

# Strong demand for leisure travel despite weak economy

Despite the bleak economic outlook and signs of a sustained bear market, the leisure travel sector remains surprisingly bullish.



Yrmon via [pixabay](#)

"The doom and gloom that the global economy, including South Africa, is experiencing, is unsettling and is having widespread impact with regards to retrenchments, low growth and a tightening of the purse strings by government as well as the private sector. Yet South Africans are a resilient bunch who remain optimistic; they are still choosing to go on their annual overseas summer holiday - despite what the financial indicators may say," says CEO of national leisure travel specialist Pentravel, Sean Hough.

The corporate travel market, on the other hand, is feeling the pinch - for instance, government has reduced its business travel by 35% during its current budget - and suggests signs of the muted economy's influence on 'business as usual'.

Despite corporate travel's woes, it is clear that there remains a strong demand for leisure travel with all-inclusive packages to islands like Mauritius or Zanzibar, as well as cruises performing very well.

## Peace of mind

"In this prolonged bear market consumers don't want surprises; if they pay R1 for their holiday, they want to know exactly what they will get for it," says Hough. So even though allocating R50,000 for a holiday is in itself a luxury, having peace of mind that it will ensure an enjoyable ten days all included on a beach or at sea is becoming increasingly attractive among income groups across the board.

"While Mauritius is one of our flagship products, we've had a particularly bumper year this year, with a fair portion of our bookings happening now and an overall 21% year-on-year increase," he says.

This is excellent news for Mauritius too. According to CNN it has been cited as the continent's most competitive economy - beating Nigeria, Kenya and South Africa and has enjoyed a long history of political stability, record of good governance and an open and flexible regulatory system. And, attracting nearly a million tourists annually, despite the global slowdown, is enjoying an annual growth rate of over 4% in 2015.

## **Viable destination**

With all of this in its favour, not to mention its undisputed natural beauty and proximity to Johannesburg and other African countries, Mauritius presents a viable holiday destination for South Africans intent on taking their annual summer holiday.

Hough says this could be attributed to travellers seeking more value-for-money destinations, but credit must also be given to the Mauritius Tourism Authority which is strategically responding to travellers' increasingly customer-centric wants; experience over-spend, memories over trinkets.

"The Indian Ocean is enjoying the most significant increase in bookings this year at 21%; this includes Mauritius and Zanzibar. The Far East is also up at 11.5%," reports Hough. Conversely, South America is down 11%, but is due to SAA cancelling its direct flight to Argentina and, despite having the most successful World Cup Rugby season, Britain remains flat - likely because of the increasing visa cost.

## SO HOT RIGHT NOW

MIDDLE EAST	↑ 7%
AUS/NZ	↑ 8%
NORTH AMERICA	↑ 9,1%
FAR EAST	↑ 11,5%
INDIAN OCEAN	↑ 12%

## THE NOT SO HOT



## DESTINATION BREAKDOWN

% TOTAL SALES



## LIFE'S A BEACH

**90%** OF TOTAL INDIAN OCEAN SALES ARE FOR MAURITIUS

## BEST VALUE: HOW FAR DOES THE RAND GO IN MAURITIUS?



**R2 500** PER PERSON PER DAY

{ Return flights and taxes, return transfers, 4-star accommodation, breakfast and dinner daily. }



**R3 000** PER PERSON PER DAY

{ Return flights and taxes, return transfers, 4-star accommodation, all meals, selected drinks. }

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