



Weak rand, new visa rules lift tourism inflows

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TOURISTS are flocking back to South Africa's game parks, beaches and vineyards as a weaker currency and easing of visa rules make holidays cheaper and more accessible.

The number of visitors to South Africa from outside the continent increased by 19 percent over the five months to May, the tourism ministry said last week.

The surging popularity among travellers from markets, including the US and Germany, could be largely attributed to a weak rand, according to Marcel von Aulock, the head of Africa's largest hotels and casinos company, Tsogo Sun.

"South Africa is on an absolute fire sale," Von Aulock said in an interview in Johannesburg this month.

"We've always been a cheap destination relative to international markets", and the falling currency had taken that to extremes, he said.

South Africa's international tourism boom represents a rare note of optimism in an economy hampered by an unemployment rate of 27 percent.

Softening rules

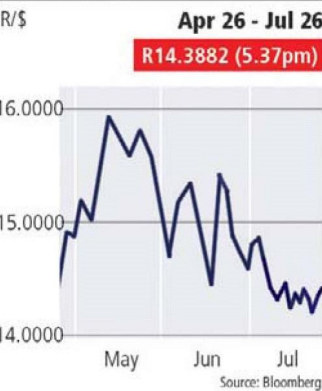
The rand is the third-worst performer against the dollar among 16 major currencies tracked by Bloomberg over the past 12 months, having declined 12 percent, and reached record lows against both the US currency and euro earlier in 2016.

While the currency had firmed to R14.3694 against the dollar as of 12.13pm yesterday, that is still weaker than its level in November.

South Africa's government has softened rules introduced in 2014, which required travellers from countries including China to apply for visas in person, hurting demand in one of its fastest-growing tourism markets. For prospective visitors from China, for example, that meant an often lengthy and costly trip to either Beijing or Shanghai.

Those restrictions, together with a condition that visitors accompanied by children must present a detailed birth

Rand vs dollar



certificate, contributed to a slowdown in international tourism arrivals in 2015.

With visas now easier to obtain through tour operators, Chinese numbers were 50 percent higher in May than a year earlier, while those from India increased by 37 percent, according to the tourism ministry.

"Those markets will recover quite quickly, I think, and will continue to grow," Von Aulock said.

While the birth certificate rule had been relaxed, the entry requirements for children remained vague enough to deter some families, said Mmatsatsi Ramawela, the chief executive of the Tourism Business Council of South Africa.

And although overseas tourist arrivals in 2016 to date are up from the past two years, they are still only the highest since 2013, according to data provided by Statistics SA.

Events like the international Aids conference in Durban this month had increased the number of visitors, and concerns that terrorist attacks had made Europe more dangerous were also diverting traffic to the southern hemisphere, Ramawela said.

City Sightseeing, which operates hop-on-hop-off city tour buses, has sold more tickets in Cape Town this year and has had to add vehicles and drivers on some days, according to general manager Paul Nel. Additional direct flights to the city had helped traffic, he said, with Emirates adding a third daily service between Cape Town and Dubai earlier this month. – Bloomberg