



Recreation Industry in South Africa

Industry Profile
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Executive Summary

- The Recreation Industry is one of the more cyclical sectors. Products and services that are identified with this industry are generally discretionary in nature. Thus, during times of economic prosperity sales and earnings generally flourish. On the other hand, when times are tough, and consumers' pocketbooks stay closed, bottom lines tend to flounder.
- North America was the largest region in the global recreation market, accounting for 33% of the market in 2018. Western Europe was the second largest region accounting for 28% of the global recreation market. Africa was the smallest region accounting for 2% of the market.
- South Africa has a National Sport and Recreation Plan (NSRP) which is an eight-year sustainable implementation plan for the sport and recreation policy framework as captured in its White Paper. Whilst it is envisaged that the White Paper will remain relevant until 2019, the NSRP will be closely monitored annually to identify any hindrances which may negatively impact on implementation. It will be reviewed in 2020.
- South African Government's recreation policy is based on four key principles:
 - Recreation development must be demand-driven and community-based
 - Recreation participation is a fundamental right
 - Equitable resource allocation
 - Coordinated effort and integrated development

Industry Overview

- The global leisure travel market size was valued at \$1,006.5 billion in 2019, and is projected to reach \$1,737.3 billion by 2027, registering a CAGR of 22.6% from 2021 to 2027. By traveler type, the group segment garnered the highest leisure travel market share in 2019 and is expected to retain its dominance throughout the forecast period. Asia-Pacific dominates the market and is expected to grow with a CAGR of 24.1% during the forecast period
- The 2018 contribution of the tourism sector in South Africa, directly accounted for 2.8% of real GDP, which amounts to R139-billion and this was projected to grow to R145.3-billion for 2019. The indirect contribution of the tourism sector to the economy's GDP in 2018 stood at an even higher 8.2%, which captures the strong economic links to the supply and demand side that the sector has with other sectors of the South African economy.
- The hospitality industry in South Africa is emerging with rising number of travelers who are visiting the country for business and leisure purposes. The country has been on the top tourist destinations in the African continent with approximately 10.5 million arrivals recorded in 2018 which was 1.7% growth over 2017. Domestic travel is also on the rise in South Africa and recorded around 6 million visitors in 2018.
- Growth in foreign tourism dropped to 1.7% in 2018, down from the 2.4% gain in 2017 and the 12.8% increase in 2016. The slowdown in large part reflected concerns about the drought in Cape Town and the possible approach of Day Zero when Cape Town would run out of water. It turned out that citizens of Cape Town did a remarkable job in conserving water, reducing city usage per day to 507 million litres in 2018 from 600 million litres in 2017. That effort, together with the good rains in 2018 helped avert Day Zero, however the drop in tourist numbers was felt throughout the rest of 2018 and early 2019.
- Another development in 2018 was the increase in tourism from Africa, which offset declines from Europe and Asia-Pacific. More flights and visa waivers that went into effect in late 2017 made it easier for people in the rest of Africa to visit South Africa. The number of visitors from Africa rose 3.0% in 2018, while visits from Europe fell 2.5% and Asia-Pacific was down 1.9%. Declines from the UK, Germany, France and the Netherlands contributed to the drop from Europe, while India, China, and Australia posted decreases from Asia-Pacific.
- Of the African countries, the largest number of foreign visitors to South Africa in 2018 came from Zimbabwe at 2.2 million, followed by Lesotho at 1.7 million and Mozambique at 1.4 million. Of the visitors from the Southern African Development Community (SADC) countries, Lesotho, Namibia, Zambia, Tanzania and Seychelles each recorded declines in 2018. Angola, DRC, and Malawi each recorded double-digit increases in 2018 with Zimbabwe up 8.3%. The total number of visitors from the SADC countries rose 3.0%.
- Visits from East and Central Africa fell 1.3% in 2018 as the market was characterised by large swings, both positive and negative. Double-digit decreases from Gabon, Congo, Djibouti and Réunion, offset double-digit increases from Rwanda, Comoros, Central African Republic, and São Tomé and Príncipe, while visits from Somalia nearly tripled in 2018. Kenya, the leading source of visitors to South Africa from that region, rose 0.9% in 2018.
- On a percentage basis, visits from West Africa recorded the largest gain in 2018 with a 6.3% increase. Nigeria, the largest source of visitors to South Africa from that area, rebounded in

2018 with a 5.6% increase. Ghana was up 18.6% and Côte D'Ivoire rose 9.7%. Visa problems that curtailed visits in 2017 were largely alleviated in 2018.

- Domestic tourism rose 4.6% in 2018, up from the 4.2% increase in 2017 and the largest gain during the past five years, helped by the cost of domestic travel coming down as flights have been added. Going forward, a somewhat healthier economy will have a positive impact on domestic tourism. We expect the recent trend in domestic travel to continue with a projected 4.7% compound annual increase over the next five years. The number of domestic travelers will rise to an estimated 7.50 million in 2023 from 5.97 million in 2018.

Stadiums in South Africa

- South Africa is among the African countries with the largest stadiums. At the moment, the nation has more than 15 magnificent arenas with considerable capacities. Often, they are used for sports events and social gatherings. There are 70 stadiums which has a capacity to accommodate more than 10,000 people.
- South Africa has invested heavily in developing its sports facilities. The capacities of some of these stadiums are commendable. Most of them are strategically built in major towns for easy accessibility. Perhaps, this explains why FIFA settled for South Africa in 2010 to be the host of the World Cup.

Top 15 Stadiums in South Africa

Stadiums

First National Bank Stadium/ Soccer City

FNB Stadium is the biggest sports ground in the country and African continent. It is located in Johannesburg. The arena is under the management of Stadium Management South Africa (SMSA). For a long time, the venue has been considered to be the home of the Kaizer Chiefs F.C and SA national team, Bafana Bafana.

Capacity – 94,736

Ellis Park Stadium

It is the second biggest arena after Soccer City. It is located in the country's capital city, Johannesburg. The arena is home to the Lions and Golden Lions rugby union teams.

Capacity – 62,567

Mmbatho Stadium

The arena has the same capacity as Phakisa Freeway and Odi Stadiums. It is located in North West province, Mahikeng. Its location makes it a perfect destination for training, especially by North-West University students.

Capacity – 60,000

Moses Mabhida Stadium

It is located in KwaZulu-Natal province in Durban. The sports ground is home to the Amazulu team. Currently, Moses Mabhida capacity is 56,000. The arena hosted seven FIFA World Cup matches, including the semi-finals. Moses Mabhida Stadium capacity can be upscaled to 85,000 to facilitate the Olympic Games.

Capacity – 56,000

Cape Town Stadium

The arena is used for both football and rugby games. It was purposely built for the 2010 FIFA World Cup. Initially, the sports ground was supposed to be named Green Point arena. Cape Town Stadium capacity saw it host several World Cup matches. It is located in Cape Town.

Capacity – 55,000

King Park Stadium

This one is amongst the oldest but yet classic. It is based in Durban. The sports ground has been the home of Cell C Sharks. It is majorly used for Rugby games.

Capacity – 52,000

Loftus Versfeld Stadium

It was previously known as Minolta Loftus then later Securicor Loftus. It is under the management of the Blue Bulls Rugby Union.

Capacity – 51,762

Newlands Stadium

DHL Newlands is another iconic sports arena with a commendable capacity. It is located in Cape Town. The arena is managed by Western Province Rugby Union. The arena is popularly known as the home of the Stormers.

Capacity – 51,100

Nelson Mandela Bay Stadium

This world-class arena is based in Port Elizabeth, Eastern Cape. The arena is owned and operated by Nelson Mandela Metropolitan Municipality and Access Facility and Leisure Management Limited respectively. Its current tenants include the Chipa United, Southern Kings, and Eastern Province Elephants.

Capacity – 48,459

Royal Bafokeng Stadium

It is among the best sports grounds in South Africa located in R55 Sun City Road, Phokeng. In 2013, it hosted the 2013 AFCONs. Often, it is used as a home ground of the Platinum Stars. Like the Giyani Stadium, this arena can be used to host different events.

Capacity – 42,000

Peter Mokaba Stadium

This one is located in Polokwane, Limpopo. It is mainly used for soccer and rugby sports. Its capacity was reduced from 45,500 to 41,733 in 2010 to meet FIFA's standards. Its present tenants are Limpopo Blue Bulls, Baroka F.C, and Polokwane City F.C

Capacity – 41,733

Mbombela Stadium

It is located on 1 Bafana Road, Mpumalanga province, Nelspruit. The ground is under the ownership of Mbombela Local Municipality. Also, the sports ground is operated by Platinum Sport. Since 2010, the arena has been the home ground for the Pumas.

Capacity – 40,929

Free State Stadium

This is another sophisticated arena in the country. It hosted the 1995 Rugby World Cup. Similarly, it was among the sports grounds selected in 2010 for the FIFA World Cup. It is located in Bloemfontein and mainly put into use by teams such as the Cheetahs, Free State Cheetahs, and Bloemfontein Celtic F.C.

Capacity – 40,911

Orlando Stadium

The Orlando Stadium capacity makes it a perfect destination for soccer games. The sports ground is home of the Orlando Pirates F.C. It is located in Soweto, Gauteng province.

Capacity – 40,000

Johannesburg Stadium

The arena was purposely built for athletics events. However, it can host other sports activities such as rugby and football. It is located in Doornfontein, Johannesburg. It is both a training ground for the Golden Lions and Lions rugby union teams.

Capacity – 37,500

Top 20 Largest Stadiums in Africa Ranked

Stadiums	Country	Capacity
Soccer City	South Africa	94,736
Borg El Arab Stadium	Egypt	86,000
Stade des Martyrs	Dr Congo	80,000
Stade 5 Juillet 1962	Algeria	80,000
Cairo International Stadium	Egypt	74,100
Stade Mohammed V	Morocco	67,000
Stade Moulay Abdellah	Morocco	65,000
June 11 Stadium	Libya	65,000
Ellis Park Stadium	South Africa	62,567
Bahir Dar Stadium	Ethiopia	60,500
Abuja Stadium	Nigeria	60,491
Stade Olympic de Rades	Tunisia	60,000
Tanzania National Main Stadium	Tanzania	60,000
Stade Leopold Senghor	Senegal	60,000
Moi Internal Sports Centre	Kenya	60,000

Heroes National Stadium	Zambia	60,000
National Sports Stadium	Zimbabwe	60,000
Odi Stadium	South Africa	60,000
Stade 19 Mai 1956	Algeria	56,000
Cape Town Stadium	South Africa	55,000

Amusement/Theme Parks in South Africa

- Amusement Parks market size is set to grow at a CAGR of 6.2% during 2020-2025, projected to reach \$72.44 billion by 2025. Amusement parks play a vital role in the global entertainment and leisure industry. These recreational facilities offer a wide variety of entertainment options and act as a one-stop-shop leisure and entertainment solution which flourishes as a key tourist attraction source for revenue generation. Therefore, it is majorly driven by the rising headcount of retired baby boomers, who are devoted to recreation and leisure spending. Additionally, the growing international tourism has been representing a lucrative consumer cluster for theme parks and marine parks.
- South Africa has led the way in Africa's amusement parks with elaborate parks, home to hair-raising roller coasters, in Johannesburg and Cape Town.

Top 10 Theme Parks in South Africa

Theme Parks	City/Province
Sun City	Gauteng
Gold Reef City	Johannesburg
Ushaka Marine World	Durban
Adventure Land	Plettenberg
Plett Puzzle Park	Plettenburg
Splash Water World	Kwazulu Natal
WavePark GetAway	Durban
Cool Runnings	Cape Town
Big Rush	Durban
Acrobranch	Cape Town

Museums in South Africa

- South Africa, home to the Cradle of Humankind World Heritage site, has a rich social and cultural history dating back to the world's earliest human settlements.
- More than 300 museums all over the country reflect this heritage in a range of places – from elegant 18th century homes to caves in majestic mountain ranges, cultural villages in rural settings to state-of-the-art buildings in major cities.
- Visitors can find exhibits both conventional and eccentric on every conceivable topic – from beer to beadwork, from fashion to food.
- New additions are those reflecting the apartheid era, and commemorating those who fought and died in the cause of establishing a democratic country.
- The flagships of these cultural sites are the country's national museums:
 - South African Museum – Cape Town
 - Robben Island Museum – Cape Town
 - National Museum – Bloemfontein
 - Anglo-Boer War Museum – Bloemfontein
 - Ditsong National Museum of Cultural History – Pretoria
 - Ditsong Museum of Natural History – Pretoria
 - Ditsong National Museum of Military History – Johannesburg

Earnings in the Sector

- A person working in Recreation and Sports in South Africa typically earns around 25,400 ZAR per month. Salaries range from 10,200 ZAR (lowest average) to 51,000 ZAR (highest average, actual maximum salary is higher).
- The median salary is 25,900 ZAR per month, which means that half (50%) of people working in Recreation and Sports are earning less than 25,900 ZAR while the other half are earning more than 25,900 ZAR.
- Generally speaking, employees having experience from two to five years earn on average 32% more than freshers and juniors across all industries and disciplines.
- Professionals with experience of more than five years tend to earn on average 36% more than those with five years or less of work experience.
- As you hit the ten years mark, the salary increases by 21% and an additional 14% for those who have crossed the 15 years mark.

- Average Salary comparison by city;

City	Average Salary
Bloemfontein	24,700 ZAR
Cape Town	29,600 ZAR
Durban	28,300 ZAR
Johannesburg	27,200 ZAR
Port Elizabeth	25,700 ZAR
Pretoria	26,700 ZAR

Key Trends

Ethical Practices

The views of international tourists on animal interactions are changing. Given that wildlife is an important sector of South Africa's tourism industry, it is important to note that international tourists are asking questions about the welfare of animals and the appropriateness of animal interactions.

In response to this changing view, SATSA has launched a guide and tool for evaluating captive wildlife attractions and activities. The guide and tool provide key questions that could be asked of the captive wildlife attraction and activity, which will allow the tour operator and tourist to make their own decision on whether the attraction and activity is ethical.

Opportunities

Pan Africa Focus

From museums and theme parks to game reserves and aquaria, attractions form the backbone of the African tourism industry. Until now, however, the continent has had no dedicated attractions association - but that is about to change. A key focus of the fifth Attractions Africa conference will be the creation of a continental attractions association in partnership with the International Association of Amusement Parks and Attractions (IAAPA).

Attractions Africa brings together industry leaders, attractions professionals and operational staff to talk about the business of running attractions: defining the wide array of facilities on offer, benchmarking best practice and sharing innovation. It is Africa's only such forum.

Rising Tourism Sector

South Africa has been gaining more significance as the leading convention destination in the continent as Cape Town which is known as the Events Capital of Africa was listed as one among the top-50 convention cities across the globe. The South Africa National Convention Bureau saw the opportunities for improvement and established a Bidding Support Programme in 2016 to attract conventions to South Africa and 94 bids for conventions over April 2017 to March 2018 period to expand meetings, incentives, conferences and exhibitions (MICE) sector to contribute to growth in

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international tourism. Though the growth in foreign tourism dropped to 1.7% in 2018, which was down from the 2.4% gain in 2017 but managed to attract more tourist arrivals in 2019 and is forecasted to continue in the future years.

Growing KPIs Attracting More Investments

South Africa has been recording dynamic key performance indicators from the past five years. The average daily revenue growth averaged for 7.9% compounded during 2017 and 2018, the average room rate edged up 1.2%. During 2019, the guest night arrivals were increased and showed a 1.5% increase rising the overall occupancy rate and revenue per available room. The Tourism Amendment Bill 2019 issued in the Government Gazette on 12 April 2019 is going to regulate the tourist guide profession by regulating 'short-term home rentals' under the Tourism Act which is going to regulate the home-sharing apps such as Airbnb and their hosts. This regulation is forecasted to increase the revenue flows to the organized and registered accommodation units.

Activity Spread Available

South Africa is a playground for any and all holiday-makers - it's the ideal country to visit if you are thrill-seeker looking for adventure, a relaxed person wanting to experience SA at a leisurely pace, a sportsman focused on finding the perfect golf course, a nature enthusiast ready to spt Mzansi's animals, a foodie enticed by the local cuisine and wine, or a party-goer focused on seeing the nightlife.

Whether you are a comfort-seeking urbanite or outdoor traveller, South Africa has got your holiday needs covered! The coastline and the inland both offer spectacular recreational activities, that ranges from game safari's, spa treatments, historical sites and gourmet food and wine tours to hiking, mountain biking and watersports, as well as a plethora of children's activities.

All nine of South Africa's provinces offer a wide range of activities from deep sea diving and shark cage diving to mountain climbing and abseiling, elephant-back safaris, fishing, surfing, hang gliding, hot-air ballooning, whale watching... the list is endless.

Challenges

Increased Input Cost – Unfavorable Demographic Changes

Lack of availability of skilled labor to provide quality services and increased input costs involved in the labor-intensive industry such as the recreation industry are estimated to hamper the growth of the amusement parks market. Moreover, unfavorable demographic changes will act as a threat to experience home entertainment in theme parks.

Pandemic Impact

The worrying thing for the employees and owner in the recreation industry is the fact that the Coronavirus and the impact its having in South Africa with South Africa currently being in the middle of a lockdown means their usual places of work is closed for days. And a large number of these employees works on no work no pay principle or perhaps get tips only. So they won't be earning any money in coming weeks and potentially coming months as a large number of restaurants, B&B's, guesthouses, theme parks, events etc will close down after the lockdown as they cannot afford to lose business for long.

Staff Turnover

The combination of long working hours and poor compensation in the industry has translated into a relatively high staff turnover rate. This is problematic for long-term staff development and sustainable training efforts, which is a costly investment. Further stumble blocks to expose staff to training are the high season demands and the pressure that comes with it. All investment usually demands to see a return and most companies are not able to assess the benefit of training and together with expertise needed to provide training. This goes particularly for smaller owner-managed businesses where there is no one available or assigned to develop competencies of employees to improve their performance.

Revenue Generation

Following a long-term run of RevPAR growth, South Africa had posted a positive start to 2020. In February, the market posted its highest RevPAR level (+5.2% to ZAR988.77) for any month on record in the country, thanks in part to music festivals such as Ultra South Africa (28-29 February 2020), which welcomed more than 51,000 attendees for its 2020 edition.

The trend quickly shifted, however, as the market reported a 77.7% RevPAR decline in April and a 78.2% decrease in May due to the COVID-19 pandemic, travel restrictions and lockdown measures.

Electricity and Water Shortages

The impact of load shedding was felt on a national level, while the impact of prolonged drought was felt mainly in Cape Town. Load shedding is expected to continue in 2020.

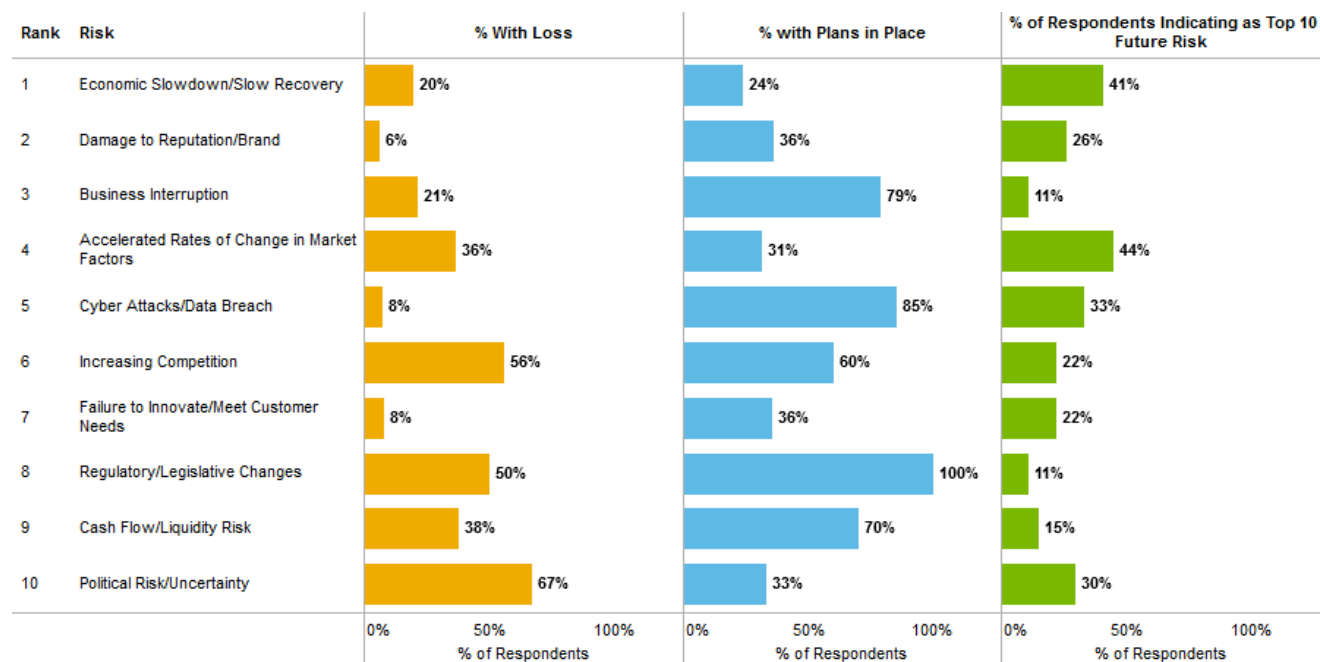
While the water crises have been addressed in Cape Town, various other South African destinations are suffering from prolonged drought, including the Eastern Cape and Northern Cape. It has been reported that more than 50% of Eastern Cape dams are less than half full and 44 towns are affected.

The impact of electricity and water shortages are twofold. Firstly, tourism enterprises are forced to invest in alternative electricity and water supply for their guests. Secondly, tourists may change their travel plans to destinations that do not suffer from electricity and water shortages.

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Top 10 Risk Exposure to Hospitality Industry (Globally)



Links

- <https://briefly.co.za/55219-biggest-stadiums-south-africa-capacity-african-countries.html>
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