

Tourism Trends

Issue 1 | 2026

Key trends and highlights of South Africa's
tourism industry

For the period January to July 2026
Prepared by Lee-Anne Bac, BDO South Africa

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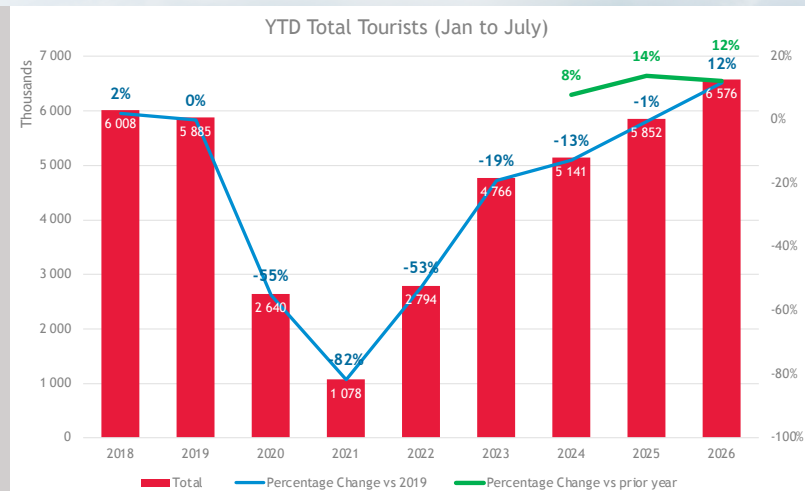


Synopsis of International Tourism Arrivals to South Africa **January and July 2026**



A | Synopsis of International Tourism Arrivals to South Africa

South Africa finally starts to experience good growth in international tourist arrivals



Source: StatsSA and BDO analysis

► Between January and July 2026, international tourist arrivals reached 6,6 million – 12% up on the same period in 2025 and 12% above 2019 (10% above our 2018 high-water mark). A year ago, arrivals were still 1 percentage point behind 2019 levels.

► We caution against reading too much into this headline figure. It masks materially different trends by source market and mode of travel, which are set out on the pages that follow.

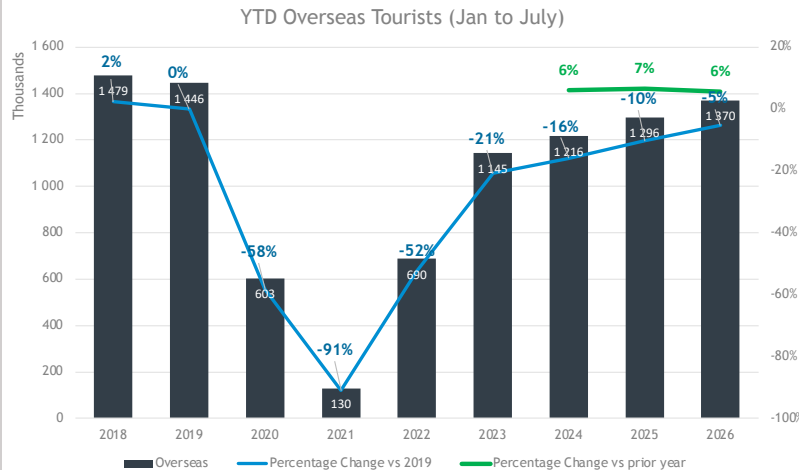
► Global context: international arrivals returned to 2019 levels in 2024, growing over 12% that year and a further 4% in 2025, with Africa adding 8% in 2025. South Africa's recovery lagged, but growth over the past two years has outpaced the global trend.

► Africa ranking: Morocco leads with more than 17 million arrivals in 2025 and Tunisia follows with 11 million, leaving South Africa third. In 2016 South Africa (10 million) was level with Morocco (10,3 million) and well ahead of Tunisia (5,7 million). Kenya regained 2019 levels in 2023 and Tanzania in 2022, though both slowed in 2025 (Kenya 2,7 million, +9%; Tanzania 2,3 million, +7%).



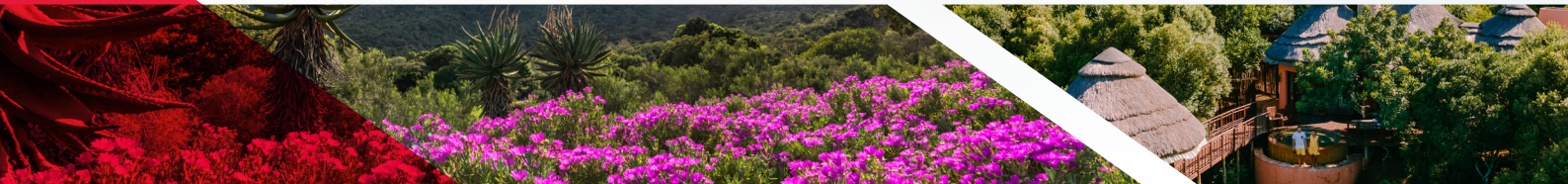
A | Synopsis of International Tourism Arrivals to South Africa

Overseas tourism arrivals continue to disappoint with a significant negative impact on our economy



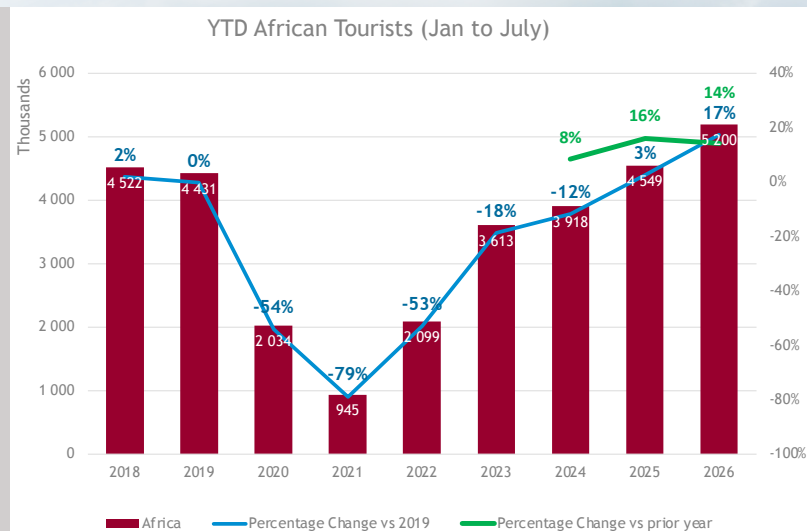
Source: StatsSA and BDO analysis

- ▶ Overseas arrivals between January and July 2026 reached 1,37 million – still 5% behind 2019 (76 000 fewer visitors) and 7% behind 2018 (109 000 fewer), and only 6% up on the same period in 2025.
- ▶ This is the segment that matters most economically, given the high average spend per overseas visitor. The 2025 shortfall cost the economy an estimated R6,5 billion in foreign direct spend, before any multiplier effect.
- ▶ Full-year 2025 context: South Africa received 2,4 million overseas visitors, 12% up on 2024. A lacklustre first seven months means that growth was driven by a strong second half, yet the year still finished 11% (281 000 visitors) behind 2018.
- ▶ Outlook: if the growth of the last five months of 2025 is repeated, total overseas arrivals should reach 2,7 million by the end of 2026 – in line with 2018 and ahead of 2019, marking the end of the Covid-era impact on this market.



A | Synopsis of International Tourism Arrivals to South Africa

Continued growth in African arrivals mask a mid-year stall in high-value markets and air arrivals



Source: StatsSA and BDO analysis

▶ Headline growth in African arrivals remains strong, but it masks a mid-year stall in the high-value air segment. Total African arrivals for the first 7 months of 2026 exceeded 5,2 million visitors – 17% above 2019 and 14% above the same period in 2025 – while full-year 2025 registered more than 8 million African visitors, 20% up on 2024. This has been achieved despite the Afrophobic stance adopted by some South Africans and adverse media reporting, but we caution against reading the aggregate numbers alone.

▶ With 466 000 African air arrivals for the first 7 months of 2026, levels are 25% above the same period in 2019 and 8% up on 2025. But this good growth was achieved in the first 4 months of the year (prior to the Afrophobia threats), with 16% growth. In May to July, the number of African air arrivals decreased by 2%. Note: air arrivals account for only 9% of African visitors.

▶ Notable declines in visitors from Angola, Ghana, DRC, Kenya and Nigeria between May and July 2026 are no doubt linked to the threats of Afrophobia in South Africa. Strong growth in the first 4 months keeps the YTD totals from these markets looking healthy, but the risk is that these high-spend visitors do not return, leaving the outlook for the rest of the year uncertain.

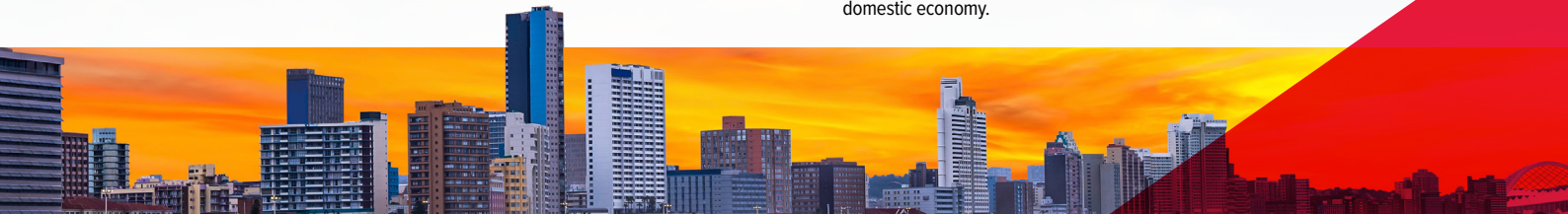
▶ But, 98% of our African visitors are from SADC countries and 92% are from our neighbours. Combined, these markets are 15% up on January to July 2025: Mozambique up 30% YTD with continued growth into May to July, Zimbabwe up 12% YTD, and Lesotho up 15% YTD. The data points to limited impact from the threats of Afrophobia on these markets.



A | Synopsis of International Tourism Arrivals to South Africa

Lagging overseas markets

- ▶ China remains the worst performing overseas market. For the first 7 months of 2026, only 18 000 Chinese tourists landed in South Africa, 67% behind 2019 numbers and 24% behind the same period in 2025. This is despite the introduction of the Trusted Tour Operator Scheme (TTOS) in February 2025, and the new Electronic Travel Authorisation (ETA), which was announced and piloted in 2025 but only officially launched in August 2026.
 - ▶ The Chinese outbound market returned to pre-Covid levels in 2025 (approximately 168 million travellers).
 - ▶ Australia welcomed over 1 million Chinese visitors in 2025, while South Africa remains below 40 000 annual Chinese arrivals, which highlights the scale of the untapped opportunity.
 - ▶ But significant growth cannot be achieved without products and services that meet the needs of this market.
 - ▶ The implementation of the TTOS has not yielded the expected results. One obstacle to visiting South Africa may have been overcome, but a deeper understanding of the key demand drivers is required to grow this market.
- ▶ The Indian market, also a beneficiary of the TTOS, is a staggering 49% behind 2019 levels, and has declined a further 31% in 2026 compared with the same period in 2025. Alarm bells should be ringing.
- ▶ Many other Asian markets, although small, are also recovering poorly against 2019 levels, among them Taiwan, Indonesia and the Republic of Korea.
- ▶ A contributor to the decline across many Asian markets is the Middle East crisis. With limited direct flights between South Africa and the Far East, these markets rely on Middle Eastern airlines to reach us.
 - ▶ This raises questions about air connectivity to the East, and about whether South Africa is positioned to appeal to these markets. We need to look hard at what we are and are not doing, and to understand the needs of each market in detail.
- ▶ The Brazilian market was down 67% on 2019 in 2023 and still 16% below 2019 in 2025. In the first months of 2026 it has rebounded to 8% ahead of 2019 - the introduction of a direct air route between the two countries has done much to restore demand.
- ▶ Overall, the European market is still lagging:
 - ▶ The French market is a major concern, having recovered to only 88% of 2019 numbers in the first 7 months of 2026, although YTD growth of 11% is fair.
 - ▶ The Italian market is losing momentum, with no growth YTD and remaining at 90% of 2019 arrivals.
 - ▶ The UK, our largest overseas market, still lags 2019 arrivals by 5% and has shown lacklustre growth of 4% YTD. It grew well in the second half of 2025, so we are hopeful of a rebound over the next 5 months.
- ▶ Demand from the US market has declined 1,2% YTD against 2025, but remains 4% ahead of 2019. The slowdown can be attributed to weakness in the US domestic economy.



A | Synopsis of International Tourism Arrivals to South Africa

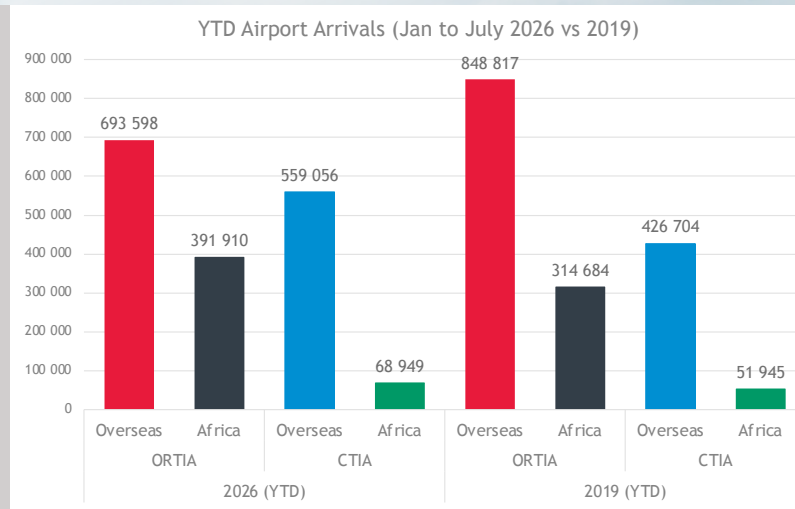
Outperforming overseas markets

- ▶ The Netherlands remains one of the best performing European markets, growing over 11% YTD and reaching 109% of 2019 numbers in the first 7 months of 2026.
- ▶ Russia remains a stellar performer, growing 24% YTD against the same period in 2025. With more than 25 000 arrivals YTD, this market is now almost three times its 2019 level.
- ▶ Australia is another success story, with YTD arrivals 12% above 2019 and year-on-year growth exceeding 6%. It is now South Africa's 6th largest overseas market.
- ▶ New Zealand, although a small market, has also rebounded fast and is 46% up on 2019, but growth this year has been poor (down 9% YTD against 2025). We expect this to be deferred rather than lost travel, with New Zealanders gearing up for the Rugby's Greatest Rivalry tour hosted in South Africa in August and September 2026.
- ▶ What these markets share is good air access, visa-free travel, strong long-haul leisure demand and a favourable exchange rate – a useful guide to where marketing effort is likely to earn the best return.



A | Synopsis of International Tourism Arrivals to South Africa

Cape Town Air Access Strategy reaping rewards for International Air Arrivals to the Western Cape



Source: StatsSA and BDO analysis

▶ International air arrivals by airport show the achievements of the Cape Town Air Access Strategy clearly. But those gains appear to have come at the expense of OR Tambo International Airport (ORTIA): rather than growing the total number of overseas air arrivals to South Africa, the strategy has largely shifted them from ORTIA to Cape Town International Airport (CTIA).

▶ For the full year 2025, ORTIA reached only 81% of 2019 overseas arrivals, 19% behind, while CTIA exceeded 2019 numbers by 24%.

▶ Both airports handled more African air arrivals in 2025 than in 2019 – CTIA 28% more and ORTIA 33% more.

▶ For the first 7 months of 2026, overseas air arrivals through CTIA were up 8% on the same period in 2025, compared with only 3% growth at ORTIA.

▶ ORTIA nonetheless remains the gateway for African travel, handling nearly six times as many African air arrivals as CTIA over the first 7 months of 2026.

▶ African air arrivals through ORTIA were up 8% YTD in 2026 against 2025 and now exceed 2019 levels by nearly 25%.

▶ CTIA grew African air arrivals by 13% between January and July 2026, albeit off a low base, and is 33% above 2019 levels for these markets.

▶ The pattern is consistent: Cape Town is winning share on both overseas and African routes, but national air access capacity is not yet growing with it.



B

Synopsis of Hotel Performance January to June 2026

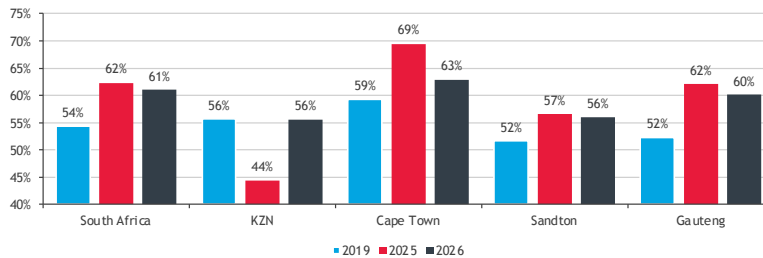


B | Synopsis of Hotel Performance

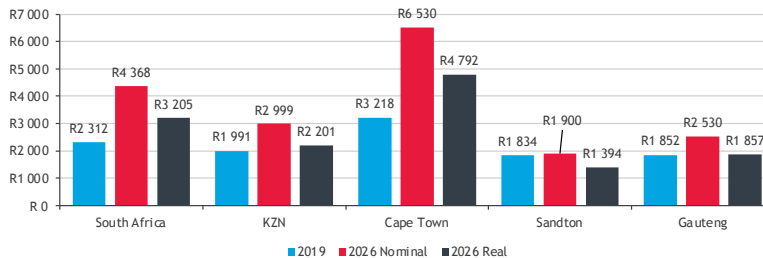
5-Star Hotels – rate growth continues as occupancy settles



5-Star Hotels: Average Annual Occupancy (Jan to Jun)



5-Star Hotels: Average Room Rate (Jan to Jun)



- ▶ Demand for luxury accommodation eased slightly in the first half of 2026, with national 5-Star occupancy at 61% for January to June against 62% in 2025, but the segment remains well ahead of its 2019 position of 54%.
- ▶ KwaZulu-Natal is the recovery story of 2026. ARO has rebounded from a low of 44% in 2025 to 56%, essentially back to the 2019 level, suggesting that the 2025 collapse reflected the surge in participating rooms and the province's economic difficulties rather than a structural loss of demand.
- ▶ Cape Town gave back some ground, with occupancy easing from 69% to 63%, although this remains comfortably above the 59% recorded in 2019. Rate is where the market excels: an ARR of R6 530 for January to June 2026 is 49% ahead of 2019 in real terms and delivers RevPAR of roughly R4 160.
- ▶ Sandton remains the problem market. Occupancy is broadly flat at 56% and ARR has reached only R1 900, barely above the R1 834 achieved in 2019 – a decline of 24% in real terms – leaving RevPAR at approximately R1 065 and rate at less than 30% of comparable Cape Town hotels.
- ▶ Nationally, ARR of R4 368 for the first six months of 2026 is 39% ahead of 2019 in real terms, and Gauteng outside Sandton has just regained its 2019 rate in real terms. The pricing gap is therefore a Sandton issue rather than a Gauteng one.

ARO: Average Room Occupancy
ARR: Average Room Rate

RevPAR: Revenue per Available Room
YTD: Year to Date,

Source: CoStar and BDO analysis

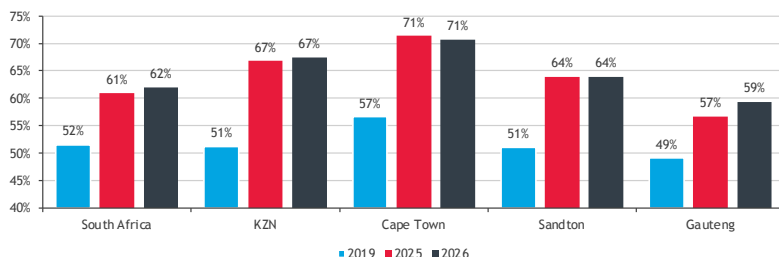
- ▶ The overall picture is one of consolidation rather than decline: occupancy has settled marginally below the 2025 peak while rate continues to build, and the national average is being held back by Sandton alongside the reweighting of the KZN sample.

B | Synopsis of Hotel Performance

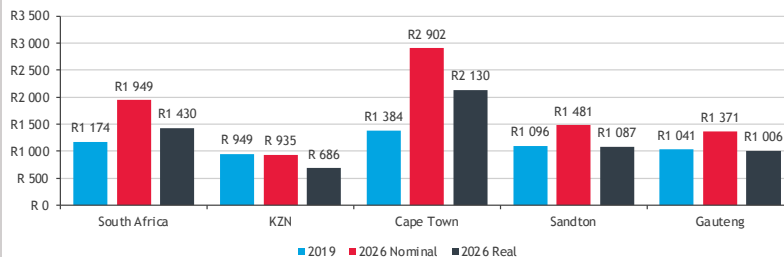
4-Star Hotels – Occupancy climbs but rate growth stays in Cape Town



4-Star Hotels: Average Annual Occupancy (Jan to Jun)



4-Star Hotels: Average Room Rate (Jan to Jun)



- ▶ Occupancies continue to improve across the board. For January to June 2026, national 4-Star ARO reached 62%, up from 61% in 2025 and more than 10 percentage points above 2019. Every market is now trading ahead of its 2019 occupancy, led by Cape Town at 71% and KwaZulu-Natal at 67%.
- ▶ Cape Town is again the exception on rate. ARR of R2 902 for the first half of 2026 is 54% ahead of 2019 in real terms and delivers nominal RevPAR of roughly R2 090. Cape Town 4-Star hotels now achieve 44% of the ARR of their 5-Star counterparts.
- ▶ KwaZulu-Natal remains the problem market. Despite the strongest occupancy in the country, nominal ARR of R935 is below the R949 achieved in 2019 – a real-terms decline of 28% – leaving it the only market where real RevPAR is still behind 2019. KZN 4-Star hotels earn just 31% of the ARR of local 5-Star hotels and less than a third of Cape Town 4-Star rates.
- ▶ Sandton and the rest of Gauteng have converted occupancy gains into modest real RevPAR growth, but rate remains the constraint: Sandton ARR of R1 481 and Gauteng ARR of R1 371 are both marginally behind 2019 in real terms. Sandton 4-Star hotels achieve 78% of local 5-Star ARR, which says more about 5-Star weakness than 4-Star strength.
- ▶ Nationally, ARR of R1 949 is 22% ahead of 2019 in real terms, but that gain is carried almost entirely by Cape Town. Outside the Western Cape, the 4-Star segment is filling rooms without pricing power, and closing the rate gap – particularly in KwaZulu-Natal – remains the key challenge.

ARO: Average Room Occupancy
ARR: Average Room Rate

RevPAR: Revenue per Available Room
YTD: Year to Date,

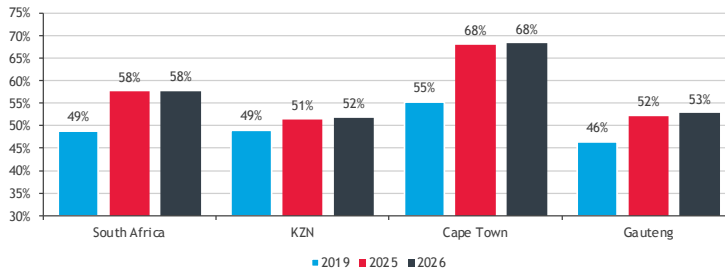
Source: STR and BDO analysis

B | Synopsis of Hotel Performance

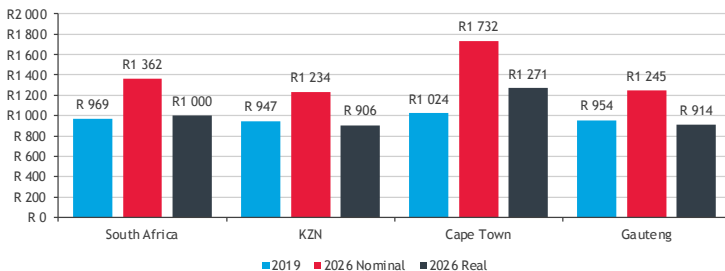
3-Star Hotels – Occupancy recovers but rate growth stays out of reach



3-Star Hotels: Average Annual Occupancy (Jan to Jun)



3-Star Hotels: Average Room Rate (Jan to Jun)



ARO: Average Room Occupancy
ARR: Average Room Rate

RevPAR: Revenue per Available Room
YTD: Year to Date,

Source: STR and BDO analysis

- ▶ Occupancy has stabilised. National 3-Star ARO was 58% for January to June 2026, unchanged on 2025 but almost 9 percentage points above 2019. Rate remains the weakness: national ARR of R1 362 is only 3% ahead of 2019 in real terms.
- ▶ Cape Town is again the exception. Occupancy of 68% is 13 percentage points above 2019 and ARR of R1 732 is 24% ahead of 2019 in real terms, lifting real RevPAR by more than 50%.
- ▶ KwaZulu-Natal continues to struggle. Occupancy of 52% is barely 3 percentage points above 2019 and ARR of R1 234 is 4% behind 2019 in real terms, leaving real RevPAR only marginally ahead of 2019. Tellingly, 3-Star hotels in the province now achieve higher rates than local 4-Star properties (R1 234 against R935), which points to a rate problem in the 4-Star segment rather than 3-Star strength.
- ▶ Gauteng shows the same pattern. Occupancy of 53% is 6 percentage points above 2019, but ARR of R1 245 is 4% behind 2019 in real terms, so real RevPAR growth is limited to around 9%.
- ▶ Sandton has been excluded from the 3-Star analysis this year owing to insufficient participating data.
- ▶ The subdued performance outside Cape Town continues to reflect structural rather than cyclical pressures:
 - ▶ Changed domestic business travel patterns, driven by new operating models, a weak economy, a wider choice of accommodation outside traditional hotels and the shift to online meetings.
 - ▶ Reduced government travel following budget cuts and restrictions on non-essential spending.
 - ▶ The shortfall in overseas tourists, with those who do visit tending to avoid Gauteng and KwaZulu-Natal or to select 5-Star properties.

C

Implications for Tourism in South Africa



C | Implications for Tourism in South Africa

Implications and recommendations

The tourism industry in South Africa has changed quite significantly since the country's heydays in 2018/ 2019. A return to the industry of old is unlikely and that means industry players should be adapting their strategies accordingly. Competition is certainly more aggressive and coming from previously unrecognized countries/ regions and markets are more nuanced and not necessarily defined by country but rather by lifestyle and lifestage. This begs the question – is South Africa appropriately structured to cope with these changes? Based on current performance the answer is clearly “no”, except perhaps for select destinations and regions such as Cape Town and upmarket game lodges (which fall outside of the STR data reported on this document).

Tourism has also been placed at the centre of the national growth agenda alongside mining and agriculture, with a target of an additional 750 000 international air arrivals by the end of December 2027. This is the recognition the sector has long argued for, but the target is demanding: on current run rates it calls for a step change in air access and route development rather than incremental growth, and it makes the constraints set out in this document a national economic issue rather than a tourism one.

But more still needs to be done:

- ▶ We need a national campaign to improve brand South Africa's image on the global stage. This goes beyond tourism! Geo-political challenges have tarnished the country's image, which is a detractor for furthering investment (FDI) and tourism. Let's be louder and more consistent in telling the world how wonderful South Africa is.
- ▶ An air access development fund focused on underserved but high potential regional and overseas connections is now essential rather than optional, as the 750 000 target cannot be met without new routes and added capacity. This must be an economy-wide approach, as improved air access drives economic development well beyond tourism.

- ▶ The repeated call to tackle crime, grime and decay through meaningful public/ private sector and community structures such as city improvement districts which tackle local government problems. Dereliction of our public spaces will continue to drive both domestic and international tourists away – we need to recreate spaces that we are all proud of and tourists would love to visit.
- ▶ Focus on driving economic development and growth: which in turn will drive business tourism from domestic, regional and overseas markets.
- ▶ Create a welcoming environment: our naturally welcoming and friendly culture needs to be felt across the country. Everyone should recognize and appreciate the value of tourism and “put out the welcome mat” for all tourists. We need to lead from the top, prioritizing tourism across government and this needs to be truly felt by the people of South Africa.
- ▶ Ensuring that we have innovative and unique tourism product that offer a diverse range of experiences. And that our products and services are delivered by a brilliant and skilled workforce. Let's widen our product offering – expanding into new experiences and regions across the depth and breadth of the country.
- ▶ Finally, the sooner the tourism sector recognises that they are part of a broader economy and that challenges need to be tackled with an economy-wide mindset and the support of other economic sectors, the sooner we can start to overcome these obstacles. Let's ensure that tourism is at the centre of our economy, and that we pave the way for growth so that tourism can do what it does best
– **create much needed employment opportunities.**



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