

TBI records below normal performance for SA business tourism in Q1

With the lowest recorded index results, 2018 proved to be the most challenging trading year for the tourism sector since the inception of the Tourism Business Index (TBI) in 2010. Below normal business conditions were recorded across the board for the second half of 2018 and are expected to persist into the first half of 2019.



Image source: Gallo/Getty

The TBI is an initiative of the Tourism Business Council of South Africa (TBCSA) and provides an indication of the current and likely future performance of businesses operating within the tourism sector in South Africa every year.

It is still likely to be significantly below normal performance, where normal performance is calibrated at 100. The last time the industry performed above "normal" levels was in quarter four of 2016.

The major contributors to significantly below normal business performance are due to lack of demand from domestic and overseas leisure tourists as well as lack of domestic business tourism.

[According to the report](#), the performance expectation for the last half of 2018 of the tourism industry was 59.2. However, South Africa experienced a business performance with an index of 69.0 against an index of 100.

This index score is much lower than the overall 72.4 that is forecast for the next period (i.e. January to June 2019) and continues to reflect a pessimistic outlook for the tourism industry at below normal business performance.

When looking at 2019 as a whole, on balance, the accommodation respondents have a negative outlook with 80.4% of respondents anticipating that business performance will get worse in 2019. This is the most pessimistic accommodation operators have been in the last two years.

The accommodation sector forecasts that a lower than normal business performance will persist in the next period with an index of 71.9.

TBCSA's CEO, Tshifhiwa Tshivhengwa, following the release of the TBI report says that the tourism industry has the potential to grow at a faster pace than its current performance.

"The tourism sector's below-par performance mirrors the general downward tendency in business performance across all industry sectors. For example, both the [SACCI Business Confidence Index](#) and the [RMB/BER Business Confidence Index](#), showed a decline in their last reporting periods. We at the TBCSA, are hopeful that once the elections are done and dusted, positive sentiment will return to the South African economy and our sector in particular," says Tshivhengwa.

The TBCSA has been at the front calling for urgent implementation of the e-visa system and visa waivers for various countries to boost tourism.

These measures have been proven to increase overseas arrivals and we believe that the industry will see an increase in international arrivals if the issues around barriers to entry are prioritised.

For more, visit: <https://www.bizcommunity.com>