

How to reboot the Tourism sector in TFCA's in a post (with) COVID-19 world

- Our focus is on Greater Kruger National Park (GKNP) as part of the GLTFCA
- Where are we and who are our neighbouring communities ?
- What is the size and density of Tourism operations in the GKNP ?
- What is the employment and economic contribution of the GKNP ?
- Results of Game Lodge Survey in SA
- Building back better
- GLTFCA destination marketing
- Challenges and Priorities

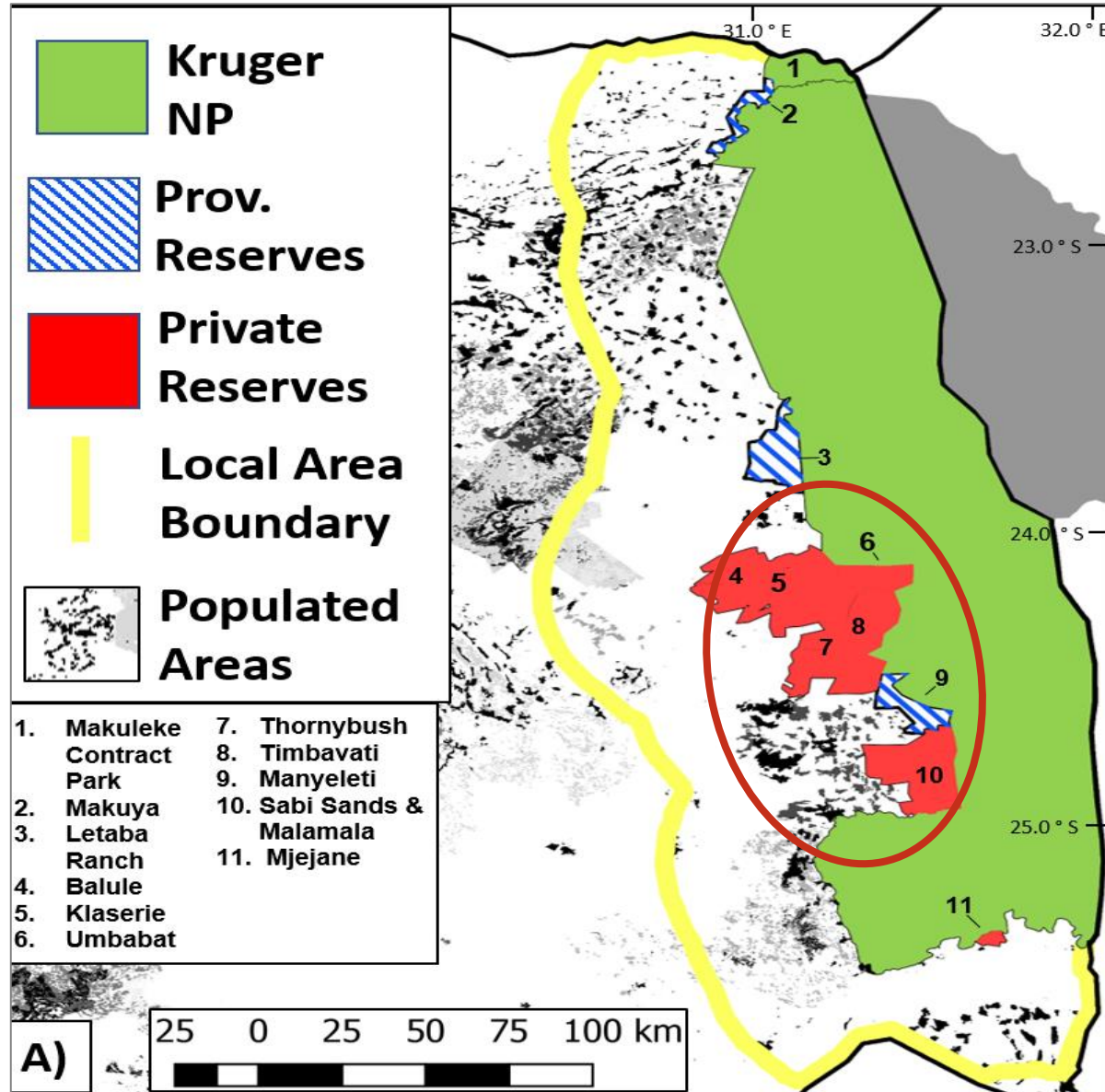
GLTFCA



GKNP (SA)



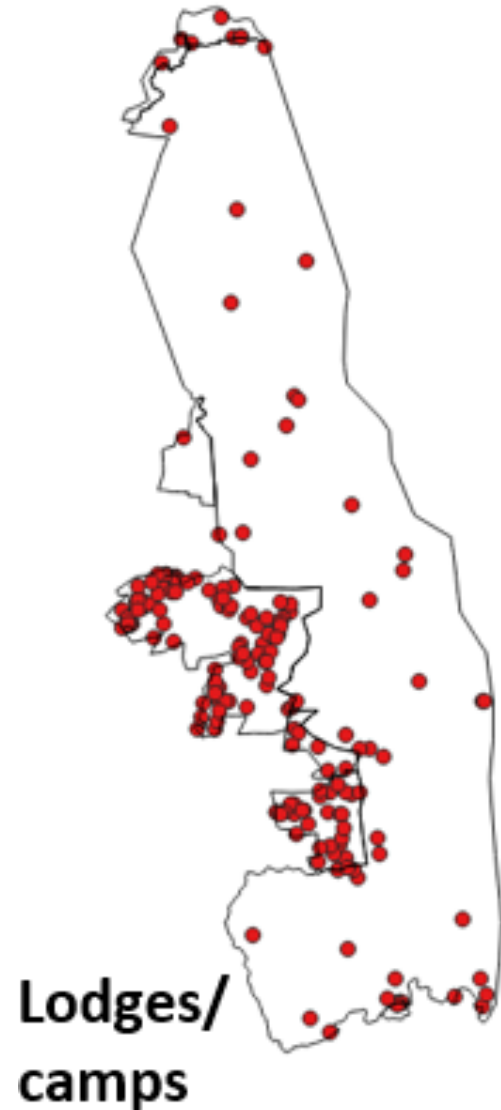
GKNP Neighbourhood



Approximately 2.9 million people within the Local Area Boundary (50km from GKNP)

Thohoyandou
Giyani
Phalaborwa
Hoedspruit
Acornhoek
Wolverdiend
Hluvukani
Bushbuckridge
Thulamahashe
Dixie
Huntinton
Hazyview
Kabokweni
Mbombela

GKNP Tourism Density



Kruger National Park:

SANParks - 23 Camps, 4243 beds

Private Lodges - 10 Camps, 274 beds

Provincial Reserves and Contractual Parks:

MTPA - 1 Camp, 128 beds

Private Lodges - 10 Camps, 276 beds

Private Reserves:

Public - 0 Camps, 0 beds

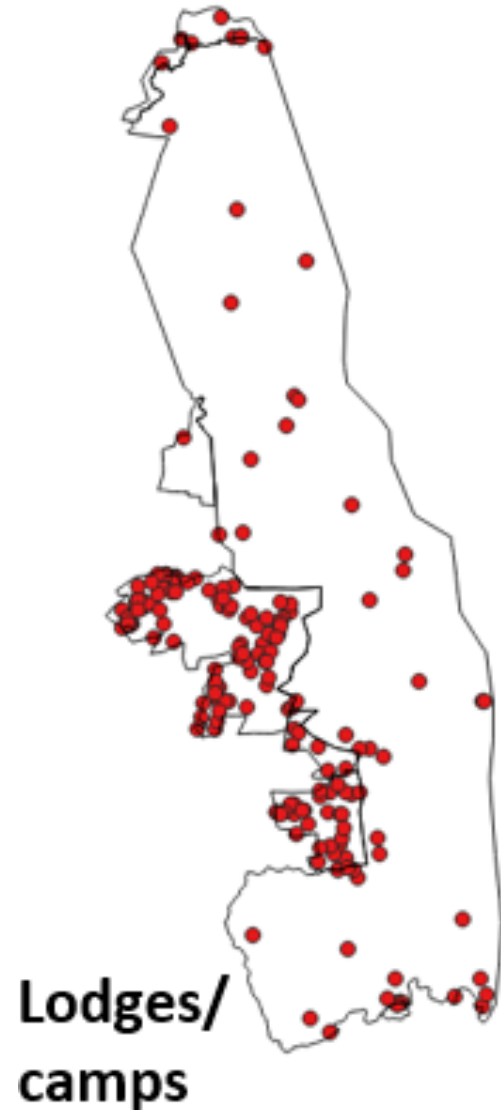
Private Lodges - 245 Camps, 3148 beds

Total Public - 24 Camps, 4371 beds (54%)

Total Private - 265 Camps, 3698 beds (46%)

Overall Total - 289 Camps, 8069 beds

GKNP Tourism Employment



Kruger National Park:
SANParks - 2243 Jobs
Private Lodges - 1163 Jobs

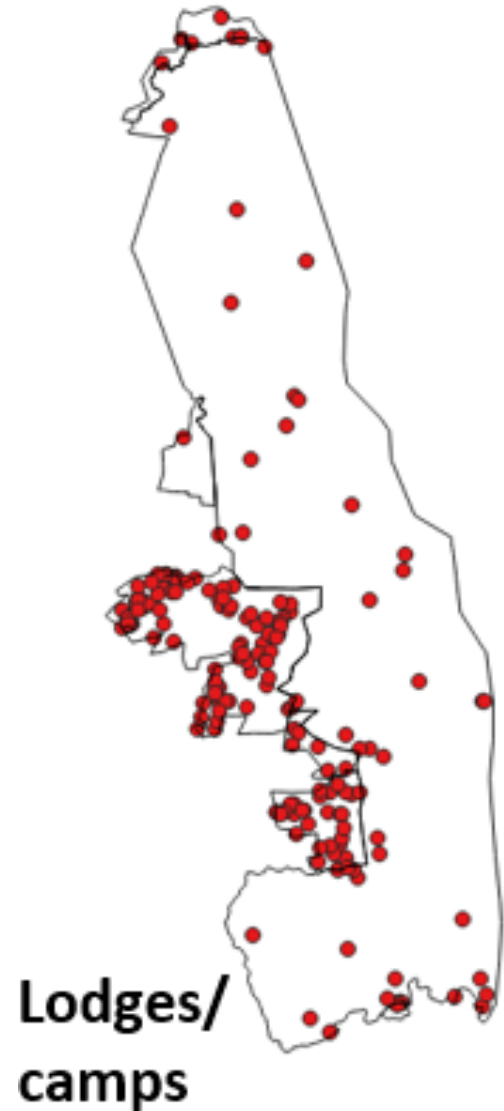
Provincial Reserves and Contractual Parks:
MTPA/Makuleke - 213 Jobs
Private Lodges - 170 Jobs

Private Reserves:
Reserve Management - 402 Jobs
Private Lodges - 4997 Jobs

Total SANParks/Park Management - 2858 Jobs (31%)
Total Private Lodges - 6330 Jobs (69%)

Overall Total - 9188 Jobs [*22300 Induced Jobs*]

GKNP Tourism Economy



Total Contribution to GDP : R6.6 billion (USD 377 million)
[Includes multipliers and induced spending]

Direct Contribution to GDP : 2.58 billion (USD 147 million)

60% of Direct spend within 50km of GKNP
[70% for Private Lodges]

Total Tax Revenue : R1.5 billion (USD 86 million)

Total Direct Wages : R1.16 billion (USD 66 million)
[R790 million (USD 45 million) to local residents]

Total Induced Employment : 22300 Jobs

Average Salary : R112000 p.a. (USD 6400 p.a.)

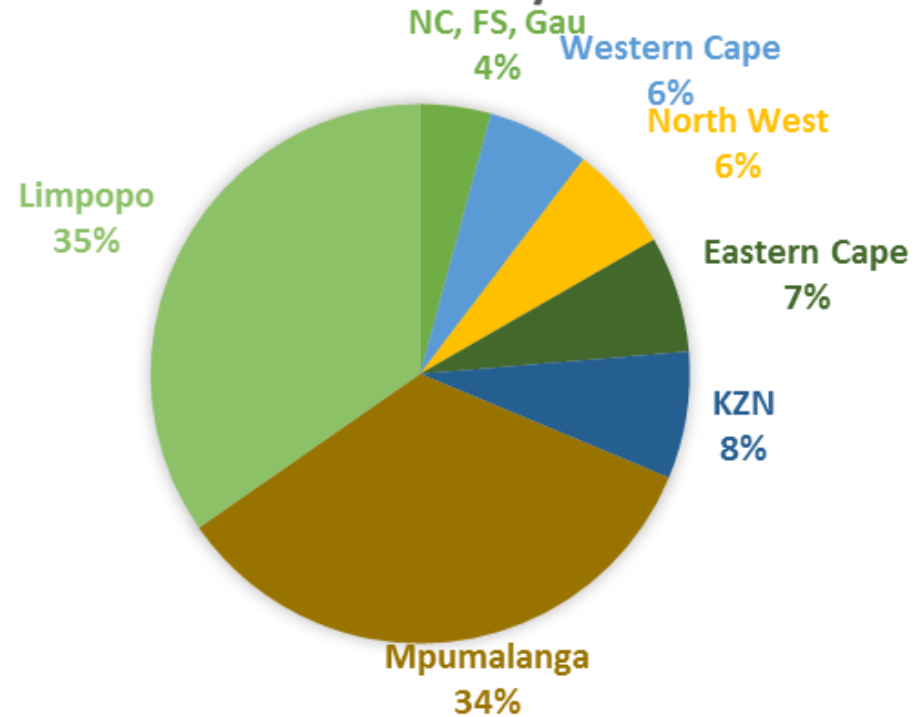
Results of Game Lodge survey in SA

Game lodges make a contribution to the viability of the Protected Areas landscapes and their local communities through concession fees or significant investments into conservation and environmental protection as part of their business model.

- To understand the consolidated liquidity requirements for affordable and accessible financial support to the game lodge sector in the next 12-18 months.
- To assess the community and conservation/environmental impacts of the game lodge sector
- To support the South African Inbound Tourism Recovery Strategy with credible data relating to the economic, environmental and social importance of the game lodge sector to South Africa.

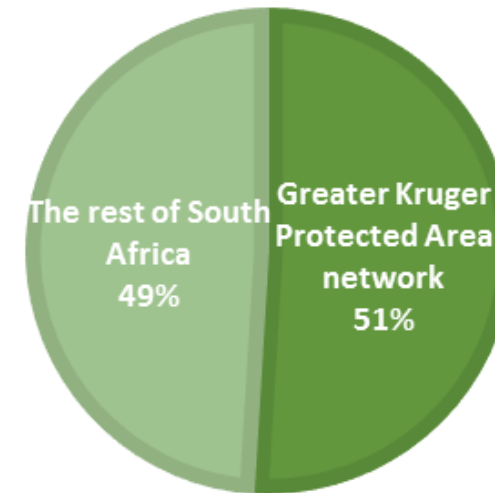
Game Lodge database - 496 individual entries

% OF GAME LODGES / PROVINCE



GAME LODGES IN THE GREATER KRUGER PROTECTED AREA NETWORK

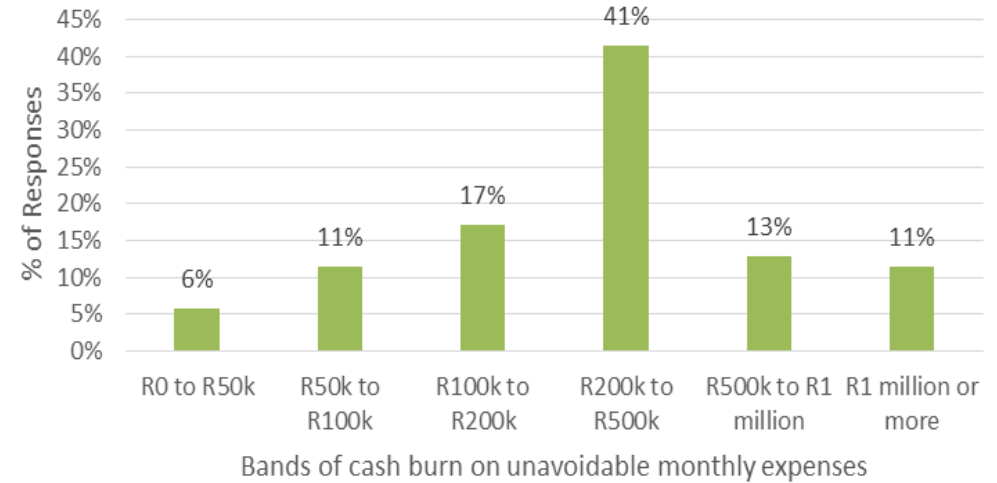
■ Greater Kruger Protected Area network ■ The rest of South Africa



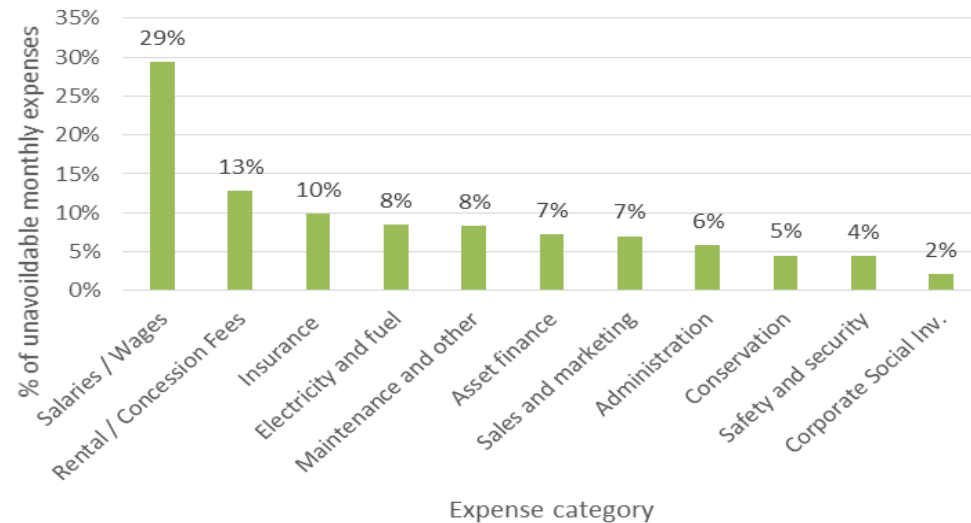
Hibernation state:

1. Monthly cash burn
2. Unavoidable expenses
3. Operating capital reserves

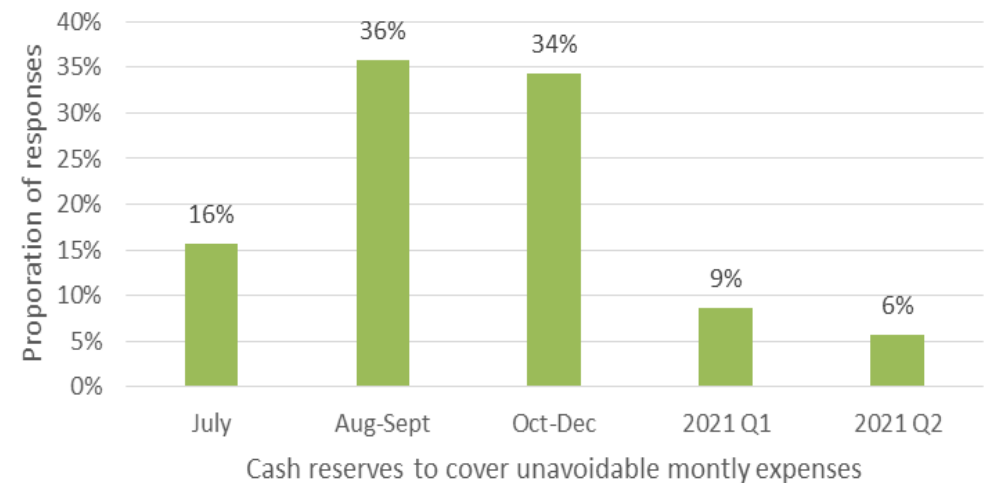
1. Proportion of different values of cash burn on unavoidable monthly expenses (n=87)



2. Proportion of unavoidable monthly expenses per category (n=87)

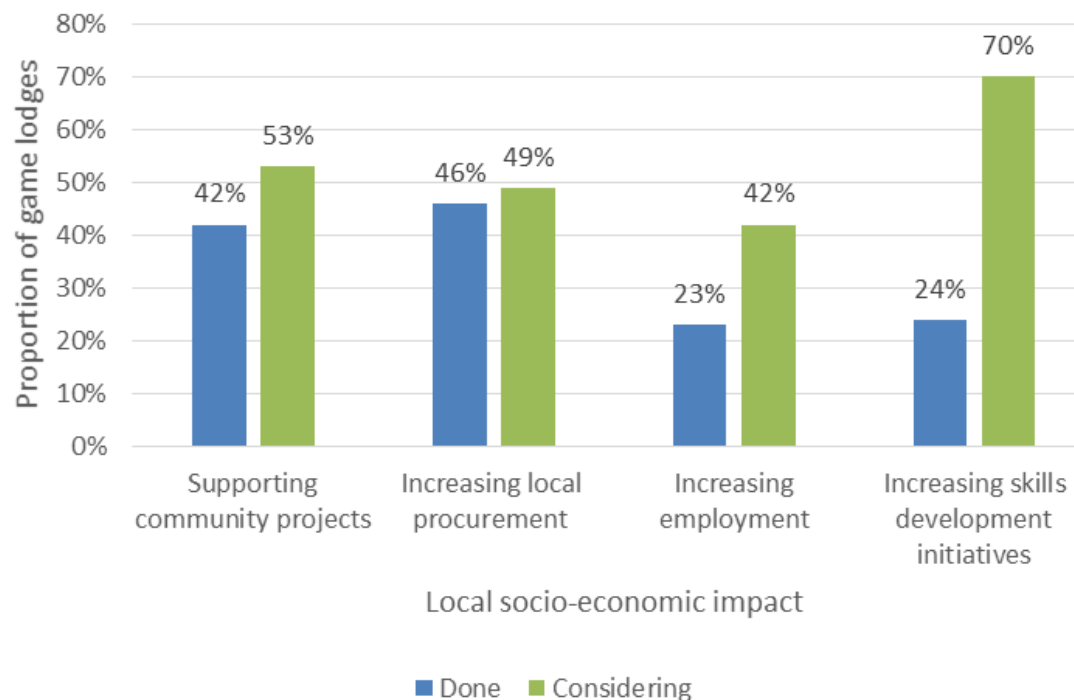


3. For how many months will your cash reserves cover unavoidable monthly expenses (n=87)

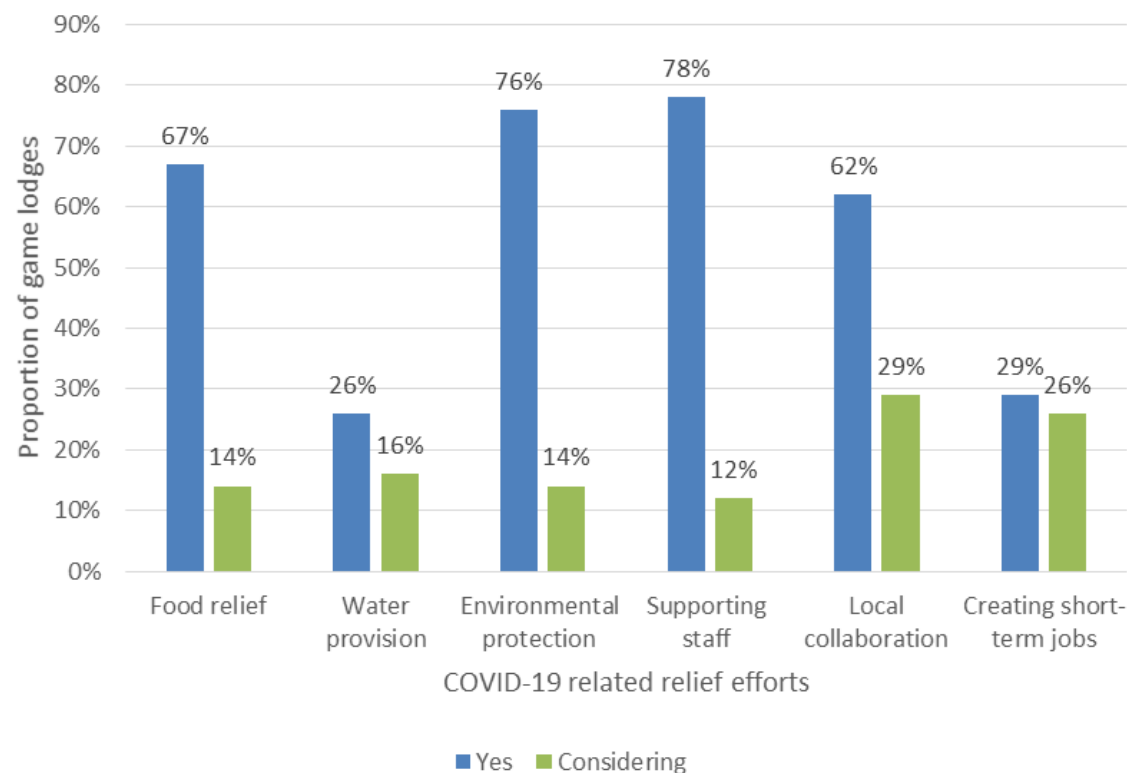


Game Lodges in South Africa: increasing positive local socio-economic impact

Proportion of game lodges considering measures to increase positive local socio-economic impact (n=87)



Proportion of game lodges supporting local COVID-19 efforts (n=87)



Consolidated Economic Indicators from Survey

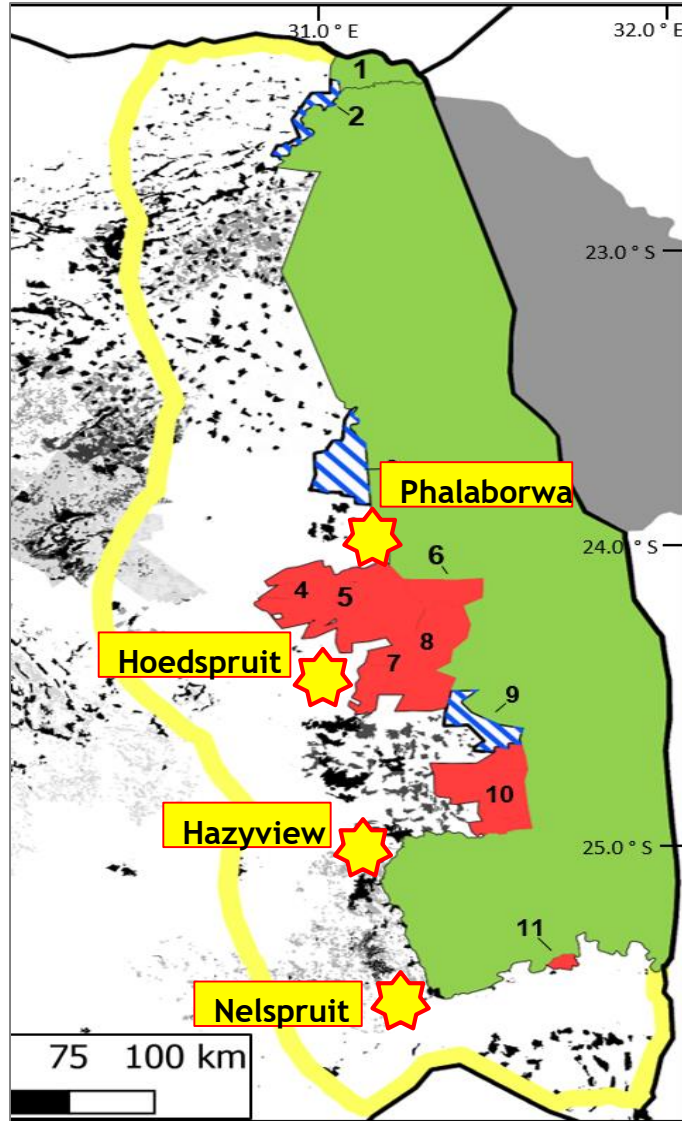
496 private game lodges in South Africa:

- Direct employment of 19,700 people in total (16,600 are from local communities)
- Salaries to local employees - R1.5 billion p.a (USD 86 million)
- Local Procurement Spend - R1.2 billion p.a. (USD 69 million)
- 33,625 jobs supported in local communities and areas *[includes job multipliers]*
- R789 million p.a. (USD 45 million p. a.) on conservation programmes, excluding concession fees; and
- R190 million p.a. (USD 11 million p.a.) on community projects such as clinics and schools and SMME support.

Consolidated Outlook from Survey

- Potentially a significant drop in the number of Game Lodges by 2021 due to COVID-19
- Potential job losses for the region due to possible Game Lodge closures
- Consolidated Liquidity requirement of some R3 billion (USD 171 million) required to bridge the gap in SA landscape
- GKNP Game Lodge sector liquidity requirement could be as much as R1.53 billion (USD 87 million)
- Much depends on the revival of domestic travel in SA and the return of international tourism to SA
- Insurance industry behaviour will also have a significant impact on the survival of the sector

Building Back Better



- Employment alone is not sufficient (22300 induced jobs in a population of 2.9 million) - currently 8069 beds and 9188 jobs = 1.14 direct jobs per tourist bed
- Local procurement often focuses on urban areas (Nelspruit, Hazyview, Hoedspruit, Phalaborwa)
- Ownership models of local community businesses within the supply chain have the potential to spread the economic contribution of the GKNP into the local communities

Building Hyper-Localised Supply Chain Linkages

- **Establish Consolidated Demand from formal Game Lodge businesses**
 - What is being bought ?
 - Who are the current suppliers ?
 - How much is being spent ?
- **Establish the existing network of hyper-local suppliers from within communities**
 - What is being sold ?
 - Who are the current customers ?
- **Establish a “Coalition of the Willing” of formal Game Lodge businesses to:**
 - Engage with local community suppliers
 - Procure on the basis of - quality, reliability and price parity
- **Cross reference the Demand and Supply matrix to establish:**
 - Immediate linkages (existing businesses)
 - Medium term linkages with some development (businesses that require mentoring)
 - Long term development linkages (identify potential businesses and assist in developing them)

Building Hyper-Localised Supply Chain Linkages

➤ Existing Resources and Models:

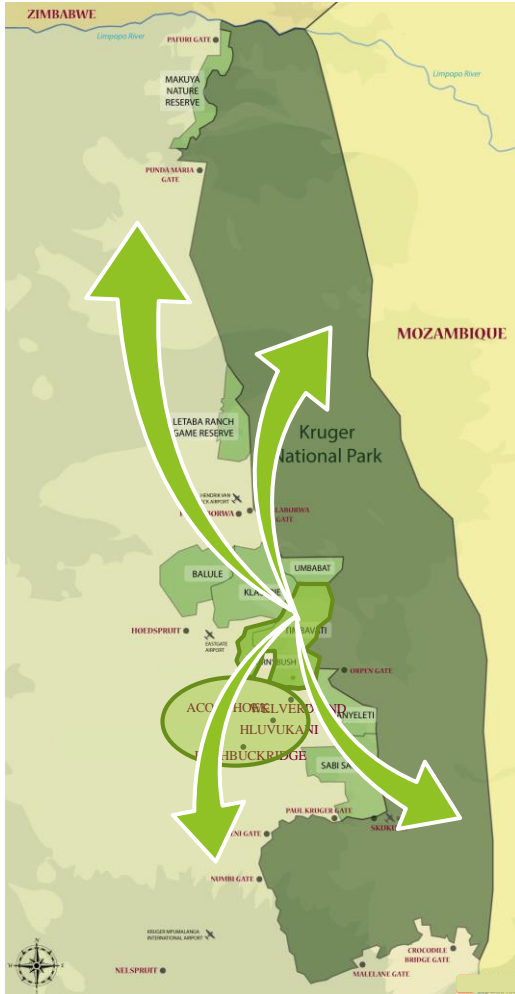
- Madikwe Futures Company - established supply chain matrix and buy-in
- From the Region, for the Region (fRfR) - a K2C Biosphere program
- Money4Jam - technology platform linking organisations to communities through mobile platform

➤ Proposed pilot project:

- Lodges of the Thornybush and Timbavati Private Nature Reserves
- Timbavati and Thornybush Management Authorities
- Acornhoek, Wilverdiend, Hluvukani, Bushbuckridge communities
- Voluntary participation of private sector lodges and reserve management



Building Hyper-Localised Supply Chain Linkages



- Smaller network pilot program for easier management and quicker outcomes
- Model is highly scalable without modification
- Scale and replicate projects using existing GKNP Network
- Build a strong constituency of ownership and benefit sharing in the GKNP wildlife economy

GLTFCA Destination Marketing - Private Sector Perspective

- GLTFCA as a brand is as yet relatively unknown within the marketing collateral of the Safari Tourism operations
- Greater Kruger National Park is a very well known brand used extensively in marketing by private sector operations
- Use of the name has been organic and has grown with the inclusion of Private Reserves into the Greater Kruger network
- Current use is in name only with no brand strategy or brand collateral/messaging used in the private sector
- Any harnessing of either GLTFCA or Greater Kruger National Park as an overarching brand will have to be done with the consultation and buy-in of private sector

Challenges and Priorities

- Game Lodge sector requires liquidity for survival in the next 12 to 18 months
- Safely opening up the travel sector for operations to trade is critical (this includes opening of international borders)
- Access to funding
- Encouraging participation in programs such as supply chain development through access to funding may be an opportunity
- Collaboration and using existing networks (such as GLTFCA structures) to co-ordinate efforts for recovery