Coronavirus (COVID – 19) Impact on Tourism

Deputy Director General: Economic Operations | Rashid Toefy
Central Principles about COVID-19

• This is not a **Tourism** issue, this is a **multi-sectoral issue** as no part of the economy will go untouched because of it either being directly linked to Tourism or indirectly as part of supply / experience chains.

• The water crisis was our ‘dry run’ …

• This is not a city or provincial issue, this is a **national issue**. No matter where the infections occur, this impacts **national** image, not just local.

• Measures taken are not about protecting tourists from COVID19 - they are about **protecting all people in Western Cape**.
We are red – as is 95 other countries
• This is not only a **Health** issue, *this is a Safety issue* - both physical safety (the virus itself) and psychological safety (the fear of getting it / those who have it) – this is an invisible threat (as with cyber crime) – hence it instills fear

• We need responsible, fact-based, future orientated communications. The UN says: “*the epidemic is COVID19, the pandemic is Fear.*” Too much information from too many sources can be damaging.

• The only sources of virus status should be:

  1) WHO
  2) National Health authorities
  3) Western Cape Health Authorities
• Decisions around event cancellations are not simply taken by organisers,

• Tourism seasons & levels of activity need to be considered. South Africa is now entering into traditional low season, tourism drop-off expected as with every year. We will see magnified declines until end Q3 which will allow people to understand the declines in context. But the impact will be felt into our peak season and beyond.

• This is going to get worse before it gets better, the next 100 days critical, so we must prepare for the worst while praying for the best
Revised 2020 forecast - international tourist arrivals, world (million)

UNWTO estimates international tourist arrivals could decline by 1% to 3% in 2020 globally, down from a 3% to 4% growth estimated in early January.
The forecasts

Revised 2020 forecast - international tourist arrivals, world (% change)

As of today, factoring the SARS scenario, the size and dynamics of the global travel market, current travel disruptions, the geographic spread of COVID-19 and its potential economic impact, UNWTO estimates international tourist arrivals could decline by 1% to 3% in 2020 globally, down from a 3% to 4% growth estimated in early January.
Flattening the Curve

Source: CDC
3. What can we all do to help flatten the curve

• Social Distancing - practice this consistently and without exception.

• Innovate and Adapt

• Tourism Recovery Taskforce – I will convene such a task force
  • In the coming weeks.
JOC Cluster Structure

CLUSTERS

5. Education & Social

4. Economy, Tourism & Business

2. Government Business Continuity & advisory Services

1. Health

3. Safety & Security

6. Communication

7. Transport and Logistics
The three stages of our economic approach to achieve our goal:

**STAGE 1**: Containment

**STAGE 2**: Adaptation

**STAGE 3**: Recovery
4. Impact on the economy

- **What sectors are most vulnerable?** *(Impact on demand & supply side of the economy)*
  a) Tourism & Travel
  b) Events (Sporting, Leisure and MICE)
  c) Logistics
  d) Manufacturing
  e) Services (Retail, Finance, ICT)
  f) Agriculture

- **Impact on the performance of the Western Cape economy:**
  a) GDP
  b) New Business Sales
  c) Employment

**Other key impacts:**
 a) Impact on the financial markets
 b) Impact on investment and investor confidence
 c) Debt levels
5. Goal & Objectives of Economic Cluster

Goal
Resilient Western Cape economy

Objective #1
Provide Business Continuity support to the economy at each phase

Objective #2
Business adaptation through partnerships

Objective #3
Reputation Management through responsible leadership

Objective #4
Align communications with experts
Economic Cluster response to COVID-19

CLUSTER STRATEGIES

1. Impact IQ Dashboard
2. Communication
3. Sector Support
4. Business Continuity Support
5. Adaptation & Innovation

SUB-CLUSTERS

- Conference & Events
- Travel & Tourism
- Agriculture
- Manufacturing
- Services Sectors
Central Principles about COVID-19

• We will get through this, and **Tourism is part of the solution**. The more Tourism is built into recovery plans, the more rapidly confidence will grow in travel and therefore reactivation of the industry itself.

• Demonstration of wide scale health & safety response does not come through showcasing washings or the smell of bleach/santiser etc - it comes from **clear, confident yet personally connecting communications** re. steps being taken to care for the health and wellbeing of all citizens.

• **Reputation management** is key.
Impact on Major source markets

[Map showing various air routes and destinations with airline logos and cities like Paris, Amsterdam, London, Frankfurt, Dubai, and others.]
Partners in tourism safety communication campaigns
Contact Us

RASHID TOEFY
DEPUTY DIRECTOR GENERAL: Economic Operations

Tel: +27(0)21 483 9291  Cell: +27(0)21 483 5399
Email: rashid.toefy@westerncape.gov.za
www.westerncape.gov.za
80 St Georges Mall, 10th Floor, Waldorf Arcade, Cape Town, 8000