

# Digital nomads key to reviving SA's tourism industry

The tourism industry has been one of the hardest hit by Covid-19. In 2019, the sector contributed 7% to GDP - now, as a result of the pandemic, it contributes a mere 4%. As such, it is vital to find new ways to revive tourism, such as the recent rise of digital nomads and "workations".

This according to Niels Verspui, country manager at RoomRaccoon South Africa, who supports the call for government to extend the length of the remote working visa beyond 90 days, introduced by the City of Cape Town's Mayoral Committee Member, James Vos.



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This follows the release of a report by Nestpick, which names Cape Town as one of the top destinations for digital nomads.

"Covid-19 has shown us that remote work is possible, as long as there is decent internet connection," says Verspui.

"Because of this, Airbnb reported an increase in long-term stays globally in the first half of 2021 and it's something that local accommodation companies can take advantage of."

Verspui says that vacation rental properties or properties that have a kitchenette in their rooms are well-positioned to accommodate long-term stays. "These businesses should aim to include incentives to attract digital nomads, such as special prices for long-term stays. Hotels could also take advantage of this trend, as travellers may wish to stay in rooms with housekeeping and breakfast included."



## Call for remote working visas to help tourism recovery

19 May 2021



Attracting these types of tourists will have a positive impact on GDP and job creation in South Africa, explains Verspui. The tourism industry is one of the most important sectors in the country as it contributes to direct and indirect job creation and provides an environment for local entrepreneurs to start small and medium enterprises (SMEs) – the lifeblood and growth

engine of the country.

"This is because the purchasing power parity (PPP) for travellers from other countries is generally favourable, as such digital nomads will be able to go out for dinner, go shopping and explore local attractions which will benefit local businesses and the country's GDP."

Additionally, many people who are in jobs that allow them to work remotely are well paid. This is reflected in recent research by the US Census Bureau, which shows that those that were able to work remotely during the pandemic were in 73% of the highest-earning households, with annual incomes of over \$200,000 (R2,9m).

"However, when it comes to the benefits the country offers for digital nomads, it is undeniable that South Africa is also one of the most beautiful countries in the world," he adds. "Travellers will also be able to take advantage of a great climate, world-class attractions and natural phenomena, with no time difference for travellers from Europe."

## **Bleisure travel**

Although the call to extend the remote working visa is being spearheaded by the City of Cape Town, it is something that Verspui believes tourism businesses across the country can take advantage of. "Big cities will be the most popular destination for digital nomads," he says. "However, the remoter areas will be perfect for digital nomads to enjoy leisure travel and experience different parts of the country."

With this in mind, Verspui encourages accommodation providers to start planning ahead for when the country has been removed from red lists across the globe and more South Africans have been vaccinated. "Although tourism has taken a massive knock," he says, "we need to adapt and seek out new opportunities to turn the industry around."

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