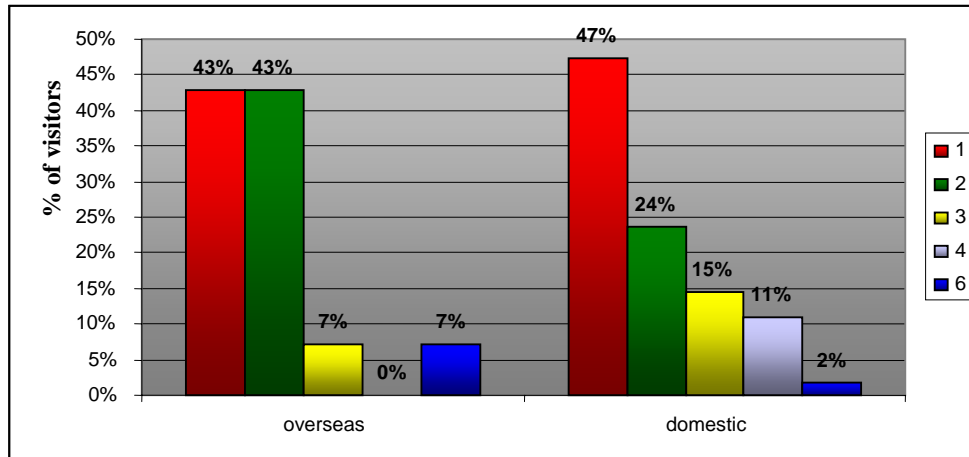


All of overseas visitors and domestic visitors indicated that they were staying overnight in Prince Albert. 47.1% were

staying for one night and 27.1% were staying for two nights.



Figure 26: Length of stay (number of nights)



Mode of transport and purpose of visit

The most common purpose of visit for visitors to Cape Karoo was holiday (91.5%) followed by business and visiting friends and relatives (3.7% each). Car was the most common mode of transport for the majority (98.8%) of visitors.

General comments

Visitors were asked to describe their experience in the Cape Karoo. 62.7% indicated that it's a great destination and 17.9% indicated that they had a wonderful experience. 16.4% said that the people of the destination are very friendly and helpful.



Q3 2007 CAPE GARDEN ROUTE REGIONAL TRENDS

A total of 476 responses were received from various visitor information centres (VICs) from the Cape Garden Route region. Towns that participated were Knysna (1.9%), Uniondale (5.9%), De Rust (19.7%), George (18.5%), Oudtshoorn (51.5%), Mossel Bay (1.9%) and Sedgefield (0.6%). The responses were distributed across the three Q3 months as follows:

- July (34%)
- August (17.6%)
- September (48.3%)

Origin of visitor

The majority of visitors were domestic (54.4%) and 45.6% were overseas. The top overseas source countries were

Netherlands (8.7%), Germany (7.4%), UK, (7%), Belgium (5.7%), Australia (3%) and USA (2.1%).

Most of the visitors in each location were domestic except for Oudtshoorn, for which 62% of the visitors were overseas compared to 38% domestic (refer to Figure 27 below). Most (96.4%) of the visitors in Uniondale were domestic and 3.6% were overseas. Of the domestic visitors most (62.8%) were from within the Western Cape, followed by Gauteng (15.2%), Eastern Cape (13.9%), KwaZulu-Natal (1.8%), and others (Figure 28).



Figure 27: origin region of visitors in each participating Cape Garden Route location

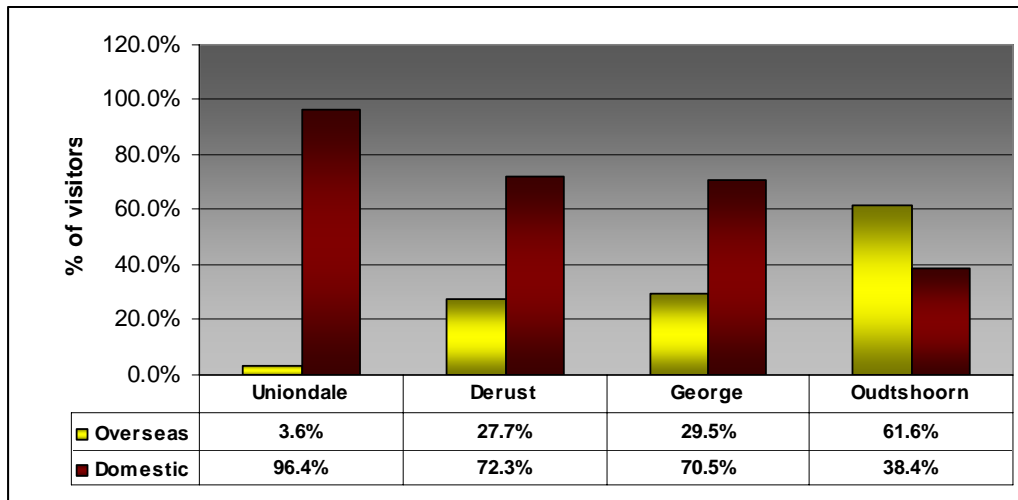
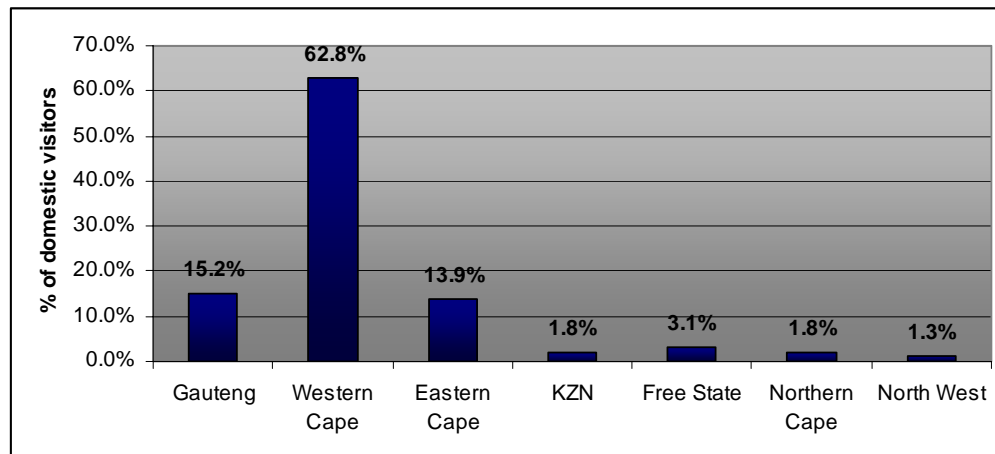


Figure 28: Q3 2007 Domestic visitors' province of origin

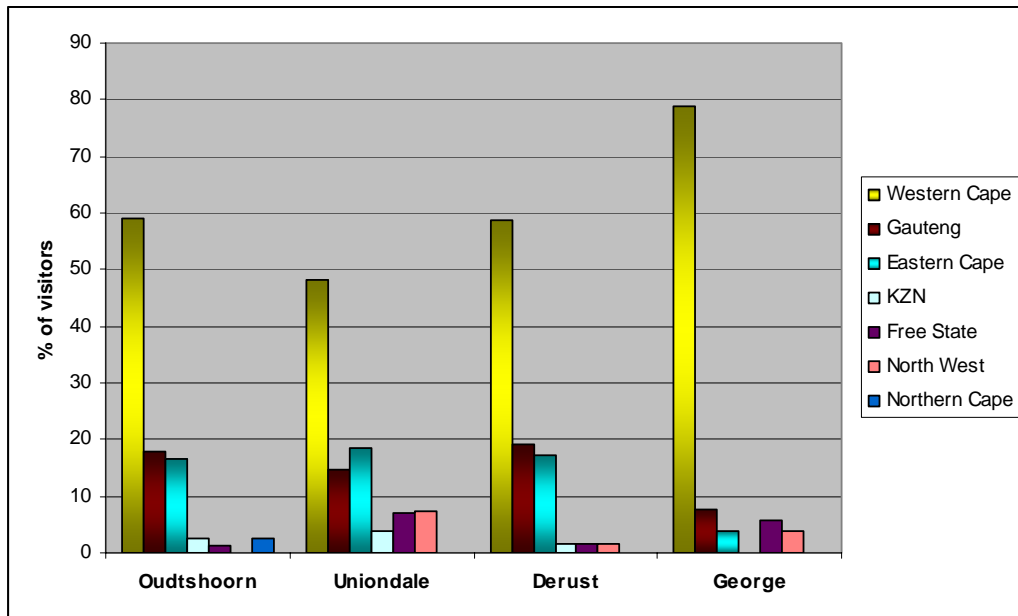


The main domestic source provinces for almost all Cape Garden Route locations were Western Cape, Gauteng and Eastern

Cape in that order, (refer to figure 29 below).



Figure 29: Origin of domestic visitors by participating Cape Garden Route town



Group size and length of stay

The average travel group size was four while the most common was two. The majority of visitors travelled in pairs (55.6%) followed by groups of four (18.1%), alone (8.5%), in threes (7.7%) and groups of five and more (10.1%) (refer to Figure 30).

In figure 31 the travel group sizes by origin region of the visitor are presented. 63.5% of overseas and 48.2% of domestic visitors travelled in groups of two, followed by groups of four, 16% overseas and 19.6% domestics.



Figure 30: Q3 2007 Travel group size

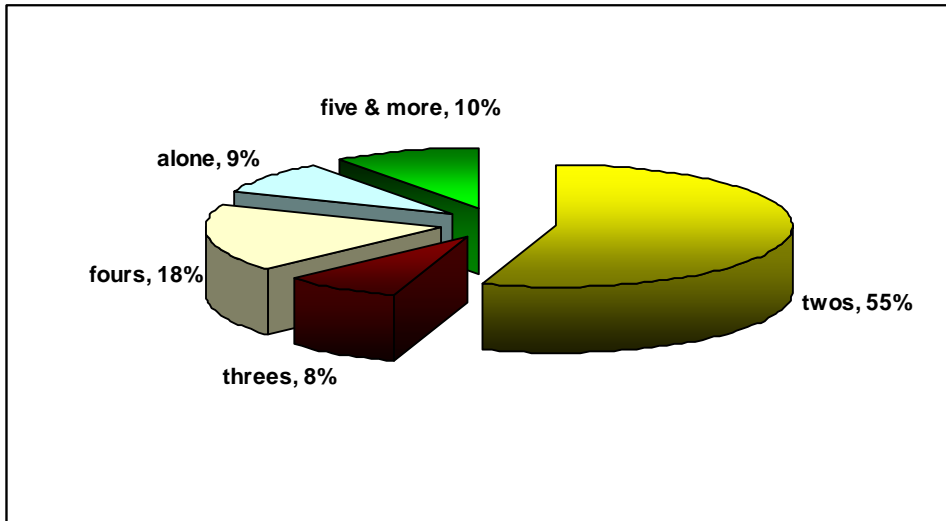
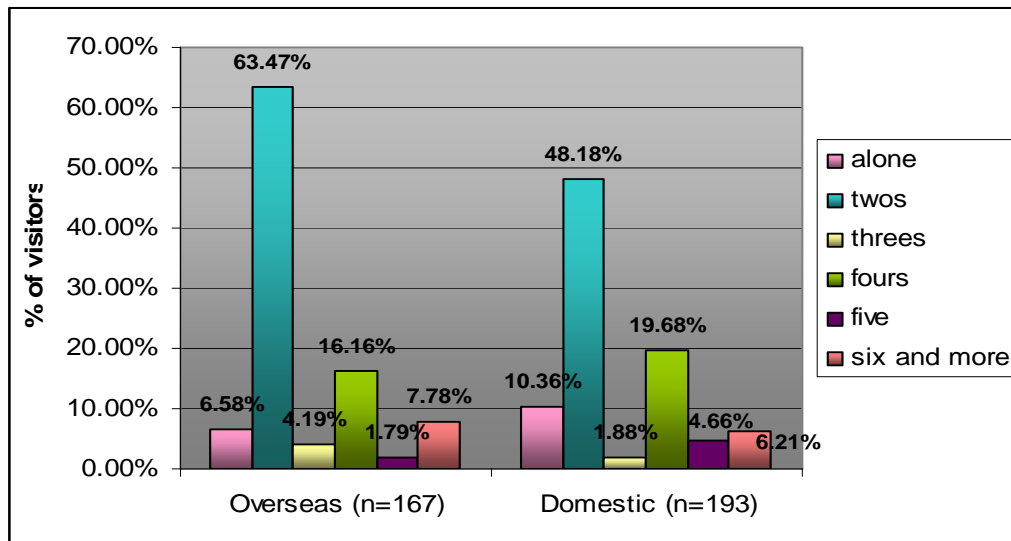


Figure 31: Q3 2007 Travel group size by origin region of visitor

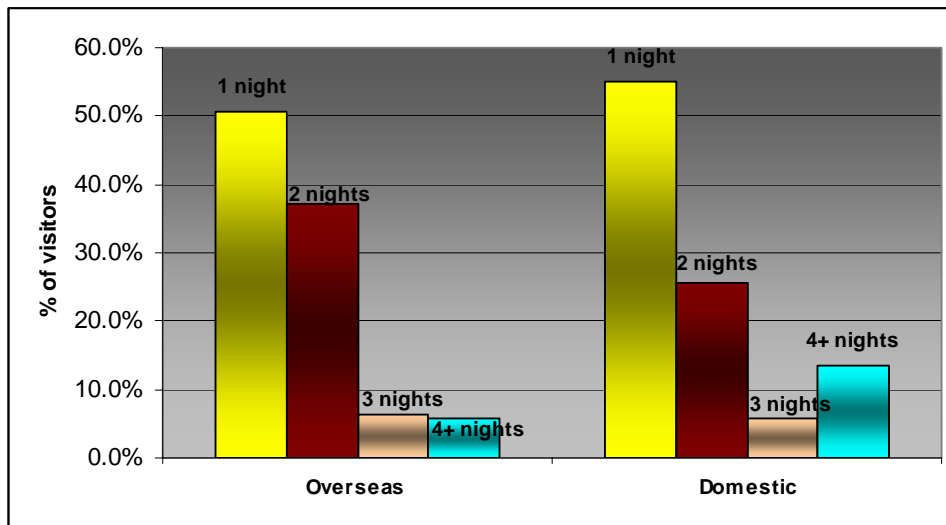




The overall average length of stay in the participating Cape Garden Route towns was three nights. 52.7% of the visitors stayed for one night, 31.8% for two nights, 6.1% for three nights and 9.5% for four

nights and more. 50.6% of overseas visitors and 55% of domestic visitors stayed for one night and the rest for two nights or more (Figure 32).

Figure 32: Length of stay by origin of visitor



Even though the overall length of stay for Cape Garden Route was three nights, analysis by town shows that Knysna and Sedgefield received the highest length of stay of seven nights (Table 7).

Mode of transport and purpose of visit

In Q3 2007 the majority (96.6%) of visitors to the Garden Route travelled by car, followed by bus (1.7%).

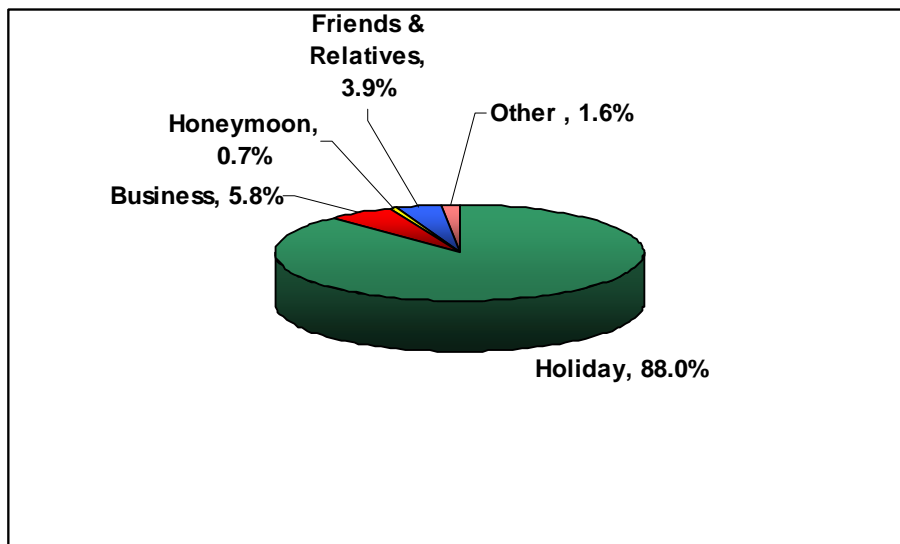
The main purpose for visiting the Garden Route was for holiday purposes (88%). The rest were in the destination for business (5.8%), visiting friends and relatives (3.9%) and honeymoon (7%). 1.6% of the visitors were in the destination for sporting events, conventions and educational purposes (Figure 33). 95.4% of overseas visitors and 81.3% of domestic visitors were in the Garden Route on holiday.



Table 7: Travel group size and Length of stay by Cape Garden Route town

Location of VIC	Average Travel Group Size	Average Length of stay in this town (number of nights)
Knysna & Sedgefield	3	6.8
Uniondale	3	3.2
De Rust	4	1.9
Oudtshoorn	4	2.6
Mossel Bay	3	3.1
All	4	2.6

Figure 33: Q3 2007 Main purpose of visit to the Cape Garden Route





Other places visited

George tourism office asks additional questions including where else the visitors have been to or will visit during their trip. Of the overseas visitors, 40% indicated that they would also visit Cape Town, 10% Johannesburg and 50% indicated that they would also visit Durban during their trip. 11.1% of domestic visitors indicated that they would also visit Cape Town, Durban and Port Elizabeth, while 22% indicated they would also visit Mossel Bay.

47.6% of overseas and 17% of domestic visitors indicated that they were on their way from Cape Town. Immediately after George, 43.8% of overseas and domestic visitors would be on their way to Cape Town while 12.5% of overseas and 16.1% of domestic visitors would visit Knysna.

Age group

33.3% of overseas visitors and 20% of domestic visitors were in the 40-50 years old age group. Almost half were in the over-50 age group.



NICHE MARKET: BACKPACKING

This section discusses Backpacking as a niche tourism market in South Africa. The discussion is based on the findings of the 2006 NEDLAC, Backpacker Tourism sector primary research study.

Background

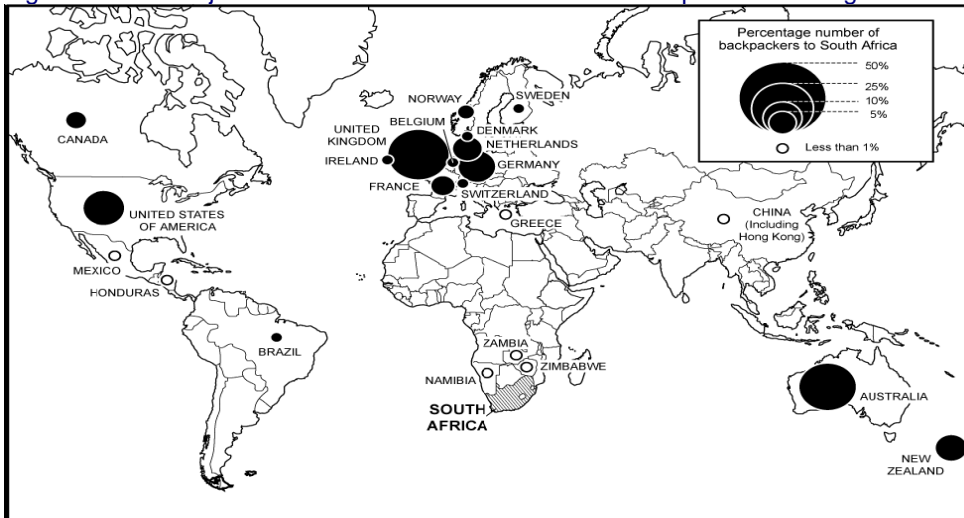
Backpackers are usually travellers, who are highly educated young professionals and students aged between 26 and 35 years of age. This group of travellers are often interested in experiencing different cultures, enjoying social and adventurous activities. Research shows that their key motivation of travel is to explore other cultures (83%), followed by excitement (74%) and increasing knowledge (69%). Backpackers tend to travel independently or with a companion.

There are a number of qualities that differentiate Backpackers from other travellers.

- They have a desire to experience places
- Are cost conscious
- Tend to travel independently
- Prefer budget accommodation
- Place emphasis on meeting other travellers
- Have independently organised and flexible travel schedules
- Travel for a longer period
- Are keen on informal and participatory holiday activities.

Most international backpackers to South Africa are drawn from source countries in Western Europe, Australasia and North America, as shown in figure 34 below.

Figure 34: The Major Source Countries for International Backpackers Visiting South Africa



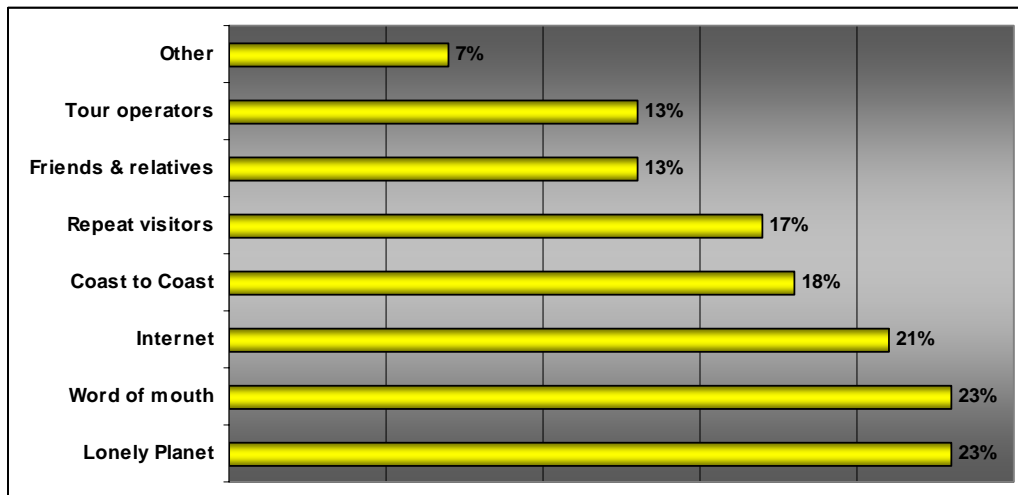
(Source: NEDLAC, Backpacker Tourism Sector Study: Primary Research Report, 2006.)

Information sources and bookings

With regards to travel planning, the internet is the core information source for

backpackers. The graph below illustrates the various sources used by backpackers in planning their backpacking trips.

Figure 35: Information sources for backpackers



(Source: NEDLAC, Backpacker Tourism Sector Study: Primary Research Report, 2006)

The most common channels of bookings by backpackers are: direct bookings with airlines or through the internet and travel agents.

Western Cape, Eastern Cape, KwaZulu-Natal and Mpumalanga. The top 10 backpackers' destinations in South Africa are shown in Figure 36 below.

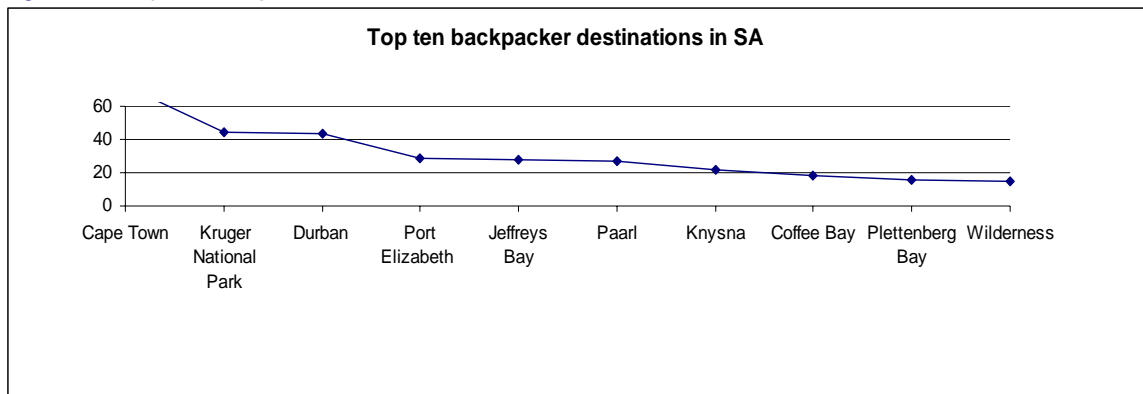
Backpacker destinations

Cape Town is the most imperative point of attraction for international backpackers who visit South Africa. Most international backpackers to South Africa stay at least one night in Cape Town. The average international backpacker visits 3.84 of the country's nine provinces more than other leisure tourists who visit an average of about 1.4 provinces. The most frequently visited South African provinces are: the

Backpackers' lodging

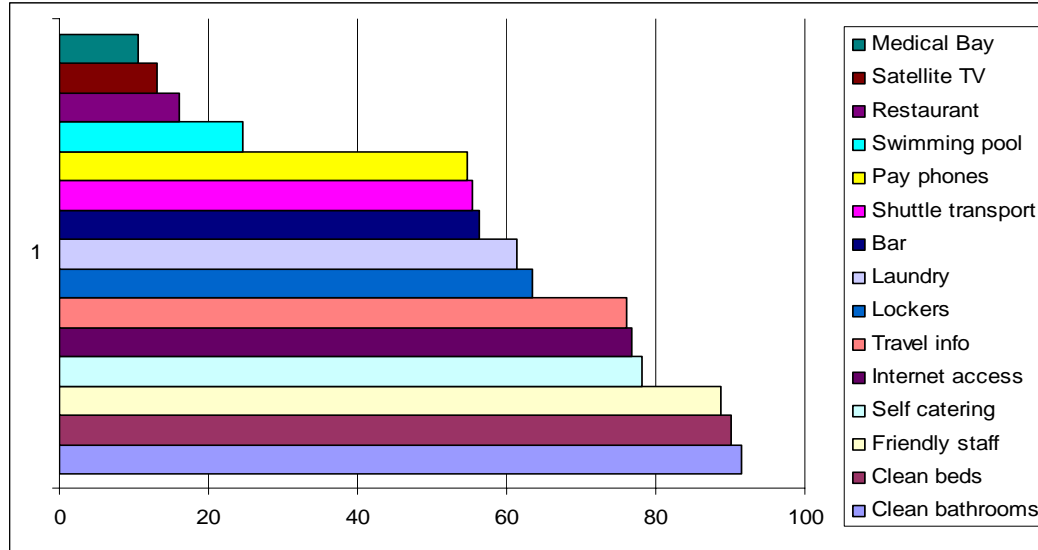
Backpacker hostels are most popular followed by friends and relatives. Clean bathrooms, clean beds, friendly staff and self catering options are major deciding factors for backpackers when selecting accommodation among others (Figure 37).

Figure 36: Top 10 backpacker destinations in SA



(Source: NEDLAC, Backpacker Tourism Sector Study: Primary Research Report, 2006)

Figure 37: Accommodation choice factors for Backpackers

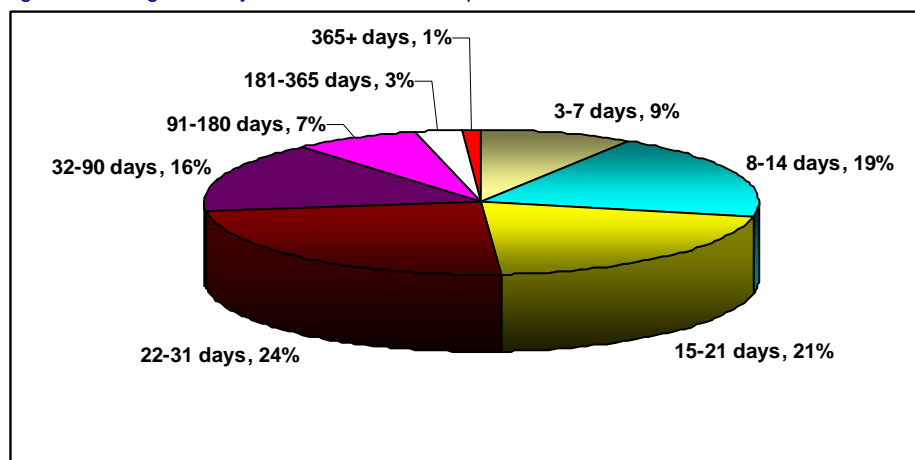


(Source: NEDLAC, Backpacker Tourism Sector Study: Primary Research Report, 2006)

The average total length of stay for backpackers is usually up to 42 days with most backpackers staying between 22 and 31 days. The average length of stay of backpackers in Cape Town is estimated to be between six to seven nights, two nights

in other areas of the Western Cape, two nights across the Eastern Cape, KwaZulu-Natal, Gauteng and Mpumalanga and between one to two nights in other areas. The most common length of stay is between 22 to 31 days (Figure 38).

Figure 38: Length of stay for international backpackers



Transportation

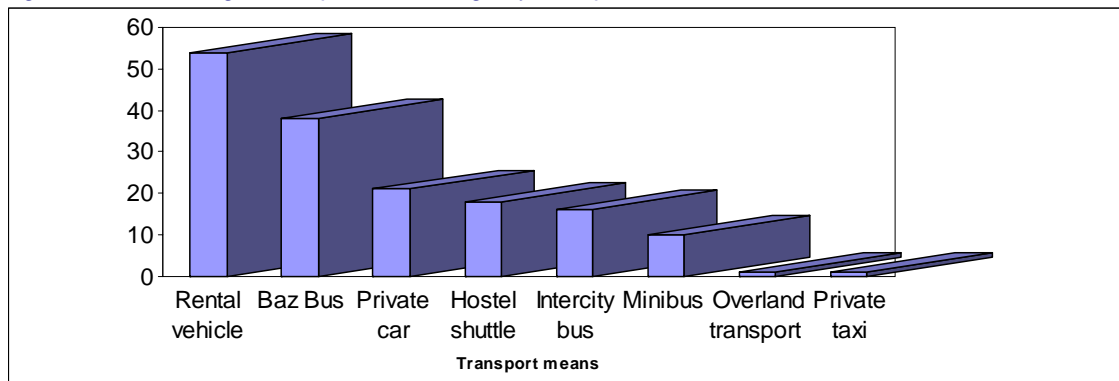
Rental vehicles are the most commonly used means of transport by backpackers. The Baz Bus is also an important means of transport, as well as private cars. Hostel shuttles are also an important means of transport especially in Cape Town and Johannesburg. Figure 39 shows backpacker transport preferences.

due to their young age and inexperience, therefore, they are prepared to save and/or work during their travels to increase their spending power. The average total spend per backpacker in South Africa is R10,294 per trip. The average spend per visitor per day is R388.51. Expenditure on accommodation represents the main cost item, followed by “activities” (refer to Figure 40).

Backpackers’ spend and activities

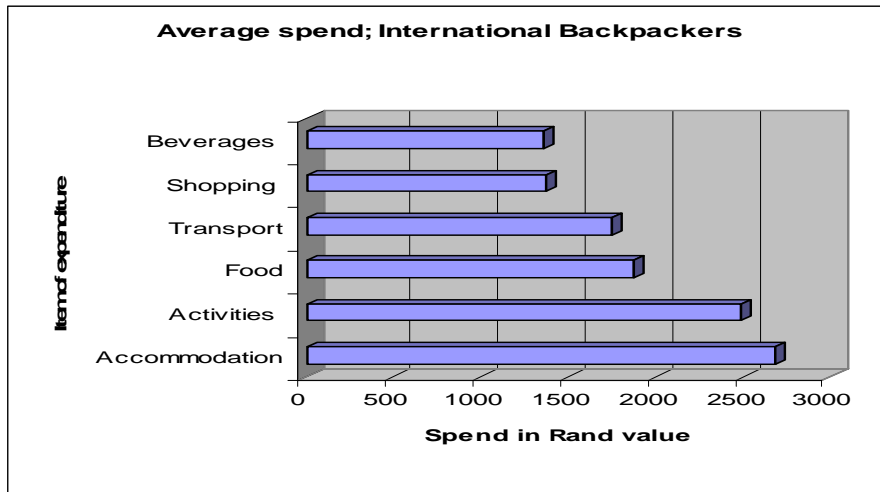
Backpackers’ incomes are normally low

Figure 39: Percentage Transportation Usage by Backpackers



(Source: NEDLAC, Backpacker Tourism Sector Study: Primary Research Report, 2006)

Figure 40: Average spend, international backpackers

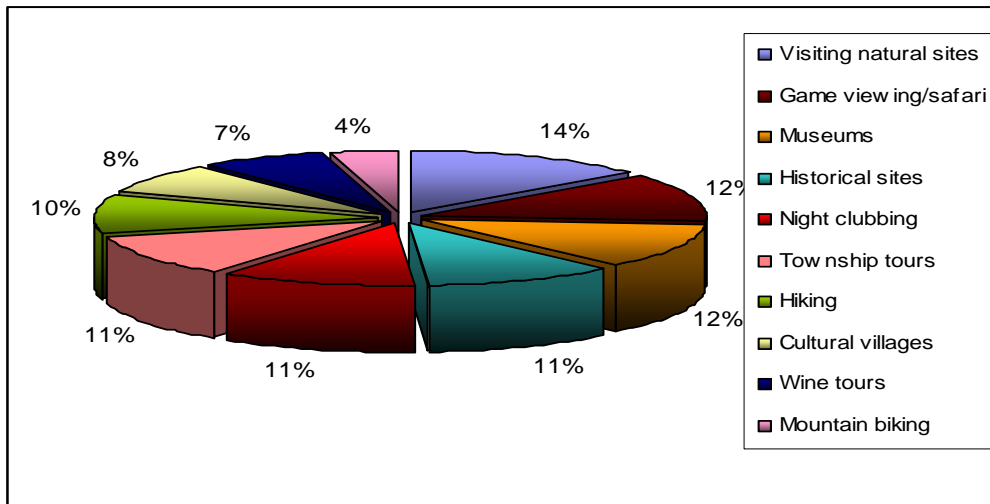


(Source: NEDLAC, Backpacker Tourism Sector Study: Primary Research Report, 2006)

Backpackers are very activity oriented travellers. They participate in adventure tourism activities such as surfing, bungee jumping and sky diving. They also

participate in many other activities including visiting natural, cultural and historical sites, museums and even clubbing.

Figure 41: Major backpacker activities



(Source: NEDLAC, Backpacker Tourism Sector Study: Primary Research Report, 2006)



Backpacking services and products

Most South African backpackers' enterprises are concentrated in the Western Cape, Eastern Cape and KwaZulu-Natal. South Africa's backpackers industry is characterised by a cluster of between 500-600 formal enterprises which are spread across the three various sectors in the industry including: accommodation, travel and tours and suppliers of adventure tour products. Backpacking businesses are mostly owned by individuals, families, partnerships or groups.

There are almost 60 backpacker transportation and tour services of which more than half are located in Cape Town. Outside the Western Cape, the only other significant services are found in Johannesburg and specialist groups of tour operators in Nelspruit, who deal especially with Kruger Park tours. The backpacker market is also serviced by a number of activity-based operators including: mountain-biking, surfing, hiking and horse-riding.

TOURISM REFERENCE PANEL

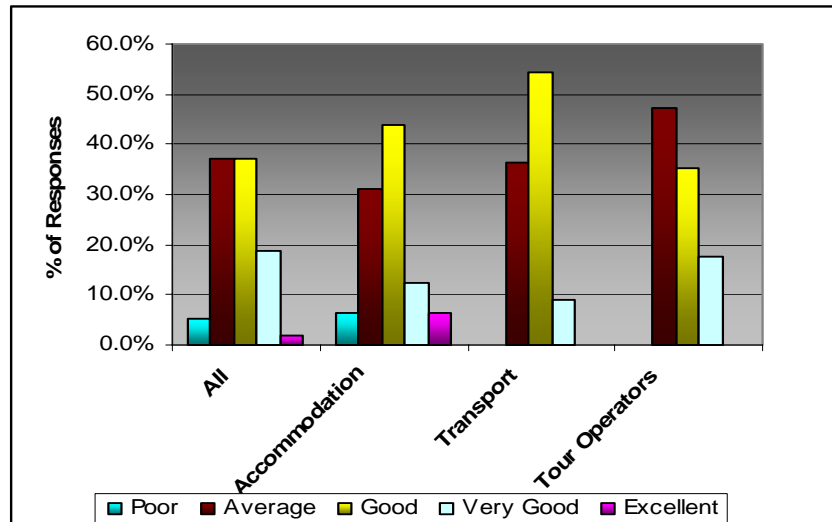
The reference panel is constituted of 150 members from different sectors of the

tourism industry to give informed opinions on the performance and prospects of the tourism industry. The first study with the reference panel was conducted in Q3 2007 to determine industry feeling about tourism performance and expectations for the bumper festive/summer season. A short six-question questionnaire was sent to all 150 panel members and 63 responded representing 42% response rate. Those who responded represented different tourism sectors including: accommodation (27%), transport (17.5%), tour operators (30.2%), attractions (11.1%), regional and local tourism offices (4.8%), retail (1.6%) and other (7.9%).

Rating of Q3 2007 performance

The reference panel rated Q3 2007 performance well with 57.6% rating it as good to excellent (Figure 42). Overall, performance was rated as good, however, about seven percent of panel members from the accommodation sector rated Q3 tourism performance as poor. Of concern were the high percentages of 'average' ratings by panel members from the represented sectors.

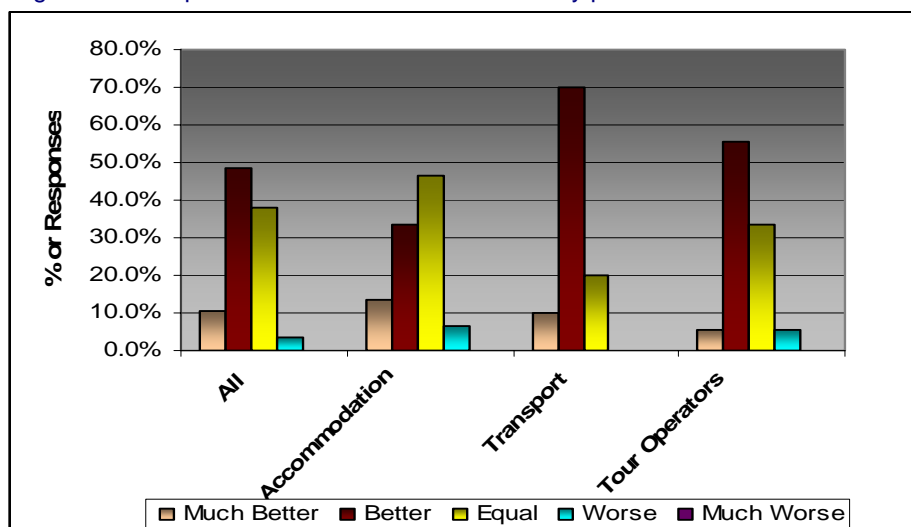
Figure 42: Rating of Q3 2007 performance by panel member sector



In comparison to Q3 2006 almost 60% of the members rated Q3 2007 performance as better and/or much better. However, 53.4% panel members from the

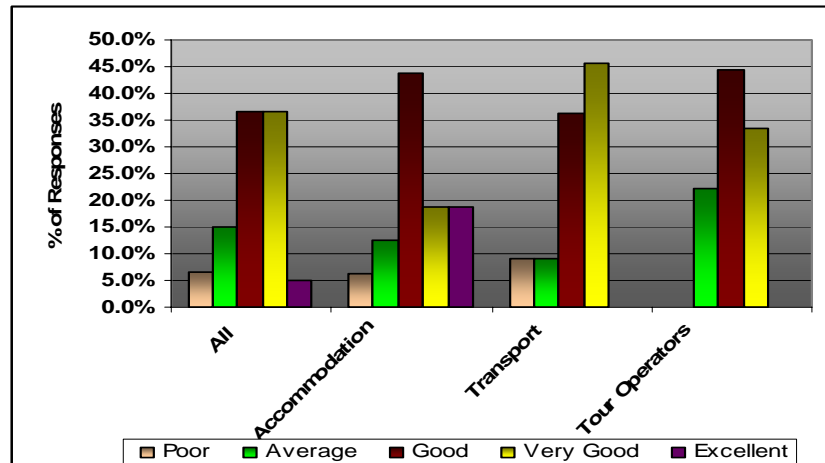
accommodation sector indicated that Q3 2007 was the same as or worse than Q3 2006.

Figure 43: Comparison of Q3 2007 and Q3 2006 by panel member sector



Festive season 2007 outlook

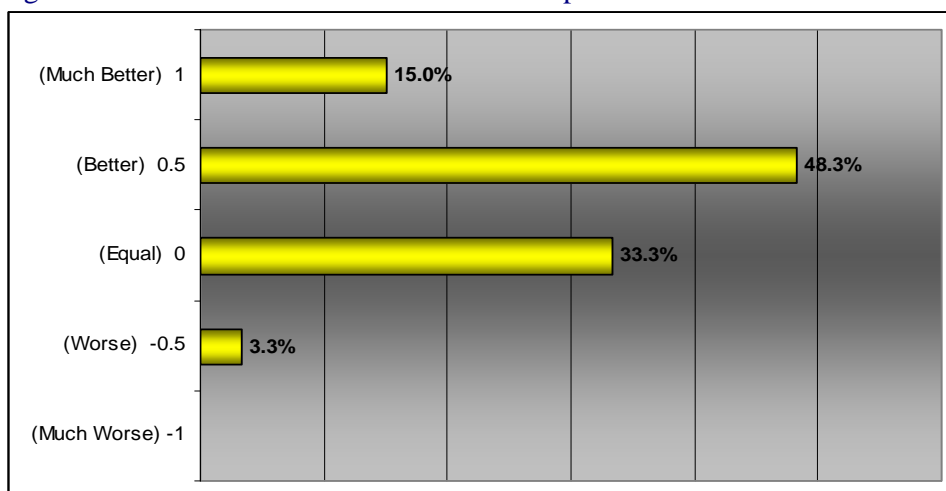
Figure 44: Festive season outlook by panel member sector



The majority (78.4%) of panel members anticipated at least a good festive season. Those in the accommodation sector were anticipating an even better season with about 38% expecting it to be very good to excellent (Figure 44). Most panel members were confident that the festive

season 2007 would be better than that for 2006. 3.3% expected it to be worse, 33.3% the same while 63.3% anticipated it to be better or much better, (Figure 45). The 3.3% who anticipated a worse season were all from the accommodation sector.

Figure 45: Festive season 2007 outlook in comparison to festive season 2006

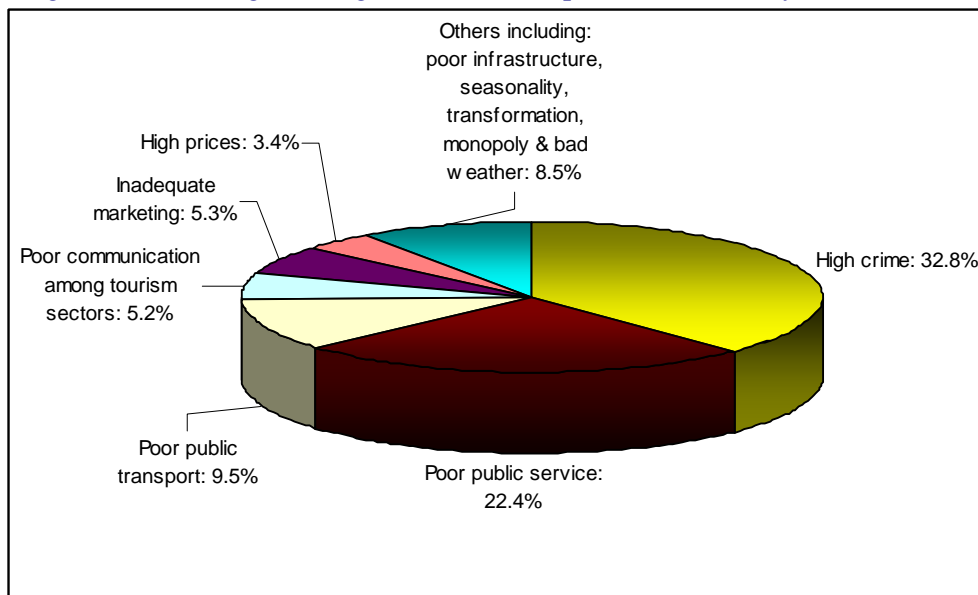


Challenges facing the Western Cape Tourism industry

The reference panel members were asked to give their opinions on major challenges affecting the Western Cape

tourism industry. High crime (32.8%) came out tops followed by poor public service (22.4%), poor public transport (10.3%) and others (refer to Figure 46).

Figure 46: Challenges facing the Western Cape tourism industry



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