

## Tourism business index bounces back

The Q3 index results of the TBCSA FNB Tourism Business Index ("TBI") shows that tourism business performance has returned to the highs of Q1 following a somewhat disappointing Q2 report.

The Q3 index results of the TBCSA FNB Tourism Business Index ("TBI") shows that tourism business performance has returned to the highs of Q1 following a somewhat disappointing Q2 report.

Speaking at the release of the index today, TBCSA CEO, Mmatšatši Ramawela, added that "the really exciting news was the projected performance for Q4 which has reached an all time peak of 103.1. "As we go into the major international in-bound season, it is really encouraging to sense renewed confidence from the industry"

For Q3 tourism businesses registered a performance index of 101, an overall improvement from the Q2 TBI of 88.2. This is the second quarter this year in which business has reached normal levels of trading and follows six consecutive quarters of below normal performance since mid-2010.

Ramawela further explained that the positive outlook was good for industry sentiment, "particularly in the current environment where the country faces some tough socio-economic challenges".

Notably, the Q3 TBI also marks the first quarter in which the accommodation sector showed a positive outlook in terms of employment, raising hopes that the industry could meet the objectives of the National Tourism Sector Strategy in the medium to long-term. In this quarter the performance index for the accommodation sector was slightly lower than normal at 98.1, but still well up on the 89.9 of Q2, while 'other tourism businesses' recorded a higher performance index of 103.3, showing an even greater improvement on the Q2 index of 86.9.

"The latest results show us that there is a definite positive balance in both the accommodation and other tourism businesses", says Wiza Nyondo, Head of Tourism at FNB. "These results demonstrate an improvement in business performance, resulting to healthier consumer confidence and also showcases how these businesses continue to positively impact the growth of the tourism market. At FNB we remain confident that the industry will continue to grow as we head towards the tourism peak periods".

Input costs, with reference to the rising cost of fuel, electricity and the looming implementation of e-Tolls in Gauteng were mentioned by many respondents as negative factors to industry performance

Q3 TBI results were in line with industry expectations and correlate with the results of the quarterly RMB/BER Business Confidence Index ("BCI") &ndash; however this trend was not reflected in the SAACI Business Confidence Index ("BCI").

*SA - the Good News via SAPA*