

Joint statement by the Federated Hospitality Association of Southern Africa (FEDHASA) and the Southern Africa Tourism Services Association (SATSA) on the 2010 accommodation issue

On 10 April 2010 MATCH released accommodation which was surplus to its requirements, in accordance with contractual arrangements agreed with accommodation providers.

When the 2010 FIFA World Cup project commenced, which was well before the global economic crisis and at a time when expectations were that the influx of tourists would be in excess of 450 000, MATCH contracted accommodation not only beyond the borders of South Africa and away from the host cities, but also within South Africa in order to meet anticipated demand and in an effort to achieve numerous objectives.

The original impression that there were not enough rooms stemmed from the fact that South Africa did not have a national accommodation database and during the bid process and in the years after, the total number of rooms that were deemed to be 'fit for purpose' was unknown. The impression that there were insufficient rooms to meet the needs of the event was not created by MATCH nor FIFA but by all stakeholders in the industry as well as by the media.

As a result of this perception, MATCH contracted a wide spectrum of accommodation outside the standard hotel contracting parameters traditionally used for the FIFA World Cup, for which there has proved to be very little demand.

The National Department of Tourism, in consultation with tourism industry stakeholders and MATCH commissioned the compilation of the national database in 2009, the results of which confirmed that there were in fact 200 000 rooms in total and less than 75 000 'fit for purpose' rooms within a 50km radius of the stadiums. The creation of this database is an extremely positive step forward for the tourism industry in South Africa.

Although MATCH has released a significant number of room nights, it is important to consider the nature and timing of the release in order to assess the implications of such releases. A significantly higher number of contracted room nights were released than we may have first envisaged. However, the large majority of these were for accommodation outside the borders of South Africa or away from the host cities and outside of the FIFA World Cup period, for which regrettably there has been little or no interest.

We believe that under a different economic climate, demand would have extended to areas outside the host cities and to the wide variety of non hotel accommodation options available in South Africa. Had it not been for the global recession we have faced during the critical reservation periods of the 2010 FIFA World Cup, South Africa would have secured a significantly higher level of visitors which in turn would have necessitated the full use of all room inventory.

However it is important to note that there has been other contributing factors to low demand for host cities such as Durban and Cape Town, such as the high airfares that temporarily prevailed at the time of the final draw and the inflexibility from service providers looking to secure contracts for 33 days, regardless of the requirements of those looking to secure these services.

(Ends)

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