



Tourism & Hospitality Sector Report

Where the world comes
to experience Africa



South Africa



EXECUTIVE SUMMARY

South Africa's New Gold

TOURISM AND HOSPITALITY are South Africa's 'new gold,' contributing ZAR 616 billion (~8.8% of GDP) in 2024 and supporting 1.68-1.8 million jobs. With 8.9 million international arrivals in 2024 (+5.1% year-on-year) and receipts exceeding US\$8.2 billion, the sector is one of the country's top foreign exchange earners. Jan-July 2025 data shows continued momentum with 5.85 million arrivals (+14% year-on-year) and ~US\$2.3 billion receipts.

POLICY REFORMS include the Electronic Travel Authorization (ETA) launch in September 2025, extending eVisa access. The Government of National Unity (June 2024) restored political stability. The World Bank's US\$1.5 billion loan for ports and rail infrastructure indirectly supports tourism flows. With projections of 7-9% annual growth, the sector is poised to surpass 10 million arrivals by 2026.

PREMIUM TOURISM anchors high-spend segments—safari lodges (Kruger, private reserves), wine estates (Stellenbosch, Franschhoek), luxury rail (Blue Train, Rovos Rail), and coastal properties. MICE (Meetings, Incentives, Conferences, Exhibitions) rebounds strongly: Cape Town ICC, Sandton Convention Centre, and Durban ICC host Africa's largest business events, supported by Indaba and Meetings Africa platforms.

CULTURAL TOURISM surges in 2025, driven by township experiences, heritage sites, and global recognition of South African creativity—Amapiano's global rise, Tyla's Grammy win, Netflix Originals. Eco-tourism and adventure thrive in Kruger, Drakensberg, Table Mountain, and marine reserves, with wellness retreats up 20% in 2025. Regional tourism grows 10% in 2025 via AfCFTA integration, with South Africa as the SADC hub.

THE HOTEL PIPELINE EXPANDS Radisson Safari Hoedspruit opened December 2023, Marriott/Protea expanded in 2024, InterContinental Table Bay reopens Q4 2025. Domestic tourism remains robust through regional connectivity and cross-border travel. Operation Vulindlela reforms enhance safety, infrastructure, and connectivity. Investment in safety precincts (Cape Town, Durban) and solar-powered infrastructure improves reliability.

FOR INVESTORS South Africa delivers extraordinary diversity—big-five safaris, mountain and marine parks, award-winning wine country, design-forward cities, coastal escapes—in one itinerary. Hospitality training schools, culinary academies, and vocational colleges produce internationally recognized talent, elevating service standards. As the regional hub, South Africa benefits from AfCFTA-driven intra-African travel, strong air connectivity, and established MICE platforms.



EXECUTIVE SUMMARY

Sector Highlights

R620B

GDP CONTRIBUTION
(8.8%)

1.68 – 1.8M

SECTOR RELATED JOBS
(2025)

8.9+M

INTERNATIONAL
ARRIVALS (2024)

5.85+M

INTERNATIONAL ARRIVALS
(JAN-JULY 2025 – +14%)

\$8.2B

RECEIPTS IN USD
(2024)

\$2.3B

RECEIPTS IN USD
(Q1 2025)

ETA

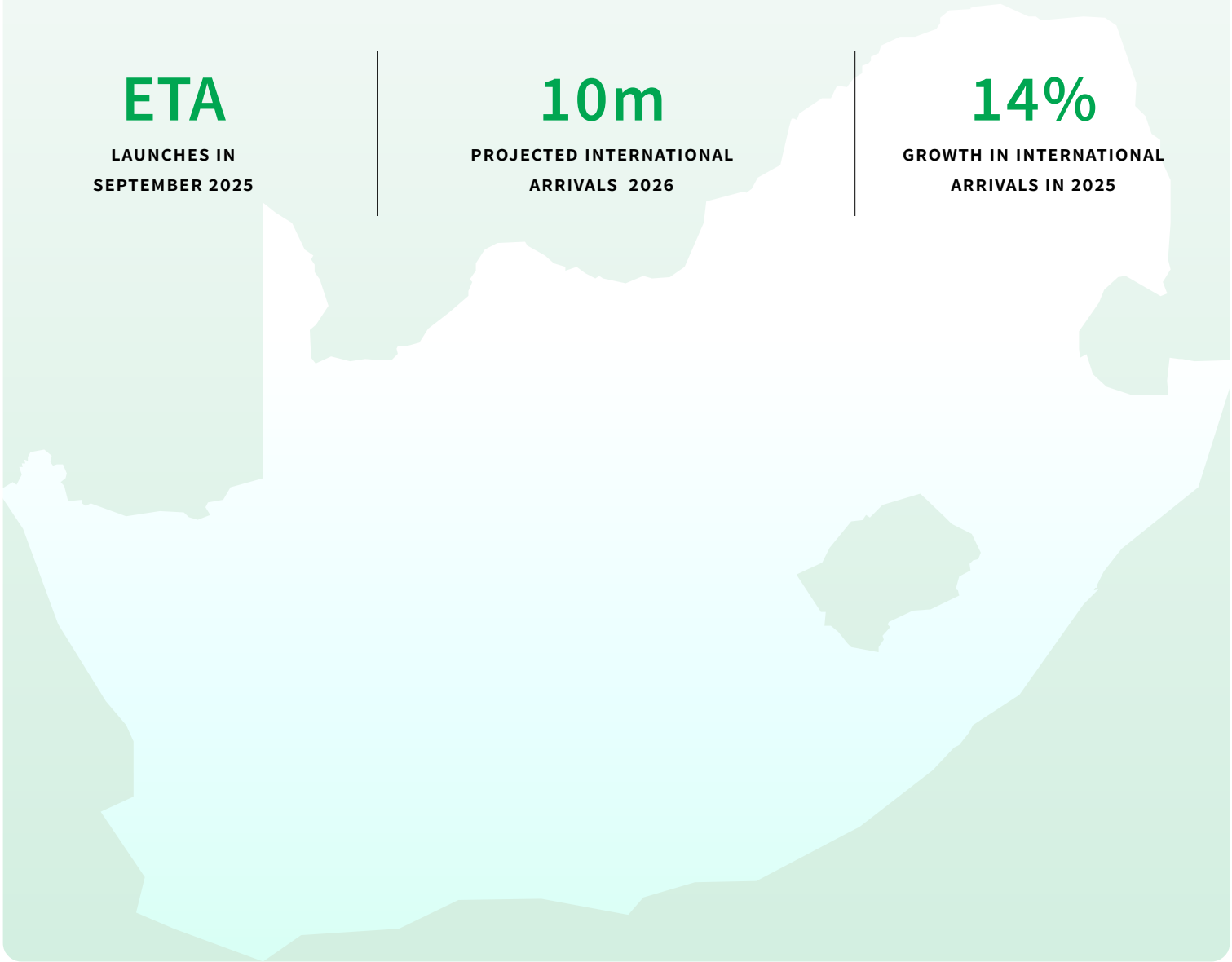
LAUNCHES IN
SEPTEMBER 2025

10m

PROJECTED INTERNATIONAL
ARRIVALS 2026

14%

GROWTH IN INTERNATIONAL
ARRIVALS IN 2025





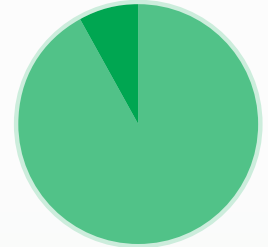
FULL SECTOR BRIEF

The Big Picture

Tourism and hospitality contributed ZAR 620 billion (~8.8% of GDP) in 2024 and supported 1.68-1.8 million jobs. International arrivals reached 8.9 million in 2024 (+5.1% year-on-year), with receipts exceeding US\$8.2 billion. Jan-July 2025 arrivals totaled 5.85 million (+14% year-on-year), with receipts of approximately US\$2.3 billion. The sector projects 7-9% annual growth, targeting 10 million arrivals by 2026.

Policy reforms drive momentum. The Electronic Travel Authorization (ETA) system launched September 2025, extending eVisa access beyond 14 current markets. The Government of National Unity (June 2024) restored political stability and investor confidence. The World Bank committed US\$1.5 billion in June 2025 for port and rail infrastructure, indirectly benefiting tourism logistics. Operation Vulindlela reforms enhance safety, infrastructure, and connectivity.

Domestic tourism remains robust, driven by regional connectivity and AfCFTA-enabled cross-border travel. Regional tourism grew 10% in 2025, with South Africa as the SADC (Southern African Development Community) hub. The hotel pipeline expands: Radisson Safari Hoedspruit opened December 2023, Marriott/Protea expanded in 2024, InterContinental Table Bay reopens Q4 2025. Digital booking platforms and improved visa access scale both business (MICE) and leisure markets.



8.8%

CONTRIBUTION TO GDP
BY SECTOR

\$1.5B

COMMITTED BY WORLD BANK
FOR PORT AND RAIL
INFRASTRUCTURE

10%

GROWTH IN DOMESTIC
REGIONAL TOURISM



FULL SECTOR BRIEF

Premium Tourism Safari Lodges to Luxury Rails

South Africa anchors premium tourism through safari lodges in Kruger National Park and private reserves (Sabi Sands, MalaMala, Timbavati), wine estates in Stellenbosch and Franschhoek, luxury rail experiences (Blue Train, Rovos Rail), and coastal properties. High-spend international visitors seek authentic wildlife, culinary excellence, and design-forward accommodations.

Safari lodges target US, UK, European, and Asian markets, with average daily rates exceeding US\$1,000 for ultra-luxury properties. Wine tourism integrates hospitality, agriculture, and heritage, attracting culinary travelers and oenophiles. Luxury rail journeys combine historical rolling stock with contemporary service, offering multi-day itineraries across Southern Africa.

INVESTMENT OPPORTUNITY

Premium hotels and safari lodges. 8.9M arrivals (2024), Jan-July 2025 +14% growth. Partner with Marriott, Radisson, Sun International. Inter-Continental Table Bay reopening Q4 2025.





FULL SECTOR BRIEF

MICE & Business Events

Cape Town International Convention Centre (ICC), Sandton Convention Centre, and Durban ICC host Africa's largest business events. MICE demand rebounds strongly post-2023, driven by financial services, technology, and pharmaceutical sectors. Indaba (Durban tourism trade show) and Meetings Africa (Johannesburg MICE platform) reinforce South Africa's position as the continent's business events leader.

Conference hotels expand capacity: Sandton anchors Johannesburg's financial district, while Cape Town's V&A Waterfront integrates convention facilities with leisure attractions. Business travelers extend stays for leisure, creating hybrid demand supporting both segments

INVESTMENT OPPORTUNITY

Expand ICCs and conferencing hotels. Business travel rebounding strongly. Equity in convention centers and hotel-integrated MICE. Cape Town ICC bookings exceeded pre-COVID levels in 2025.



FULL SECTOR BRIEF

Cultural Tourism: Heritage Meets Global Trends

Cultural tourism surged in 2025, driven by township experiences (Soweto, Langa), heritage sites (Robben Island, Apartheid Museum, Cradle of Humankind), and global recognition of South African creativity. Amapiano's global rise, Tyla's global recognition, and Netflix Originals filmed in South Africa (Blood & Water, Queen Sono) create cultural halo effects attracting international visitors seeking authentic experiences.

Township tourism connects visitors with contemporary urban culture, history, art, and cuisine, while heritage sites provide historical context. Culinary tourism showcases fusion cuisines, indigenous ingredients, and award-winning chefs. Creative precincts in Johannesburg (Maboneng, Braamfontein) and Cape Town (Woodstock, Observatory) attract younger, culturally engaged travelers.

INVESTMENT OPPORTUNITY

Township tourism, wellness retreats, eco-lodges. Cultural tourism growth in 2025; eco-tourism aligns with global demand. SMEs and private equity. Township tourism SMEs supported by DBSA finance scale regionally.





FULL SECTOR BRIEF

Eco-Tourism & Adventure: Mountains to Marine Parks

Eco-tourism and adventure thrive in Kruger National Park, Drakensberg mountain range, Table Mountain National Park, and marine reserves (iSimangaliso Wetland Park, De Hoop Nature Reserve). Wellness retreats grew 20% in 2025, integrating spa experiences with nature-based accommodations. Adventure activities include hiking, diving, shark cage experiences, paragliding, and mountain biking.

South Africa's biodiversity—big five wildlife, endemic fynbos, marine ecosystems—supports nature-based tourism year-round. Conservation-linked tourism funds protected areas and community development, aligning with ESG investment mandates. Ecotourism certifications (Fair Trade Tourism, Green Building Council) differentiate sustainable operators.

INVESTMENT OPPORTUNITY

Township tourism, wellness retreats, eco-lodges. Cultural tourism growth in 2025; eco-tourism aligns with global demand. SMEs and private equity. Township tourism SMEs supported by DBSA finance scale regionally.





FULL SECTOR BRIEF

Regional Tourism & AfCFTA

AfCFTA integration boosted regional tourism by 10% in 2025. South Africa serves as the SADC hub for intra-African travel, with strong air connectivity (OR Tambo, Cape Town International), road networks, and visa-free access for most African nationals. Zimbabwean, Mozambican, Namibian, and Botswanan visitors drive cross-border volumes.

Regional tourists support budget and mid-market accommodation, domestic attractions, and shopping tourism. Durban anchors KwaZulu-Natal's regional gateway, while Johannesburg serves business and shopping visitors. Road tourism from neighboring countries supports fuel, hospitality, and retail spend.

INVESTMENT OPPORTUNITY

Expand OR Tambo, Lanseria, Dube TradePort facilities. Air arrivals up 14% in Jan-July 2025. Partnerships with ACSA. Dube TradePort perishable cargo surged in 2025.





FULL SECTOR BRIEF

Hotel Pipeline & Accommodation

The hotel pipeline expands across segments. Radisson Safari Hoedspruit opened December 2023, targeting safari tourism. Marriott/Protea expanded in 2024 with mid-market properties. InterContinental Table Bay (Cape Town) reopens Q4 2025 following renovations, reinforcing luxury waterfront positioning. Sun International and Legacy Hotels & Resorts scale casino-resort properties and boutique hotels.

Airbnb and alternative accommodations capture growing shares of leisure travel, particularly among younger international visitors and domestic tourists. Budget chains (City Lodge, Road Lodge) serve business and value-conscious travelers.

INVESTMENT OPPORTUNITY

Premium hotels and safari lodges. 8.9M arrivals (2024), Jan-July 2025 +14% growth. Partner with Marriott, Radisson, Sun International. InterContinental Table Bay reopening Q4 2025.





ON THE GROUND

Infrastructure & Policy Framework

The ETA system (September 2025 launch) extends eVisa access, reducing visa application friction. Operation Vulindlela reforms streamline municipal services, safety protocols, and infrastructure maintenance. Investment in safety precincts—Cape Town CBD, Durban beachfront—improves security through technology, private security partnerships, and enhanced policing.

Solar-powered infrastructure at airports (OR Tambo, Cape Town International), hotels, and tourism precincts reduces load-shedding disruptions. Cold-chain improvements support culinary tourism and wine exports. Cultural diplomacy and branding via SA Tourism, Indaba, and Meetings Africa reinforce global tourism visibility.



LOOKING AHEAD

Investment Opportunities

- 1 HOTELS & RESORTS**
Premium hotels and safari lodges. 8.9M arrivals (2024), Jan-July 2025
+14% growth. Partner with Marriott, Radisson, Sun International.
InterContinental Table Bay reopening Q4 2025.
- 2 AIRPORTS & AVIATION HUBS**
Expand OR Tambo, Lanseria, Dube TradePort facilities.
Air arrivals up 14% in Jan-July 2025. Partnerships with ACSA.
Dube TradePort perishable cargo surged in 2025.
- 3 TOURISM PRECINCTS & SAFETY INFRASTRUCTURE**
Mixed-use tourism hubs with embedded security.
Safety concerns constrain growth. PPPs with municipalities.
Cape Town Waterfront and Durban Point demonstrate precinct success.
- 4 MICE FACILITIES**
Expand ICCs and conferencing hotels. Business travel rebounding strongly.
Equity in convention centers and hotel-integrated MICE.
Cape Town ICC bookings exceeded pre-COVID levels in 2025.
- 5 CULTURAL & ECO-TOURISM VENTURES**
Township tourism, wellness retreats, eco-lodges. Cultural tourism growth
in 2025; eco-tourism aligns with global demand. SMEs and private equity.
Township tourism SMEs supported by DBSA finance scale regionally.
- 6 DIGITAL PLATFORMS & TRAVEL TECH**
Booking systems, payment integration, safety apps. E-commerce penetration
accelerates. Equity in startups or partnerships with established platforms.
PayShap adoption (30% rise in 2025) reduces payment friction.



LOOKING AHEAD

Challenges & Fixes

- ✓ **Inflationary pressures** (CPI 5-6% in 2025) raise costs—mitigated by discount packages, localized supply chains, targeted promotions.
- ✓ **Global competition** from Kenya, Tanzania, Mauritius—addressed via diversity of offerings, established infrastructure, cultural integration.
- ✓ **Safety concerns persist**—mitigated by precinct policing, safety tech, tourism security partnerships.
- ✓ **ETA rollout risks delays** Phased pilots and digital feedback systems reduce implementation friction.
- ✓ **Load-shedding affects precincts** Embedded solar and microgrids improve reliability.
- ✓ **Over-tourism in Cape Town and Kruger** Diversifying destinations and marketing secondary hubs (Drakensberg, Wild Coast, Garden Route)



IN SUMMARY

The Bottom Line

South Africa combines scale (ZAR 616B GDP contribution, 1.68-1.8M jobs), growth momentum (8.9M arrivals 2024, 5.85M Jan-July 2025 +14%), policy reforms (ETA Sept 2025, GNU stability, US\$1.5B World Bank loan), diversity (safaris, wine country, cities, coasts, cultural experiences in one itinerary), cultural halo (Amapiano, Tyla, Netflix Originals), and regional positioning (AfCFTA hub, +10% regional tourism).

For investors, it's Africa's only tourism market offering premium safari infrastructure, MICE platforms, established hotel pipelines, and globally recognized cultural exports—anchored in consistent foreign exchange earnings (US\$8.2B in 2024).

GET IN TOUCH WITH BRAND SOUTH AFRICA

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