

# 2010 overpricing undermines tourism business - SA Tourism

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Airline companies selling flight tickets to the highest bidder, B&B and 'second-class' hotels charging up to R1000 a night for a standard room and one meal at restaurants costing an arm and a leg. Metered-taxi drivers increasing ten-fold the fare of a short distance trip and car rental outlets not budging if you don't cough up.



This is how South Africa will look like during the 2010 World Cup as business owners' expectations to enrich themselves mount with 139 days to go.

"I don't know why people are blowing the issue of overpricing out of proportion," a B&B manager, who declined to be named, told Bizcommunity.com this week.

"We were told to work hard to improve the quality of our products and services to meet FIFA requirements, which is what we did.

## 'What is wrong?'

"What it is wrong if we increase our prices a little bit to recover what we invested. This is not the PSL competition for God's sake, it is the World Cup!"

Downtown Johannesburg, metered-taxi driver Albert Mashashe seemed to echo the B&B manager's sentiments, saying:

"Yes, from April the fare will go up, up, up.

"The people from overseas are coming - people with lot of money who don't mind paying up. Who knows, some might even pay us in dollars or pounds.

"It is normal to charge them a lot because the government said the World Cup is an opportunity for small businesses to

make big money. What is the problem?”

However, this 'greedy' and 'irrational' practice continues to irritate soccer and tourism authorities who are calling on businesses to exercise restraint, saying their overpricing move could scare potential visitors away and undermine tourism in the long run.

An estimated 500 000 visitors (200 000 from Africa) are expected come to SA and spend about R10 billion.

## **Always those out to make a quick buck**

Thandiwe Mathibela, SA Tourism communications manager, told Bizcommunity.com yesterday, 21 January 2010: “It is hard to generalise, but in all major events there will always be people trying to make a quick buck.

“This is why we encourage people to make sure that they use tourism products that have quality assurance.

“The people who are committed to building the tourism sector are aware that exploiting people during large events undermines their own business as it discourages repeat business.”

Local Organising Committee CEO Danny Jordaan said last week: “We already have close to 9.5 million visiting our shores every year because they like our good values, fair prices and service of high quality.

“It will be sad if we were to lose that because of overpricing.”

## **Pleas seem to fall on deaf ears**

Both the SA Tourism and the minister of tourism minister have reportedly discussed the overpricing issue several times at many tourism forums.

But their pleas seem to be falling on deaf ears, as all business-minded people in SA, including sex workers, hawkers and criminals, are said to be 'preparing well' to get a slice of the World Cup's proceedings, regardless of the unintended consequences.

Regarding the 2010 accommodation sector, Mathibela said: “As of October 2009, over 40 000 rooms had been contracted by MATCH.

“Some 30221 of these are hotel rooms, 10274 are non-hotel rooms and 631 are available through SA National Parks facilities. The Department of Tourism has provided an amount of R200 million to assist with the grading of small, medium and micro enterprise (SMME) accommodation.”

It is the first time in the history of the World Cup that FIFA is using non-hotel accommodations such as B&Bs, backpackers and hostelling, caravans and camping, country houses, guest-houses, lodges, self-catering and national parks, she pointed out.

## **ABOUT ISSA SIKITI DA SILVA**

Issa Sikiti da Silva is a winner of the 2010 SADC Media Awards (print category). He freelances for various media outlets, local and foreign, and has travelled extensively across Africa. His work has been published both in French and English. He used to contribute to Bizcommunity.com as a senior news writer.

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