

ANNUAL REPORT 2022/23

*Cape
Town*
TOURISM

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FROM THE CHAIRPERSON



WAHIDA PARKER
Chairperson

Over the past year, Cape Town's tourism sector has shown remarkable resilience and swift recovery. Despite significant challenges, international arrivals not only rebounded but soared beyond pre-pandemic levels, surpassing even our loftiest expectations.

This achievement can be attributed to our strategic airline capacity expansion, our award-winning global conversion campaign, and our adept navigation of the ever-evolving global tourism landscape.

As we bask in the glow of our success, let us remember that true greatness lies not only in the numbers but in the stories we create and the lives we touch.

Amidst our achievements, one story stands out—a story that epitomises the essence of our 'Limitless Cape Town' theme: Winston Fani, a 35-year-old South African who refused to let glaucoma-related blindness hinder his passion for tourism.

Earlier this year, Cape Town Tourism sponsored his tuition, enabling him to become Africa's first qualified blind tourist guide.

Winston's story reminds us that true limitations are often self-imposed, and that the human spirit is boundless, resilient, and unwavering in its pursuit of greatness.

Our marketing initiatives yielded exceptional results. The Find Your Freedom Conversion Campaign, in partnership with Expedia, not only generated a substantial R62 million in direct bookings but also boasted an impressive Return on Advertising Spend of 25:1.

A Brand Valuation Study conducted by Brand Finance, valued the Cape Town Tourism brand at an impressive R1.9 billion, contributing 9% to the destination brand.

Our partnerships, collaborations, and strategic positioning have expanded our reach. With an Advertising Value Equivalent of R290 million, we connected with nearly 2 billion people, that's 25% of the global population.

In Destination Management and Visitor Services, we've witnessed shifts in preferences towards pre-booking activities and an inclination for free experiences upon arrival.

We've celebrated the support of our locals through initiatives like 'Freedom to Wish,' making hundreds of Capetonians' dreams come true. Thank you to our members for making tourism accessible to citizens from all corners of our city.

Through the 'TOMSA Levy Collaborative Fund,' we're investing a combined R4.5 million in high schools and SMMEs, empowering them to thrive.

As I pass the baton of Board Chair to Tracy Mkhize, I am confident the spirit of 'Limitless Cape Town' will continue to guide us—reflecting our commitment to embracing boundless possibilities, resilience, and breaking through self-imposed limitations.

I express my gratitude to all who have supported our programmes throughout the year, including our allies, Alderman Vos and the City of Cape Town, Tourism Business Council, TOMSA and JAMMs.

To our departing board member Alison, we wish you the best in your future endeavours.

To the newly elected board members, welcome! Your dedication will shape the future of Cape Town Tourism.

To my fellow board members, thank you for your unwavering support to our organisation and to me personally over the last thrilling six years.

To Enver and your executive team, your leadership has been exceptional.

As we move forward, let us remember the true superpower lies in believing in and being limitless in our daily lives. Together, let's create a Cape Town that knows no bounds—a city accessible to all.

Thank you for being part of this extraordinary journey. This is the year of a Limitless Cape Town!



THE CAPE TOWN TOURISM BOARD

Starting bottom left: Alderman James Vos (ex-Officio), Shireen Onia, Joshin Raghubar, Wahida Parker (Chairperson), Leigh Thomas, Lance Greyling (ex-Officio), (top right) Alison Coughlan, Ayanda Mazibuko, Lee-Anne Singer, Deidre Davids, Tracy Mkhize, Enver Duminy (CEO).

FROM THE CEO



ENVER DUMINY
CEO

Our electrifying Springbok victory at the Rugby World Cup was a display of unity, strategic brilliance, and relentless pursuit of excellence for our entire nation.

Now, as we shift our gaze towards the future, we're catching the wind of 2024's top travel trends. These trends aren't just buzzwords; they're the new rules which our global travel and tourism teams, need to play to win.

Over the last few years, we've struggled with our financial and reporting systems, frustrating our finance team, and complicating decision-making. With a new system on the horizon, we're not just counting numbers, but crafting a robust financial narrative, ensuring financial control and accurate forecasting.

The CTT team has rallied over the past 12 months to ensure success for our destination, visitors, communities, and members, while facing our own challenges. To sustain the momentum of collective achievements, we're committed to

increasing our investments in the CTT team and attracting and retaining top talent.

Our commitment to nurturing young talent in the tourism sector is represented by 'The Future Leaders in Tourism' and 'Tourism Teachers Think Tanks'. We're exploring partnerships with like-minded organisations such as Capaciti, Youth4Tourism, TBCSA, and Sanlam, integrating future leaders into businesses.

The TravelWise team strives to enrich the visitor experience, however, the past year has brought an unfortunate increase in safety incidents, despite our tireless efforts with the City and Province. That's why we're launching the 'Tourism Resilience Network' to safeguard tourists in times of adversity. We invite our esteemed members to volunteer and join us.

Our groundbreaking 'Glocal' Brand & Marketing initiative will unite visitBerlin, NYC Tourism + Conventions, and Cape Town Tourism in a historic collaboration transcending borders. This marks a milestone that showcases our individuality, while highlighting our common bonds. In the coming months, we'll produce a pilot and invite you to join this global venture.

Last year, our Cape Town Tourism board challenged us to create a movement where every Capetonian wears Love Cape Town like their heart on a sleeve. Now, our Love Cape Town is emblazoned on the right shoulder of the Stormers 2023/24 kit, bringing the spirit of our city to the global rugby stage.

Artificial Intelligence (AI), Virtual Reality (VR), and Augmented Reality (AR) are no longer confined to the realms of science fiction or cinema. There are now more than 3 billion active video gamers, a number three times greater than tourists globally. In response, I'm thrilled to share three exciting digital partnerships with In1 Solutions, Gecko Digital and Letsema Digital Marketing Agency. We're committed

to expanding our global award-winning gamified campaign, 'Find Your Freedom.' Joining our current ensemble are two new characters: Sustainability Goddess and Free Roller, dedicated to sustainability and accessible travel.

Continuing our journey of Universal Access, Limitless Cape Town represents our commitment to inclusivity. Winston Fani's story, our collaborative partnerships with Baz-Art and Table Mountain Aerial Cableway, signifies strides toward making Cape Town accessible to everyone.

In conclusion, rugby, from the Springboks to the Stormers, is the golden thread woven into our Limitless Cape Town theme, propelling your association and you toward a future of boundless opportunities and global recognition.

Here's to a year of hard tackles, triumphant tries, and ceaseless exploration in the magnificent journey that is Limitless Cape Town.



GLOBAL AWARDS AND ACCOLADES
FOR CAPE TOWN (2022/2023)



GLOBAL AWARDS AND ACCOLADES
FOR CAPE TOWN TOURISM (2022/2023)



KEY INDUSTRY INDICATORS
(1 JULY 2022 - 30 JUNE 2023)

CAPE TOWN INTERNATIONAL AIRPORT ARRIVALS

Cape Town International Airport (CTIA) welcomed just over **4.3 million passengers**, an **increase of 79%** compared to the same period the previous year.

The following airlines resumed their operations, significantly aiding recovery over this period:

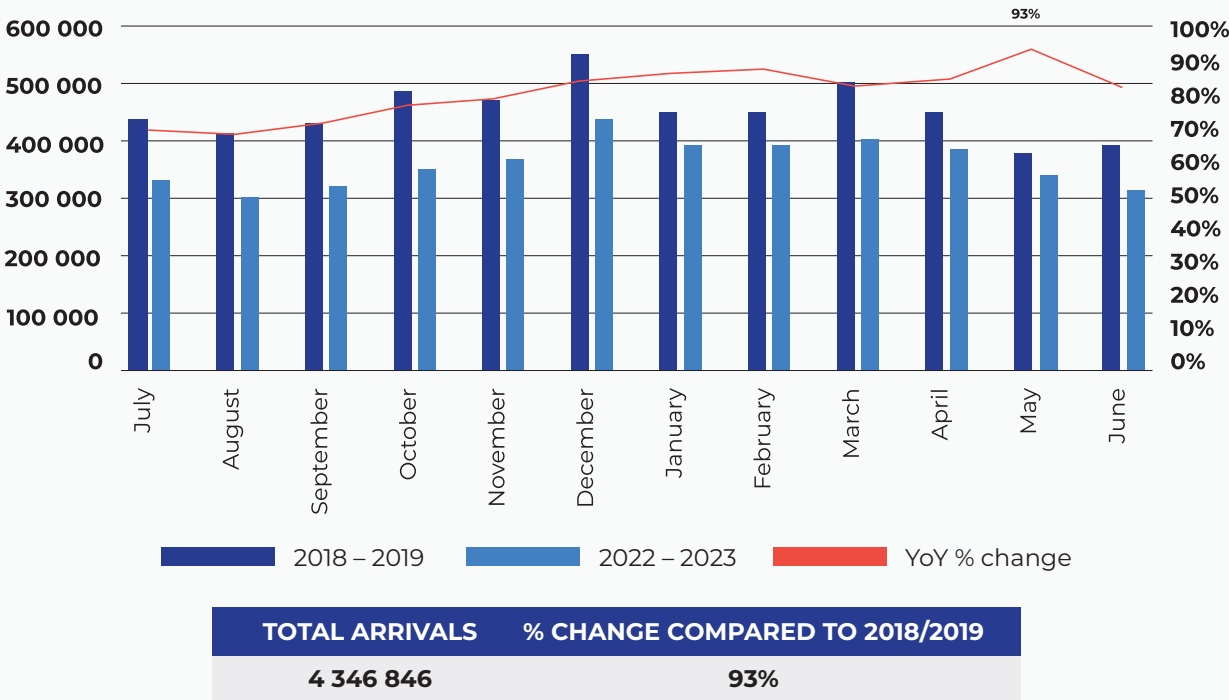
British Airways, Virgin Atlantic, Air Belgium, Air Mauritius, Madagascar, LATAM- Brazil, Condor.

CTIA PASSENGER ARRIVALS PER QUARTER

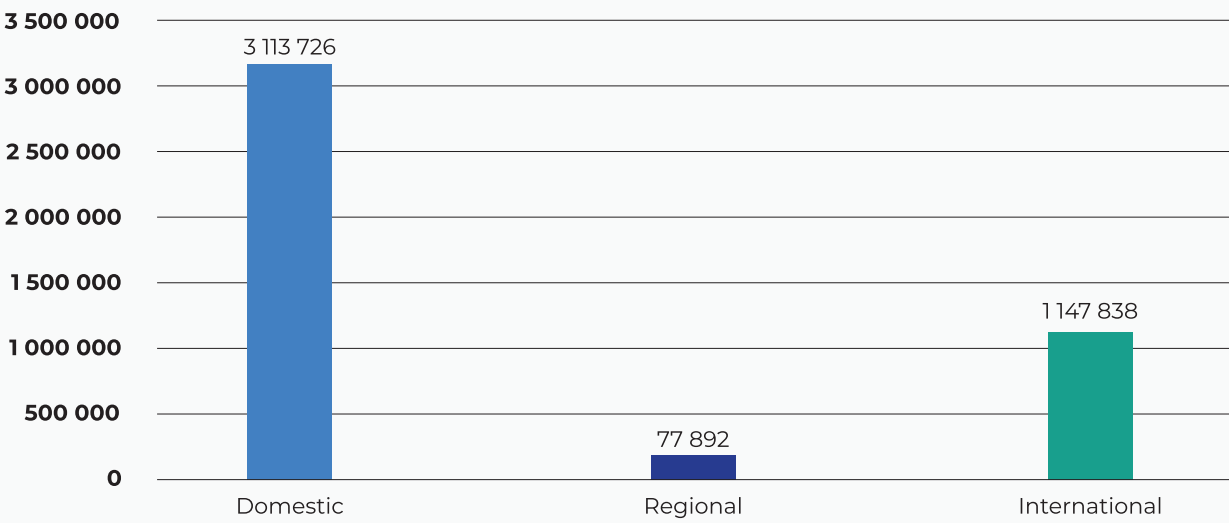
CTIA (2022/2023)	Q1 JUL – SEP	Q2 OCT – DEC	Q3 JAN – MAR	Q4 APR – JUN
Domestic	708 472	813 843	796 427	794 984
International	212 266	317 056	377 779	240 737
Totals	941 278	1 153 429	1 195 227	1 056 912

Note: Totals include unscheduled flight arrivals.

TOTAL ARRIVALS TO CAPE TOWN INTERNATIONAL AIRPORT



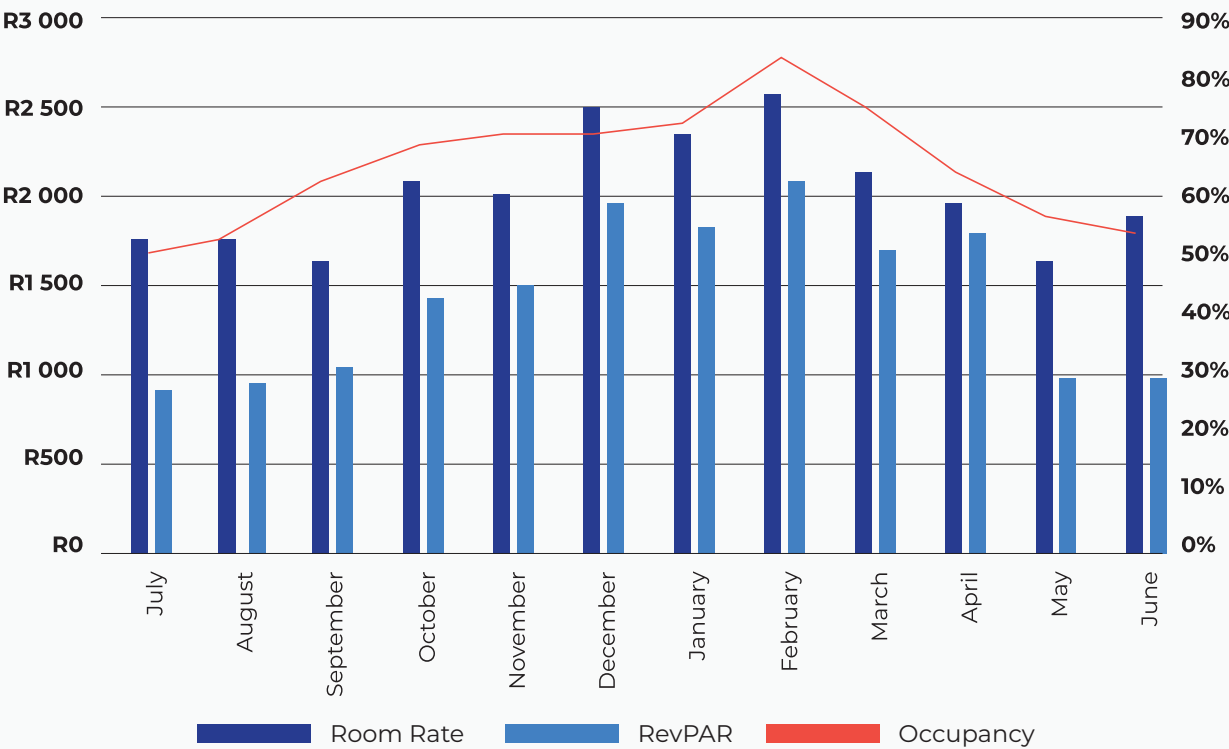
ARRIVALS PER CATEGORY



ACCOMMODATION SECTOR

Occupancy has steadily increased aligned to the arrivals recovery, regularly exceeding 60% since November 2022 and 60% again over the period February – April 2023.

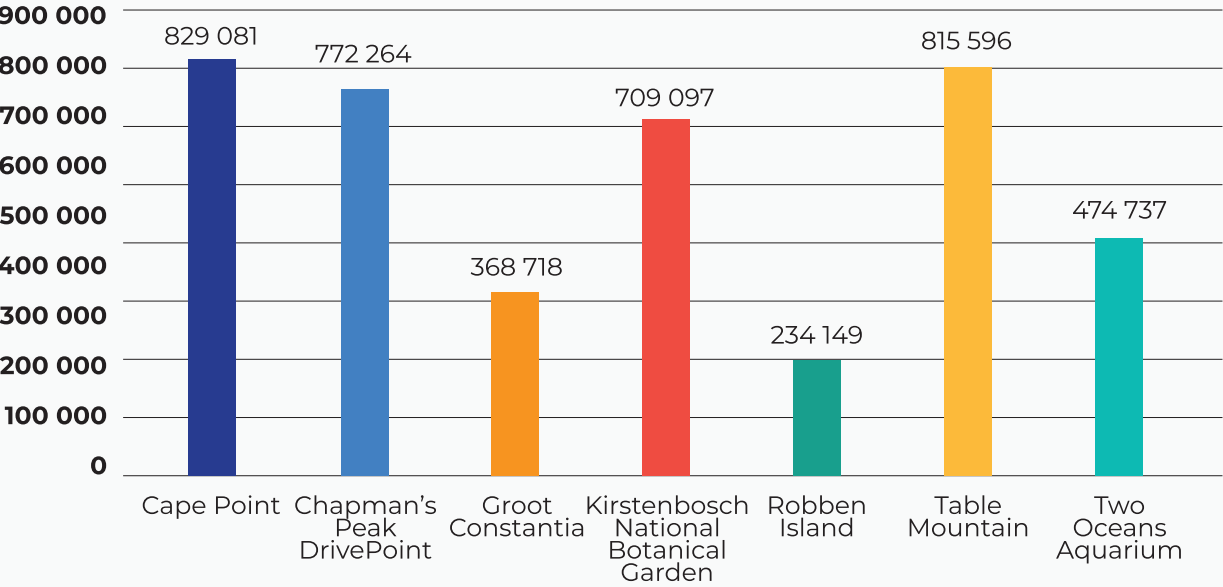
ACCOMMODATION METRICS (2022/2023)



ACCOMMODATION METRICS 2022/2023	ROOM RATE	REVPAR	OCCUPANCY
July	R1 774	R887	50,0%
August	R1 790	R989	55,2%
September	R1 740	R1 108	63,7%
October	R2 060	R1 412	68,6%
November	R2 013	R1 507	74,8%
December	R2 488	R1 852	74,4%
January	R2 308	R1 773	76,8%
February	R2 567	R2 178	84,8%
March	R2 188	R1 700	77,7%
April	R1 952	R1 286	65,9%
May	R1 665	R965	57,9%
June	R1 824	R959	52,6%

TOURIST ATTRACTIONS

Despite varying recovery rates, all attractions reported a year-on-year increase in visitors.



ATTRACTION FIGURES	July - June 2019/2020	July - June 2022/2023	%RECOVERY VS 2019
Cape Point	881 006	829 081	94%
Chapman's Peak Drive	733 601	772 264	105%
Groot Constantia	370 775	368 718	99%
Kirstenbosch	751 416	709 097	94%
Robben Island	250 554	234 149	93%
Table Mountain	807 055	815 596	101%
Two Oceans Aquarium	376 594	474 737	126%

Note: The V&A Waterfront figures have been excluded. Since 2020, the V&A only shares the % change in footfall, replacing actual foot count.



CORPORATE SERVICES HIGHLIGHTS
(1 JULY 2022 – 30 JUNE 2023)

FINANCE

BUDGET

The total expenditure incurred for the year amounts to **R62.7 million**, which is R3.6m or 5% lower than the **R66.3 million budgeted**.

LIQUIDITY

We achieved a comfortable current ratio of **1.77:1**.

REVENUE

CTT generated revenue of **R62.8 million**, representing a marginal decrease of **0.68%** when compared to the previous year.

FINANCIAL AUDIT

Our Annual Financial Statements, ending 30 June 2023, have been signed off and we have once again received an **unqualified audit**.

HUMAN RESOURCES

WORKFORCE MOVEMENTS

At the end of the financial year, we had a total of **70 employees**. During the 2022/23 fiscal year, we hired seven new employees and had 10 terminations. This is in contrast to the previous fiscal year when we hired **26 new employees** and had 15 terminations.

B-BBEE CERTIFICATION
CTT maintained a **level 3 B-BBEE certification** in line with the target set for 2022.

EMPLOYER BRANDING PROJECT

The **CTT Employer Branding task team** developed a comprehensive Employer Branding roll out plan, while the internal studio creatives developed beautiful content featuring **our own employees and their stories**. Employer Branding posts air every two weeks on internal and external communication channels.

CHANGE MANAGEMENT

Change management initiatives commenced in January 2023. A **communication audit report** was delivered to our Executive team outlining recommendations for improving communications within CTT. The implementation has begun and will continue into the next fiscal year.

WORK-BASED LEARNING

CTT funded the stipends for two undergraduate TVET students, and an additional three students had their stipends partially funded through a Discretionary Grant secured by False Bay College.

This initiative earned CTT BEE recognition with a high score for Skills Development, significantly helping the organisation maintain its **Level 3 (110%) compliance**.

E - BUSINESS

Our unwavering commitment to improving our cybersecurity has provided impressive results, increasing our **Cybersecurity score** from **63%** to a notable **68.48%**. This increase shows we're actively working on the areas highlighted by Microsoft to protect our organisation from potential security threats.

Despite changes in how Microsoft tracks insights in their **Digital Transformation tools**, our strong performance continues. We consistently outperform organisations of similar size, showcasing our dedication to digital excellence.

We've recently completed a comprehensive **IT and POPIA Audit**, an important milestone in our commitment to data security and operational excellence. We've submitted the draft audit report, and eagerly await the results which will guide our strategic and proactive response.

This achievement emphasises our dedication to maintaining the highest standards of **compliance and security** across our organisation.

TOURISM MARKETING HIGHLIGHTS
(1 JULY 2022 – 30 JUNE 2023)

DESTINATION BRAND & MARKETING ROI

PR AVEs	R290 million
Partnership Added Value	R4.9 million
Campaign Bookings	R67.4 million
Events Support	R2.3 million
Digital Revenue	R106k
Value Return	R364 million
Total Programme Budget	R7.3million
ROI	50:1

BRAND VALUATION



A **Brand Valuation Study** was conducted by Brand Finance, an independent global expert on Nation Branding. Its purpose was to assess Cape Town Tourism on a global scale, and emphasise its importance as a key driver of impact. The study also examined the relationship between the appeal of Cape Town as a destination, and the Cape Town Tourism brand.

CAPE TOWN DESTINATION BRAND = R327 BILLION

91% of this value is collectively generated by all the products, services, and brands that contribute to the tourism industry in Cape Town.

CAPE TOWN TOURISM BRAND = R1.9 BILLION

This represents 9% of the destination brand. To provide global context, Visit Florida, for example, has a brand value of R256 billion.

EXPEDIA CONVERSION CAMPAIGN AND ROI



US\$ 3.7 MIL: US\$ 147K

Booking sales value: CTT campaign spend

TOTAL ROAS

Return on Advertising Spend

25:1

Cape Town Tourism’s **‘Find Your Freedom’ campaign**, in partnership with Expedia, specifically focused on the USA, Europe, and international partnership agreements as part of its SDA (**Strategic Destination Area**). The primary aim of the campaign was to boost demand for both organisations.

The campaign achieved several key outcomes including running a conversion campaign, and participating in major travel events like **WTM London** and **ITB Berlin**. Additionally, this campaign involved presenting the FYF 2.0 Proposal, with the goal of improving the travel experience and attracting a global audience.

DESTINATION IMPACT INDICATOR		
Expedia Results	Direct and Indirect Expenditure	Direct and Indirect Employment
5 393 foreign travellers + 406 domestic travellers	R147 million	755 employment opportunities
Expedia Results	Direct Expenditure	Direct Employment
5 393 foreign travellers + 406 domestic travellers	R49 197 878	248 employment opportunities

Expedia’s impact on our destination has been significant, leading to the arrival of **5,393** foreign travellers, and **406** domestic travellers to our shores. This influx of visitors contributed to a total expenditure of **R147 million** in the local economy, both directly and indirectly.

Furthermore, Expedia has played a considerable role in creating employment opportunities (directly and indirectly) totalling **755 jobs**. Their direct expenditure amounts to **R49,197,878**, directly benefiting the local economy, and supporting **248** job opportunities.

These numbers highlight Expedia’s substantial and positive impact on the destination’s economy and job market.

WEBSITE OVERHAUL AND VR INTEGRATION

Website Overhaul and VR integration

FIND YOUR FREEDOM IN CAPE TOWN

Cape Town’s attractions to become accessible worldwide via virtual reality

The website overhaul has resulted in a more **digitally relevant traveller offering**, enhanced by the integration of **virtual reality (VR) technology**. In collaboration with the virtual tour agency Gecko Digital Global, CTT has introduced an innovative tourism initiative which leverages virtual reality to showcase Cape Town’s attractions to a global audience. The aim is to **spark the wanderlust** within prospective travellers, enticing them to select Cape Town as their preferred destination.

VICTORIA FALLS PARTNERSHIP

Cape Town Tourism and We Are Victoria Falls partner to create the ultimate African adventure



Cape Town Tourism chief marketing officer Leigh Dawber and We Are Victoria Falls board chairperson Barbara Murasiranwa-Hughes. Picture: Supplied

Cape Town Tourism and Victoria Falls have partnered within the **'African Routes'** framework to promote and attract tourists to these remarkable destinations.

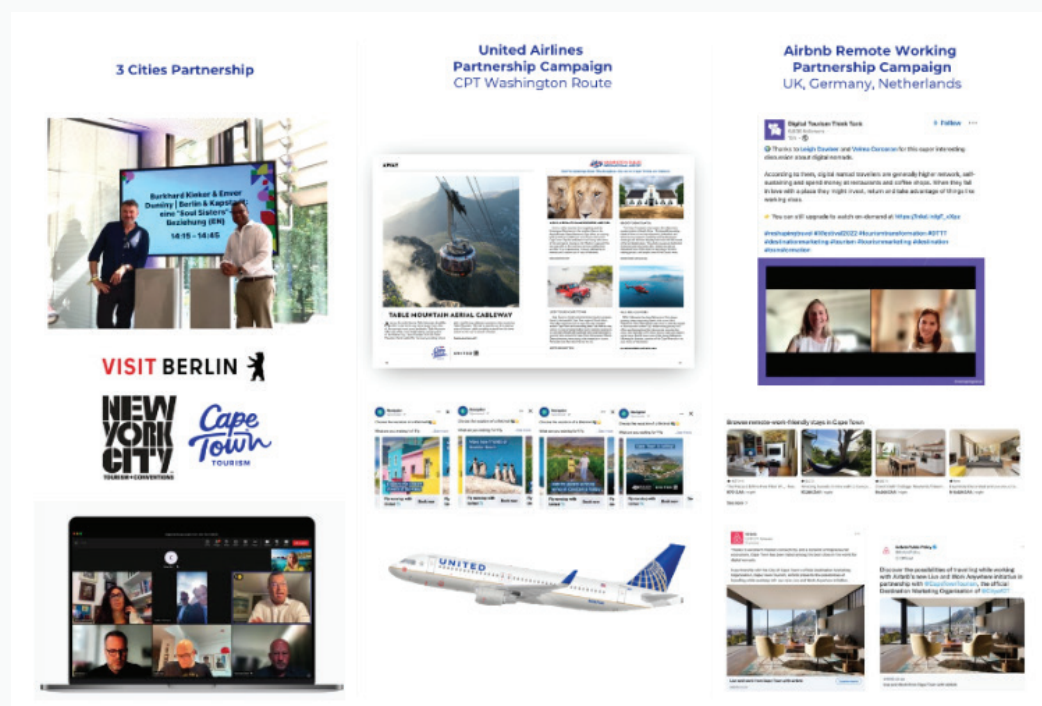
This initiative includes working closely with major airlines and private sector operators, a campaign scheduled to launch in 2023.

3 CITIES COLLABORATION

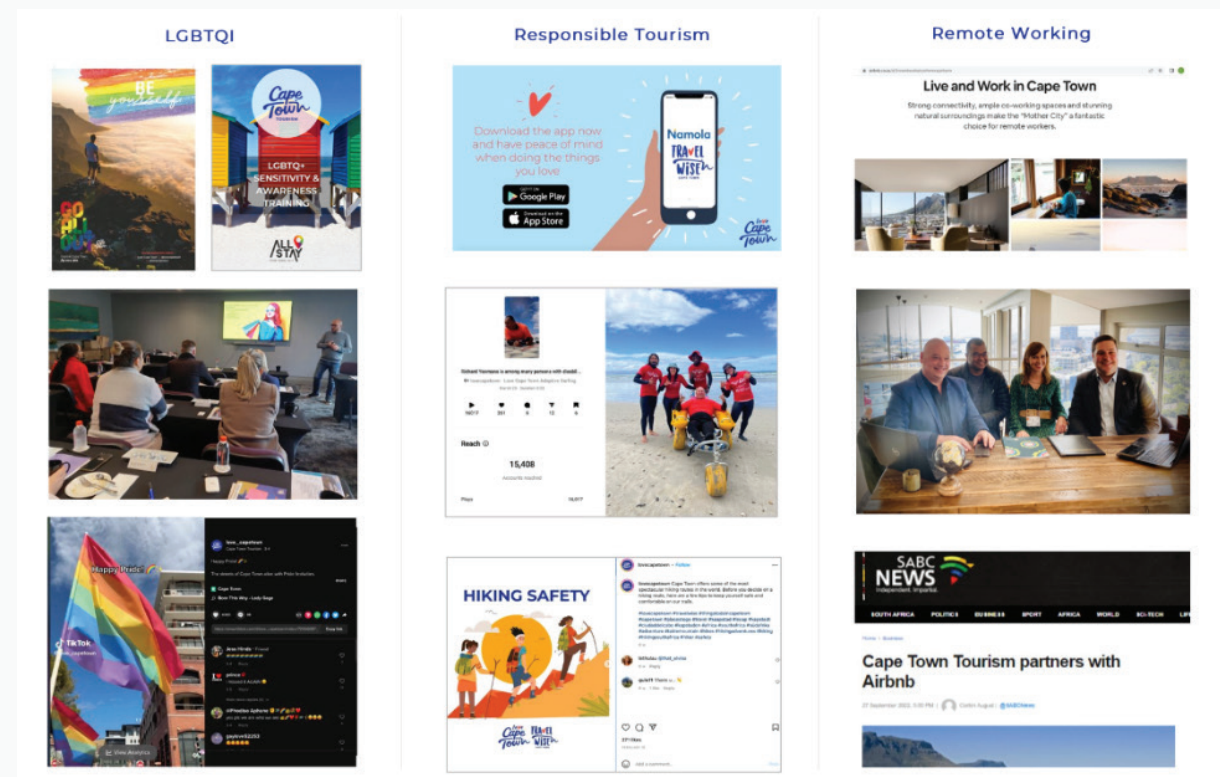
The **'3 Cities' campaign** is an international programme focusing on the **USA and Europe**, designed to create partnerships and increase demand for Cape Town.

Working under the 'Love Cape Town' banner, this campaign encompasses various objectives, including collaborating with **DMOs in the city**, launching media and trade hosting initiatives, forming marketing partnerships, participating in Bestival, and facilitating the visitBerlin Knowledge Exchange.

This multi-faceted approach shows the campaign's dedication to promoting and enhancing the appeal of Cape Town across the globe.



LGBTQI+, RESPONSIBLE TOURISM AND REMOTE WORKING (TACTICAL POSITIONING)



The recovery of the Cape Town tourism sector was directly facilitated by marketing initiatives targeting **LGBTQI+, Responsible Tourism, and Universal Access for Remote Working.**

We recognised the need to improve LGBTQI+ inclusion based on findings from our brand valuation study. To address this, we organised **LGBTQI+ Sensitivity and Awareness Training Workshops** for CTT members and potential partners.

These workshops aimed to:

- Highlight the value of LGBTQI+ travellers.
- Foster a better understanding of the LGBTQI+ community's diversity.
- Challenge any misconceptions about LGBTQI+ individuals.

As a result of participating in these workshops, attendees automatically became members of the **Go All Out Club**. This club provides unique opportunities to position **offerings** for LGBTQI+ travellers, and plays a significant role in advancing LGBTQI+ Tourism in Cape Town.

TOURISM SERVICES FACTS AND FIGURES
(1 JULY 2022 – 30 JUNE 2023)

NEW MEMBERS

We acquired **98 new members**, including **three new Partners** which are GrandWest Casino & Entertainment World, Southern Sun Hotels, and MSC Cruises.

MEMBER EXPANSION

We've introduced a **new membership tier, the 'Basic Tier,'** positioned below the Classic Tier. This facilitates a seamless transition for members who previously utilised the free Ubuntu offering, giving them a more **budget-friendly membership** option.

BUSINESS SUPPORT

Two new Board Development Fund recipients, Baz-Art and IC Africa Travel and Tours were each awarded R50,000 at CTT's AGM in October 2022.

VISITOR SERVICES

The Visitor Experience team interacted with over **166,000 visitors**, compared to **127,000** the previous year. The Bookings Conversion rate increased from **71%** to **90%**.

Mobile team activations were conducted at **83 events**, which is twice the number of events attended in the previous year. These events extended as far as Hermanus and Saldanha Bay and included large events such as the Cape Town 7's, Formula E- Grand Prix, ABSA Cape Epic and the Pride Festival.

Contact Centre enquiries declined by **43%** since COVID-19, with the team responding to **3,123** enquiries compared to **5,498** at the end of the last financial year. The nature of enquiries has also shifted to tourism products and experiences as opposed to COVID-19 regulations and protocols.

YOUTH X/COMMUNITY TOURISM DEVELOPMENT

Community Programmes such as Future Tourism Leaders, Tourism Teacher's Think Tank, Ekasi networking sessions and SME business skills training continue to be successful and in demand from communities as far as Paarl.

763 GRADE 10-12 LEARNERS

from 8 disadvantaged schools attended tourism awareness workshops at their schools.

40 UNEMPLOYED YOUTH

attended a Youth Empowerment Workshop on Youth Day in Athlone.

49 TEACHERS FROM 33 SCHOOLS

attended the Teachers Think Tank.

749 SMES

attended 17 industry events and workshops, including Business Skills training sessions and Ekasi sessions.

The Future Leaders Programme was expanded to include a **Work Integrated Learning Project**. The project focuses on learner placement within the tourism industry to drive experiential training while filling the skills gaps in the tourism industry. **Twenty-two** tourism products attended and were provided with the opportunity to sign up as hosts.

The inaugural **Find Your Freedom Amazing Race** was held on Tourism Day. **Fifty learners** from **five disadvantaged schools** participated in the race which started at City Hall, and ended at TMAC. Learners participated in the FYF themes as Urban Adventurers, Fearless Foodies and Nature Warriors. The purpose was to extend the tourism classroom and give learners practical but enjoyable experiences that would bring the classroom theory to life.

TOMSA AGREEMENT

The importance of actively engaging communities and including unemployed youth should not be underestimated. CTT has developed and delivered tourism programmes with a specific focus on these groups.

These programmes received a substantial financial injection of **R3 million** (excluding VAT) from **TOMSA's collaborative fund initiative**. This funding will enable CTT to extend current initiatives and ensure a greater impact on tourism at the grassroots level.

Collaboration between local neighbourhoods, community leaders, schools, local government, and dedicated CTT members has achieved outstanding results.

CHALLENGES

MEMBERSHIP

It is important to note, however, that our overall membership numbers experienced a decline due to an extensive database investigation and cleanup initiative, and in-depth interviews with cancelled or non-renewed members. SME members are still struggling financially, with debt obligations and ramping up operations reducing opportunities to invest in membership.

MEMBER MOVEMENT: YEAR-ON-YEAR COMPARISON

	2021/2022	2022/2023	Y/Y VARIANCE
New	157	98	-59
Cancelled	-245	-560	-315
Total Members	1 133	671	-462

MEMBER MOVEMENTS DURING THE FISCAL YEAR

	Member Volumes	Movement Totals
Members at the Start of the Fiscal Year	1 133	NA
New Members	98	1 231
Member Cancellations	560	671

Members at the end of the fiscal year

VISITOR SAFETY

The Band-Aid coordinator supported **59** reported incidents compared to **21** in the previous financial year, with **31** more incidents of robbery and theft, and **38** more incidents overall.

government is required. Our current **TravelWise** and **Band-Aid** assistance interventions are limited, and innovative solutions including collaboration and co-funding between the public and private sectors are critical.

The doubling of reported tourist safety incidents is cause for concern, and an urgent call and need for CTT members, the wider tourism industry, and the

TRAVEL TRENDS - TOP 5 TRENDS TO WATCH

SUSTAINABLE AND ECO-FRIENDLY TRAVEL

As climate change remains a pressing issue, more travellers are seeking eco-friendly options.

REMOTE WORKCATIONS

The pandemic brought about the remote work revolution, and with that, the trend of 'workcations' has risen.

EXPERIENCE OVER DESTINATION

Travellers are increasingly looking for authentic experiences rather than just destination checklists.

HEALTH AND WELLNESS TOURISM

Even before the pandemic, there was a growing trend of people travelling for health and wellness reasons. This includes everything from yoga retreats to medical tourism.

TECHNOLOGY-DRIVEN PERSONALISED TRAVEL

As technology continues to advance, the demand for personalised travel experiences increases.

PARTNERSHIPS

STRATEGIC PARTNER



EXECUTIVE PARTNER: PLATINUM



EXECUTIVE PARTNERS: GOLD



EXECUTIVE PARTNERS: SILVER

