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The Cape Town Tourism Covid-19 Impact Report found that around 83% of businesses indicated that they would not survive longer than 6 months under the current lockdown conditions. Picture: Pixabay.

More than 90 000 jobs to be lost in Cape Town tourism sector over next 6 months

By Travel Reporter 🕒 May 11, 2020



Cape Town Tourism's new report shows how the industry is suffering following the Covid-19 restrictions in South Africa.

The Cape Town Tourism Covid-19 Impact Report follows a survey conducted via email among members of Cape Town Tourism, of which 35 percent of respondents are accommodation providers.

These include 29 percent of tour operators, 15 percent of attractions or activities, seven percent of restaurants and the rest made up of shops and shopping centres, transport operators, car rentals, conference venues, travel agents, language schools and wine estates.

The Cape Town Tourism Covid-19 Impact Report noted that 56 percent of businesses do not have a recovery plan in place. While many have explored various relief options, some have noted that the vast amount of paperwork has deterred them, while others explain that they do not meet the requirements for the relief they so desperately need.

Around 36 percent of respondents mentioned that they are only able to provide partial pay to staff, 31 percent have staff on unpaid leave, and a further 18 percent have had to retrench employees.

Revenue for many businesses has dropped substantially with one accommodation provider stating that guests who were due to stay during lockdown had cancelled, and all stays were refunded. The total loss of income due was R89 000.

A large majority of respondents expect the impact of the lockdown to last between four and 12 months. Around 37 percent of respondents expect the impact of the lockdown to last between four and six months, 33 percent expect it to last between seven and 12 months, with 25 percent believing that the impact will be felt for well over a year.

Most businesses will not be able to survive under an extended lockdown. Around 83 percent of businesses indicated that they would not survive longer than six months under the current lockdown conditions.

Only four percent of the businesses surveyed noted that they have the resources to survive for more than a year. The report also revealed that 86 percent forecast their business performance for April-June to decrease at a rate of between 75-100 percent year-on-year. Most businesses have explored multiple relief options, but around 62 percent indicated that they need more information about loans and financial support.

CEO of Cape Town Tourism Enver Duminy said the report was a step forward to gain a clear picture and understand the current landscape of the industry.

"According to the latest available figures from Statistics South Africa, tourism value added to the South African economy was roughly R118.4-billion, tourism value added to Cape Town's economy in 2018 was roughly R18,1 billion. In the same year, according to the same source, the tourism sector in South Africa directly supported almost 740 000 jobs and just over 113 000 jobs in Cape Town.

"These numbers illustrate how vital this sector is to our economy. This is why we need to understand where our members and other industry stakeholders need the most help so that we can ensure that we provide them with the support they need to survive," he said.

Duminy revealed that these results painted a grim picture of how tourism businesses struggled as a result of Covid-19 lockdowns and travel restrictions.

"We see many tourism businesses coming to a standstill and fighting for survival due to extensive travel bans imposed by the government as a measure to stop the spread of Covid-19. However, with continued lockdown and tourism being relegated to Level 1 of the risk-adjusted strategy schedule, means that the closure of tourism businesses including the significant shedding of jobs will continue unabated.

"We implore government on all levels to consider working with tourism in applying our enhanced safety protocols to reduce health risks and upgrading local tourism to at least Level 3, and domestic tourism at Level 2 in the short term," he added.

COVID-19 LOCKDOWN

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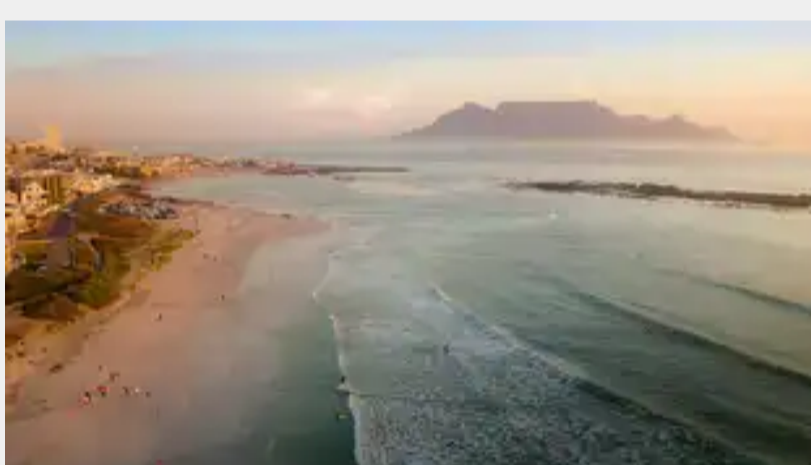
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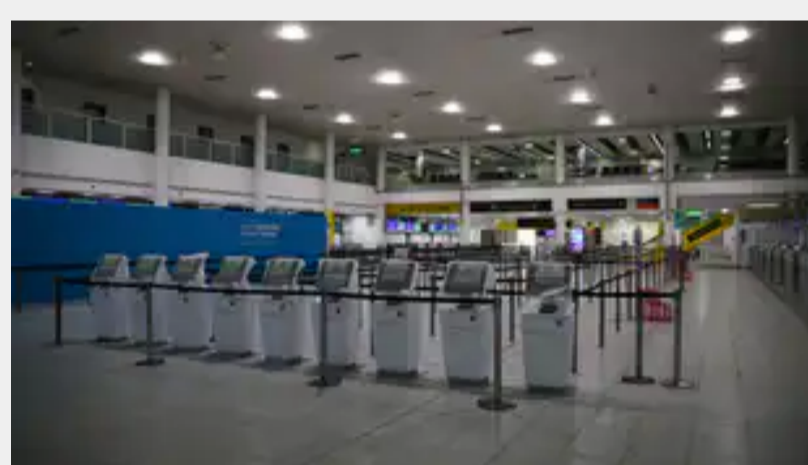
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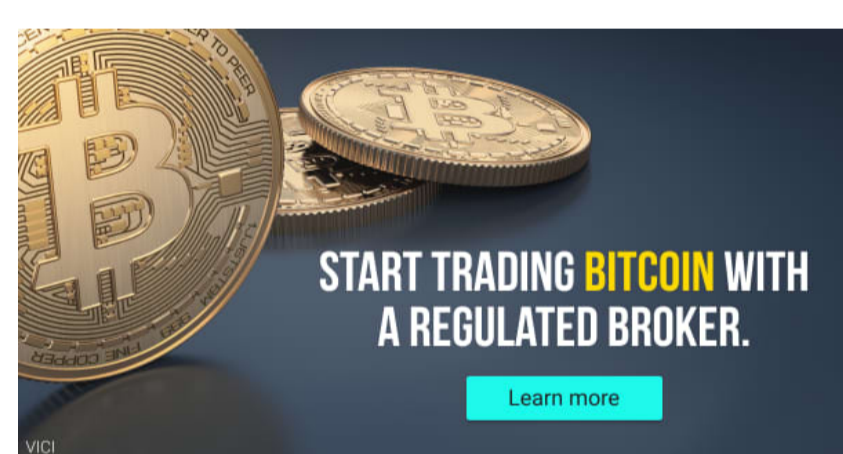


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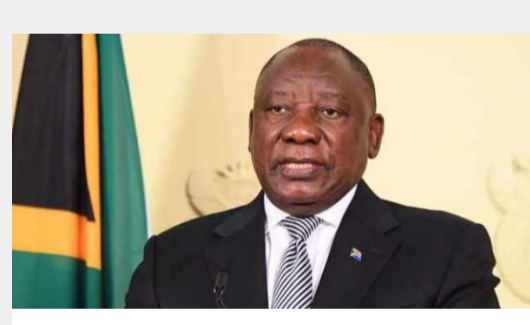
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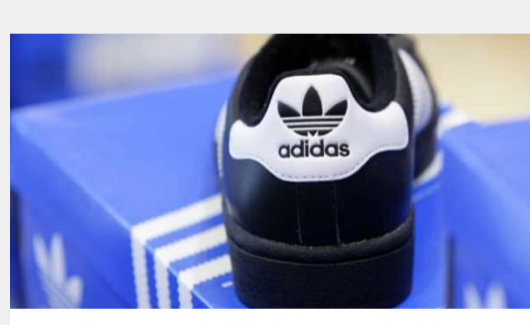
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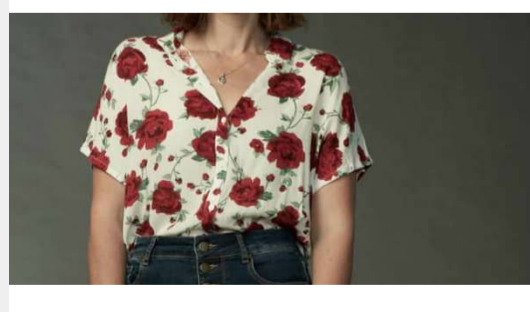
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