



2023

GROWING AN INCLUSIVE TOURISM SECTOR

Airbnb's economic contribution to South Africa

Airbnb has been a catalyst for economic growth, fostering inclusive tourism in new and existing destinations across South Africa. This economic impact report for 2022 demonstrates Airbnb's contribution to South Africa using qualitative and quantitative analysis of survey and platform data, as well as economic modelling.¹



Airbnb has positively contributed to South Africa in three ways:

1

Airbnb contributes to macro-economic growth



In 2022, Airbnb contributed over **R23.5 billion** to South Africa's GDP (a 115% increase from the pre-COVID contribution of almost R11 billion in 2019).



Airbnb also contributed to creating almost **50,000 economy-wide jobs** in 2022 (a 74% increase from the pre-COVID contribution of more than 28,000 jobs in 2019).²

2

Airbnb is a model for inclusive tourism, making travel and hosting more accessible, safe, diverse and affordable



South Africans choosing to stay³ with Airbnb increased by **34%** in 2022 as compared to 2019.⁴



47% of surveyed guests⁵ chose Airbnb over alternatives to save money (up from 34% of guests in 2021).⁶



53% of hosts reported listing space(s) on Airbnb to cover the rising cost of living.⁷



64% of hosts identify as female - significantly higher than the global Airbnb share of female hosts of 55%.⁸

3

Airbnb supports tourism dispersal



Out of the ten fastest-growing cities on the platform,⁹ seven are located outside of traditional tourist hotspots, indicating that **Airbnb is supporting local spending in less common tourist areas.**



Airbnb guests report an average spending of **R3,000 (\$158)** a day on entertainment, dining, and other non-accommodation expenses.



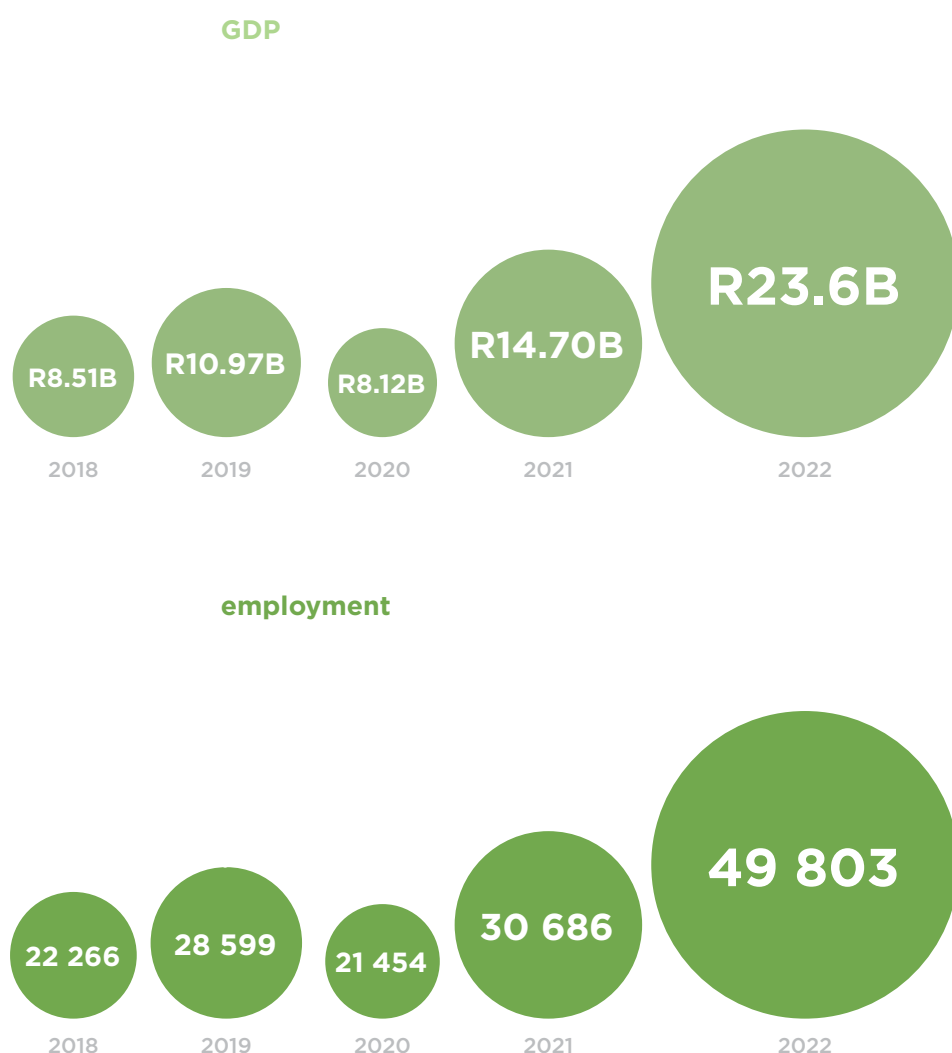
More than 50% of guest spending takes place in the listing's local neighbourhood,¹⁰ contributing to the economic growth of local communities.

1 AIRBNB CONTRIBUTES TO ECONOMIC GROWTH

Airbnb is an important driver of national GDP and employment.

Airbnb continues to contribute to the growth of South Africa's tourism industry, an important driver of the country's post-COVID-19 recovery. According to economic modelling by Genesis Analytics, Airbnb contributed a total of over R23.5 billion to GDP and almost 50,000 economy-wide jobs in 2022. These contributions are significant given the weak economic conditions, high unemployment rate and job losses in tourism during the COVID-19 pandemic.

The GDP and employment contribution of Airbnb more than recovered since the COVID-19 pandemic, contributing at a higher rate than pre-COVID levels.



Q: Why is the contribution to GDP growing faster than the contribution to employment?

A: As the economy began reopening after the lifting of travel restrictions in 2021, GDP recovered from a low base in 2020. Employment is a lagging indicator of GDP. In other words, there is some time between the resurgence of economic activity and the recovery of jobs. This lag in employment recovery is in line with global trends as documented by the International Labour Organisation.¹¹

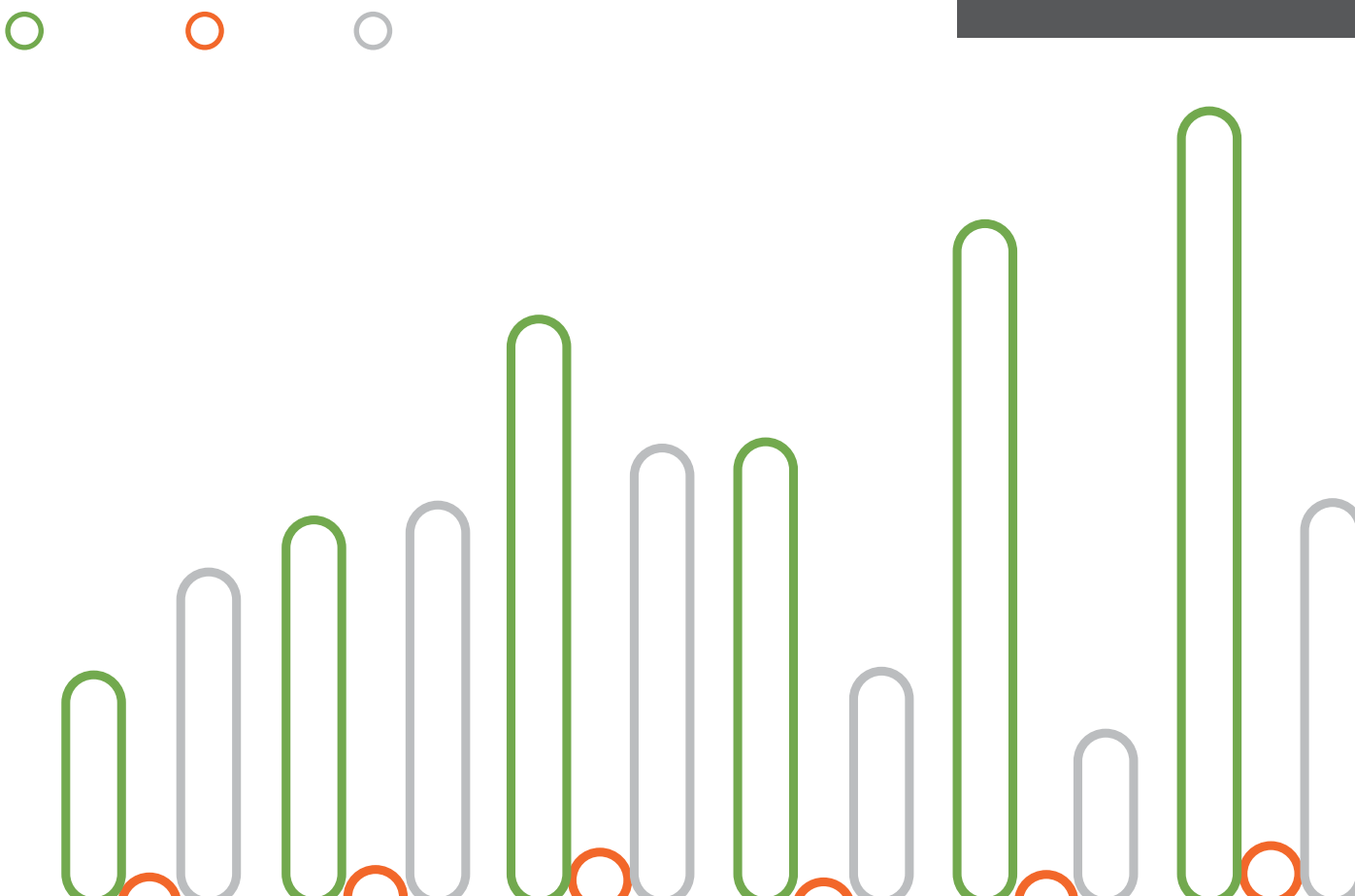
By creating opportunities for affordable domestic tourism, Airbnb helped to keep the tourism sector afloat during the COVID-19 pandemic.

In 2022, nationwide host earnings totalled just over R4 billion (\$218 million) - a 25% increase from pre-COVID levels in 2019 of R3.2 billion (\$174 million).¹² The increase in tourism was driven by domestic travellers who accounted for more than 60% of the total nights spent on the platform.

Domestic tourism through Airbnb contributed to the resilience of the tourism industry throughout COVID-19.

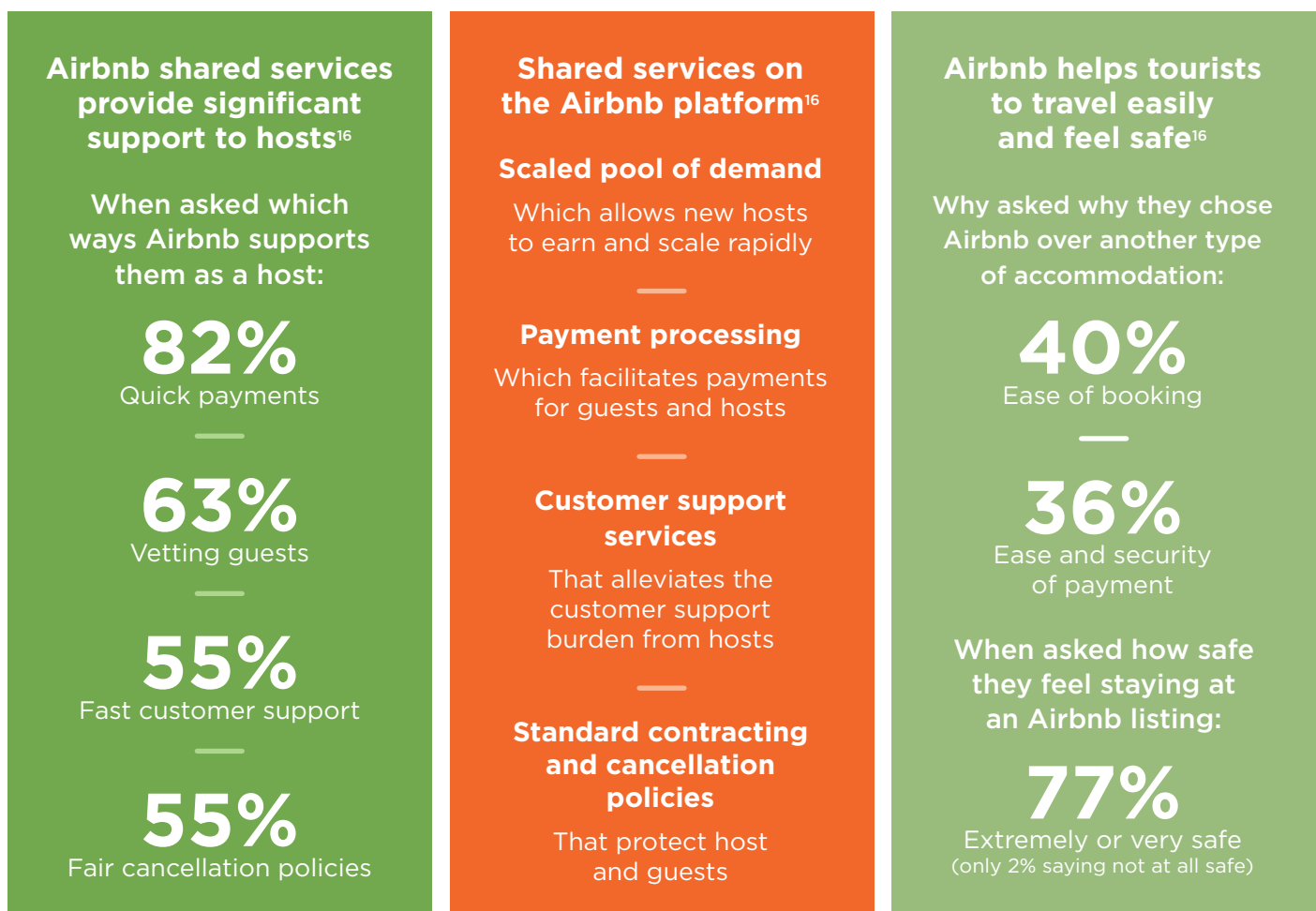
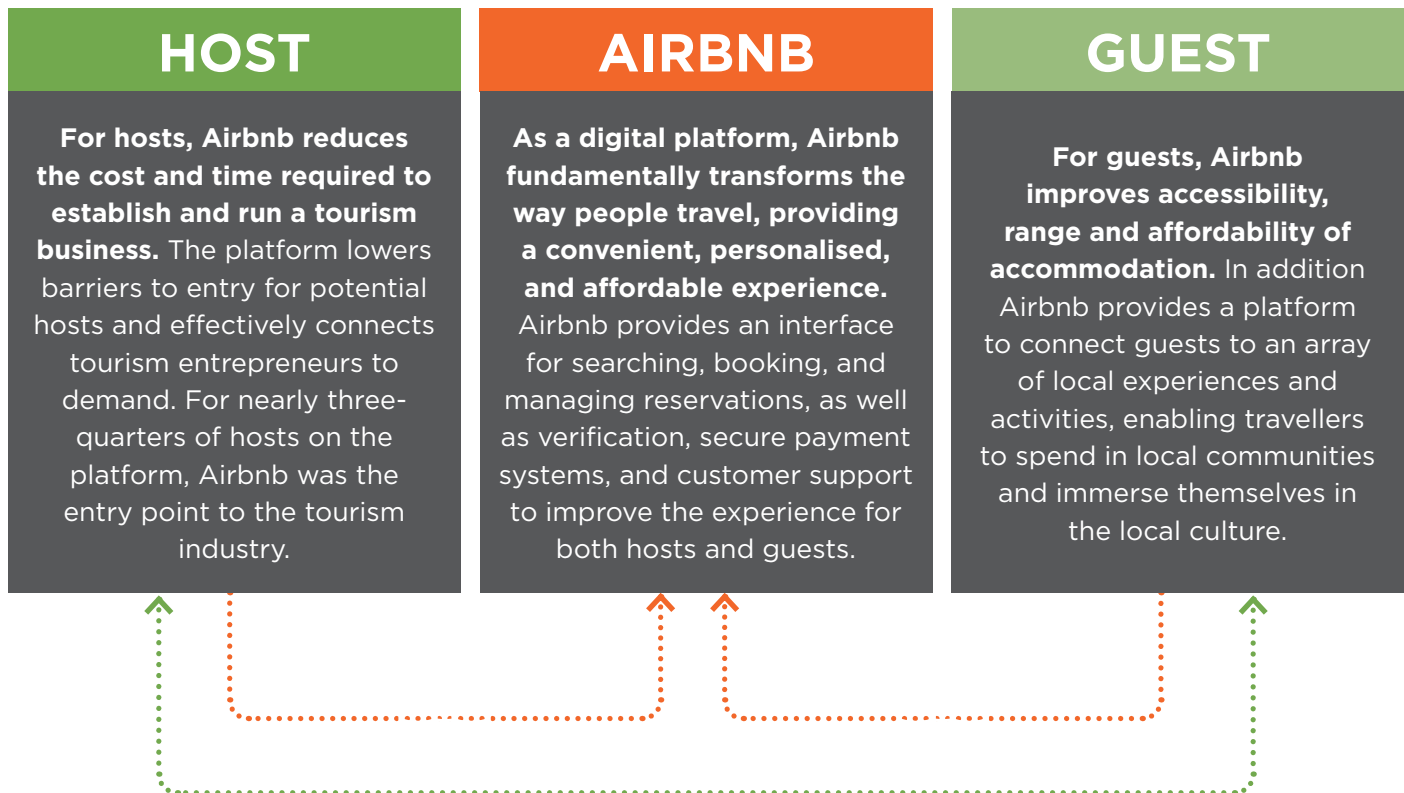
Q: How has Airbnb contributed to the resilience of domestic tourism?

A: 25% of guests, surveyed for the purposes of this study, reported being more likely to use Airbnb for domestic travel compared to only 5% for international travel.
^wStrong domestic travel usage contributed to the resilience of the tourism industry during COVID-19 when international travel was banned and/or weakened.



In 2022, domestic tourism on the platform has been consistently higher than international and regional African tourism and has surpassed pre-COVID levels. Domestic guest stays increased by 34% in 2022 as compared to 2019.¹⁵ Hence, Airbnb has contributed to the resilience of the domestic tourism sector in South Africa and has shown strong post-COVID-19 recovery.¹⁶

INCLUSIVE GROWTH



2 AIRBNB IS A MODEL FOR INCLUSIVE TOURISM

Airbnb fundamentally transforms the way people travel and host by providing a convenient, personalised and affordable way to locate suitable accommodation and list a property.

Airbnb is an interface between those with space to rent and those looking for space to hire, providing a convenient platform to search for, book, verify, pay and manage reservations.

Specifically, Airbnb offers the following shared services to guests and hosts:



A trusted brand that verifies and screens hosts and bookings to facilitate safe travel for both guests and hosts;



Access to a large, established network of guests (demand) that allows new hosts to earn and scale rapidly;



Payment processing to facilitate safe and secure payments for guests and hosts;



Customer support services that alleviate the customer support burden from hosts and offer professionalised support to all guests.



Standard policies, contracting and protections which can be customised by hosts to fit their offer but remove the initial time and resource burden on hosts to develop these themselves.¹⁷



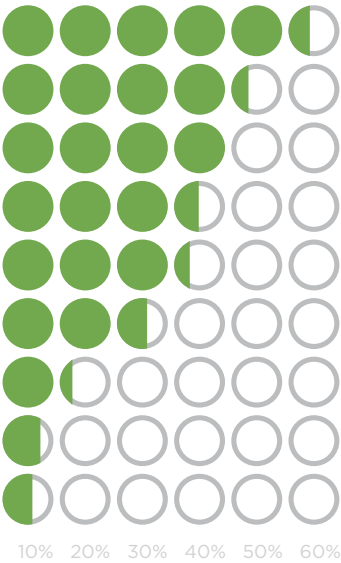
Community support for new hosts to get them up and running quickly. This includes hosting guides, co-hosting with more experienced hosts and other similar support features available on the platform.

Airbnb makes hosting and travelling more accessible, safe and affordable.

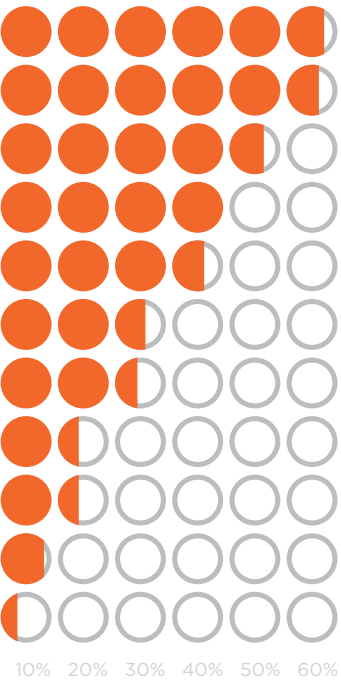
Q: How does the Airbnb platform benefit hosts?

A: The majority of surveyed Airbnb hosts reported that the Airbnb platform makes accessing the travel market and managing the administrative aspects of hosting easier through the services offered by the platform.¹⁹ This demonstrates how Airbnb can lower barriers to entry for hosts. The majority of surveyed hosts reported that the primary reason for hosting via the platform is to make additional income.

Which of the following are reasons why you choose to host on Airbnb



Which of the following are reasons why you decide to stay at an Airbnb listing



More accessible tourism opportunities on the platform help to attract diverse hosts.

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Q: How is Airbnb tackling exclusion?

A: The Airbnb model in itself is highly inclusive and lowers the barriers to entry for hosts and guests. However, systemic exclusion as a result of South Africa's history, will be reflected in the host and guest community. Airbnb, however, has continued to invest and expand various projects in order to drive impact and scale.

Airbnb has continued its partnership with the University of Johannesburg School of Tourism and Hospitality to extend entrepreneurship training to its students through the Airbnb Entrepreneurship Academy. The Academy specifically targets women and youth in township and rural communities and has been recognised by the World Tourism Alliance as international best practice in poverty alleviation through tourism.²⁷ Airbnb provided free Wi-Fi to 100 Academy Hosts in order to provide people with network access. Lastly, Airbnb invested an additional R1.5 million in the Academy Fund to support hosts that were most hard hit by COVID-19.

The platform has a long-term partnership with the Development Bank of Southern Africa (DBSA) and through one of the bank's social Innovation initiatives, Airbnb has initiated a DLAB precinct in Mitchell's Plain and is considering expanding to additional communities.

Airbnb also participated in the President's District Development Model in order to drive inclusive tourism in the region and support the Just Transition. Furthermore, it facilitated boot camps in the Waterberg region with local implementation partners which resulted in 50 participants from rural and under-resourced communities receiving skills and development training as well as extensive post-training support.

Lastly, in September 2023, Airbnb signed a Memorandum of Understanding with the Ministry of Tourism to support tourism recovery and to bring closer collaboration between government and Airbnb.²⁸ The MoU aims to leverage Airbnb's global reach and understanding of the market to make a positive impact on local communities, travellers and the tourism industry as a whole.

3 AIRBNB SUPPORTS LOCAL ECONOMIES

Airbnb provides economic opportunities for local businesses by bringing tourists to new destinations. Airbnb guests spend money on food, entertainment, transport and cleaning services, which support the local economy.

Airbnb is helping to spread tourism opportunities to less common tourist destinations across the country.

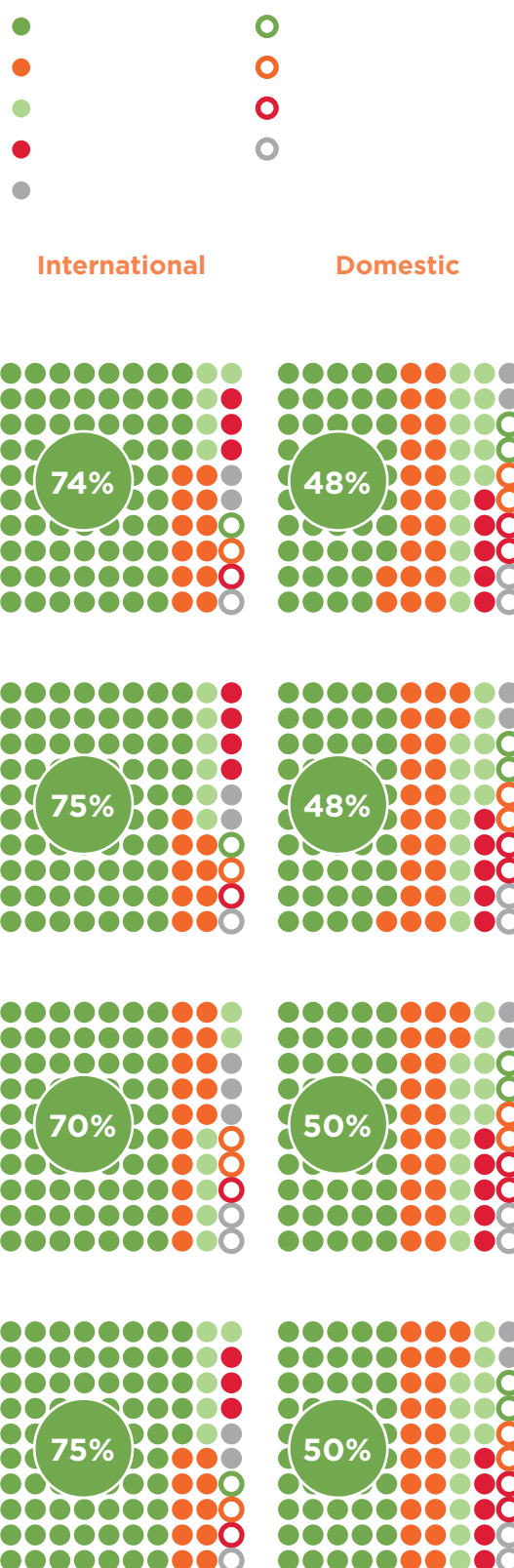
Although about two-thirds of total host earnings remain concentrated in the Western Cape, domestic guests travelling through Airbnb help to spread the value of tourism to different parts of the country.

Moreover, some of the fastest-growing destinations on Airbnb in terms of total stays per year are outside traditional hotspots. With Witzenberg as the only exception, none of the ten fastest-growing cities on the platform are from the main tourism provinces of the Western Cape and Gauteng. This shows the ability of the Airbnb platform to foster tourism in regions that have not traditionally benefited from tourism.

Cities with fastest-growing stays on Airbnb, 2019 to 2022²⁹

City	Province	Percentage Increase
Mafube	Free State	210%
Impendle	KwaZulu-Natal	193%
Nala	North West	127%
AbaQulusi	KwaZulu-Natal	125%
Witzenberg	Western Cape	118%
Emalahleni	Mpumalanga	115%
Hantam	Northern Cape	110%
Mahikeng	North West	109%
Chief Albert Luthuli	Mpumalanga	103%
Emakhazeni	Mpumalanga	98%

Domestic travel is largely responsible for dispersing tourism expenditure across the country.



More widespread tourism creates new economic opportunities for local businesses.

Spreading the benefits of tourism has a knock-on effect for local businesses and communities. Airbnb guests report average spending of approximately R3,000 (\$158) a day on groceries, entertainment, dining and other non-accommodation expenses.³⁰ More than 50% of this spending takes place in the listing’s local neighbourhood.³¹ Guest expenditure is an important contributor to the economic growth of local communities. Hosts are also contributing to the local economy by using local products and services for their listings.

Airbnb guests spend around R3,000 (\$158) on average per day on non-accommodation expenses during stays.

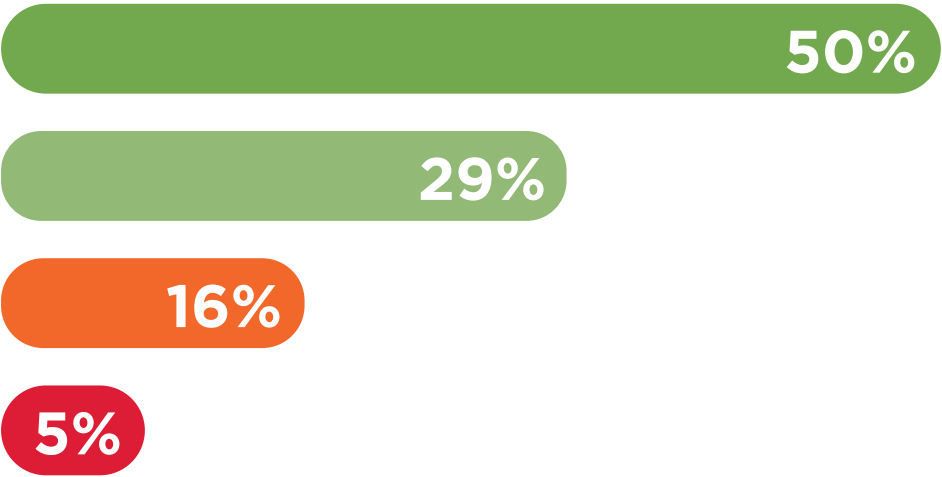


Source: Airbnb Compact Survey (2022).

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The majority of hosts recommend local businesses to guests.



4 CONCLUSION

In 2022, Airbnb contributed over R23.5 billion to national GDP

Additionally, Airbnb contributed nearly 50,000 economy-wide jobs - more than 70% growth from pre-COVID 2019 levels. Airbnb contributes to national GDP and job creation by directly employing South African staff, creating economic opportunities for hosts and auxiliary workers (such as cleaners) and channelling tourism spending into cities across the country across the entire tourism value chain.

Building a resilient tourism sector supported by strong domestic tourism

Domestic travel has been consistently higher than regional and international travel on the platform, and has boosted the geographic dispersion of travel with six out of the ten fastest-growing cities on the platform³⁴ in terms of growth of total stays between 2019 and 2022 being located outside of traditional tourist hotspots.

The resilience of the tourism sector can largely be attributed to accessible and affordable tourism opportunities

In 2022, as the economy reopened, income opportunities through hosting and affordability considerations for travellers were paramount. Over half of the hosts surveyed in 2022 (53%) reported that their main reason for listing space(s) on Airbnb was to cope with escalating costs of living, and 47% of surveyed guests reported that their main reason for using the platform is to save money.

Dispersed travel across the country has also supported local businesses and communities

Surveyed Airbnb guests report an average spending of R3,000 (\$158) a day on entertainment, dining, and other non-accommodation expenses, and more than 50% reported that their spending takes place in the listing's local neighbourhood, thereby contributing to the economic growth of local communities.

Airbnb has an inclusive business model in that it lowers barriers to entry for all hosts,

There are signs of more geographic inclusion, especially for domestic tourism, and particularly strong indication of gender inclusion with higher rates of female hosting in South Africa than global averages. Race inclusion cannot be measured at the platform level, as racial markers are not gathered on the platform.

ANNEXURE 1

METHODOLOGY

Economic Modelling Methodology

The economic impact has been modelled for calendar years 2021 and 2022. Inputs into the model (total number of stays, total income derived per guest, total spending patterns per guest, total spending patterns per host, and regional breakdown of guest stays for the years 2021 and 2022) were drawn from Airbnb's records, their survey of hosts, and their survey of guests from 2021 and 2022. The contribution of Airbnb is modelled using a Social Accounting Matrix (SAM) based multiplier model.

What is a SAM model?

A Social Accounting Matrix (SAM) is a static modelled representation of all transactions that take place within an economy, in the form of a matrix that maps all the relationships between all parts of a given economy. A SAM models all interactions and monetary flows between productive activities (economic sectors), commodities, factors of production (labour land, capital) and institutions (business, government, households) within the economy. By adjusting the spending in different sectors of the SAM (also known as "shocking" the SAM based model) and observing the results, the impact on the economy as a whole can be examined.

A 2019 SAM is used for this economic impact assessment and is based on a 2019 Supply-Use Table and labour market and household survey data published by Statistics South Africa. The 2019 SAM has been aggregated up to the same format as the 2012 SAM that was used for the 2017 assignment.

The "shocks" that feed into the SAM model are based on two categories:

1 Impact from host income and expenditure

- First, the impact on the economy of the additional income earned by Airbnb hosts is split across different spending patterns. For example, hosts spend the additional income on household maintenance, food, education fees, savings and so on, the breakdown of which is provided by the Airbnb host survey.
- The various commodities in the SAM that relate to the hosts' expenditure patterns are identified and apportioned using weights based on the hosts' relevant industry of employment and their education attainment.

The following assumptions were made:

- Airbnb hosts are assumed to have a minimum of secondary level education;
- Airbnb host income is assumed to range from the 6th decile to the 96 percentile of the household income distribution scale in the SAM;
- Within this range, wage income earned is allocated to household income based on the income distribution patterns in the SAM.
- Savings, taxes and transfers to the rest of the world are considered a leakage from the economy and are therefore not included in the shock to the SAM.

2 Impact from guests' expenditure

- Secondly, the impact on the economy of the guest's additional spending while staying at Airbnb on other items like food, transport, tours and entertainment is accounted for. A broad breakdown is provided by the Airbnb guest survey. The impact of the guests' spending on Airbnb accommodation is not modelled to avoid double counting with income and the resulting expenditure by Airbnb hosts
- Airbnb provided the broad expenditure patterns of guests from the Airbnb Guest survey.
- The detailed commodities in the SAM for each broad expenditure groups provided by Airbnb are mapped to the guest expenditure patterns using a combination of weights based on expenditure patterns from the Tourism Satellite Account (TSA) for South Africa, 2019, published by StatsSA in March 2023. Some detail in the TSA has now been suppressed by StatsSA. To close the gap, ratios have been taken from the earlier TSA; as well as expenditure patterns of South Africa household income groups of the 90th to the 96th percentile where gaps remain.

The two shocks of Airbnb hosts' income and expenditure and Airbnb guest expenditure are combined to obtain a total shock to the SAM model in order to simulate overall impact on GDP and job creation.

The impact on GDP and job creation reported are total numbers, and are made up of the sum of:

- Direct impacts: the initial, immediate economic activities generated by the guests staying in Airbnb and hosts of Airbnb; plus
- Indirect impacts: the production, employment and income changes occurring in other businesses/industries in the businesses supplying inputs to the hosts and/or guests; plus
- Induced impacts: the effects of spending by the guests and hosts in the local economy as the result of income earnings associated with direct and indirect effects of the economic activity.

Further notes, data and methodological limitations

- Regarding the modelling of hosts income: Some hosts on Airbnb are more formal licensed establishments like small hotels and B&Bs who use the Airbnb platform; most however are private households. The spending of these groups should preferably be differentiated, however there is no date on which hosts fall in the former group and which in the latter. Thus, the assumption is made that all guests are private households.
- The total economic impact results represent the gross benefit of Airbnb to the economy over the period, not the net benefit. 4% of guests report that they would not have travelled to South Africa without Airbnb. The impact of this group is a pure net gain to the economy. This implies that 97% would have come but in the absence of Airbnb would have stayed in other accommodation. Technically then, to arrive at a net impact on the economy, the gain to the economy from 97% of guests Airbnb should be netted with the loss of value displaced from other accommodation. It was considered to be outside the scope of the ToR to calculate this displacement effect. The results reported should be interpreted as the Airbnb footprint.

Survey data

The research relies primarily on Genesis' analysis of platform data provided to Genesis by Airbnb, as well as annual surveys of guests and hosts run by Airbnb in 2021 and 2022. It must be noted that the Airbnb Compact Survey of guests in 2022 had a small number of total respondents. Where the number of respondents are limited, the study has noted absolute responses in the footnotes. An additional survey of guests and hosts was commissioned for the purposes of this survey. The questionnaires were developed by Genesis with advisory input from Airbnb and were deployed by Airbnb on the platform between the 28th of June 2023 and the 13th of July 2023.

A previous report by Genesis Analytics, released in 2021, also included a primary survey of Hosts. The sampling methodology has differed slightly from that of the previous report and as such, comparisons between the survey results have not been made.

A total of 462 Hosts responded to the survey. They were randomly sampled from a population of Hosts with the following restrictions:

- At least one listing in South Africa who had received 5 or more guests bookings on Airbnb within the past 12 months,
- Earned an average reviews rating of at least 4 stars from Guests who booked their listing(s),
- As of June 2023 are available to receive booking requests from Guests travelling on Airbnb,
- Prefer to receive communications from Airbnb in English

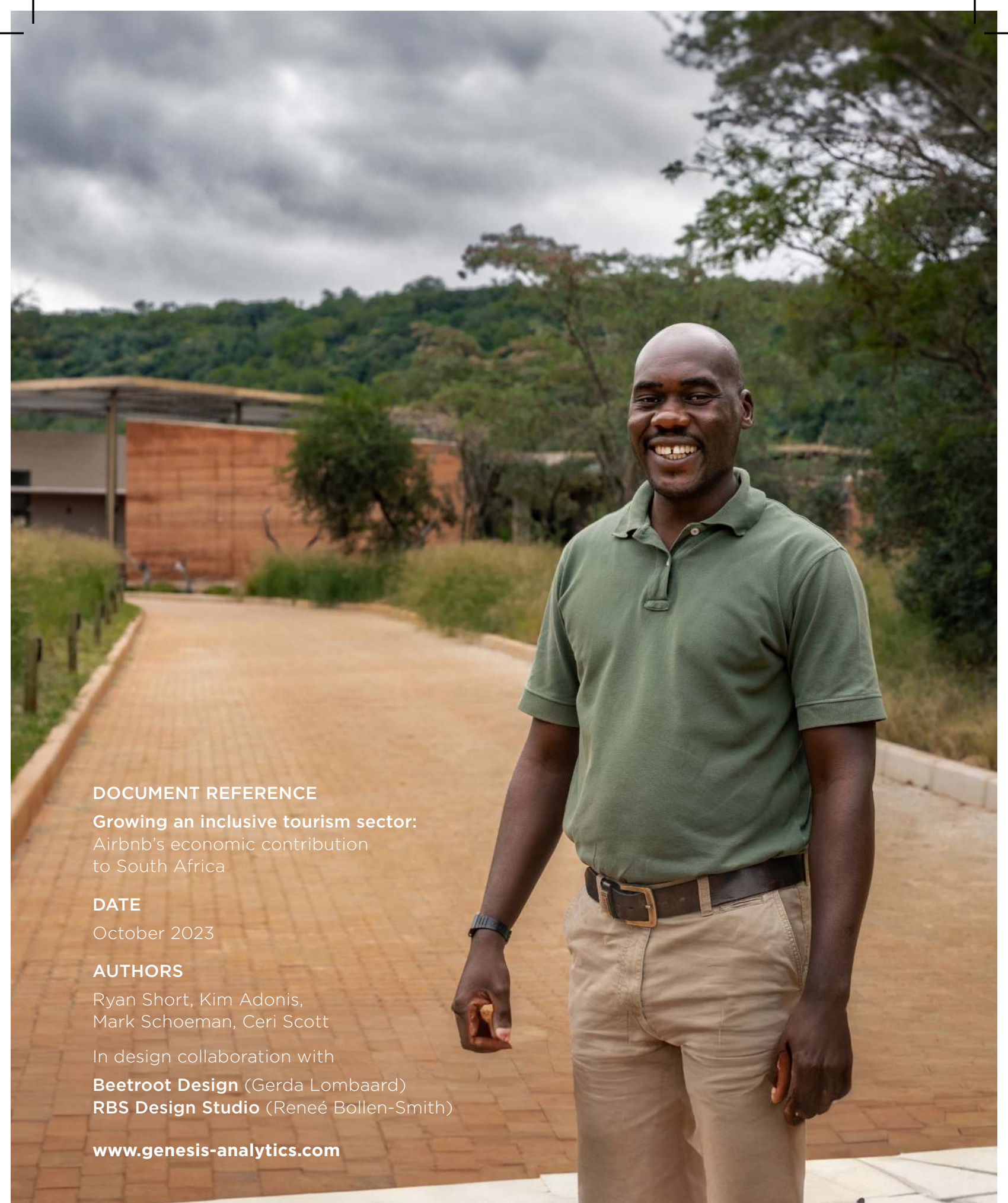
A total of 285 Guests responded to the survey. They were randomly sampled from a population of Guests with the following restrictions:

- Reside in South Africa or live abroad,
- Booked at least one listing on Airbnb in South Africa in the past 12 months,
- Excluding those who Host on Airbnb in South Africa,
- Prefer to receive communications from Airbnb in English.

END NOTES

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1. Specifically, the report draws on data from the Airbnb platform between 2019 and 2022 (showing, wherever possible, a comparison of Airbnb's 2022 performance against pre-COVID 2019 levels) and from Airbnb guest and host surveys between 2021 and 2023 (see Annexure 1 for a description of the data). No pre-COVID survey data of guests and hosts are available. Additionally, the report models Airbnb's impact on Gross Domestic Product (GDP) and job creation using a Social Accounting Matrix (SAM) based multiplier model (see Annexure 1 for a description of the economic modelling used).
2. The relatively big increase in GDP and employment versus growth in nights is influenced by an increase in the average daily spend of guests.
3. **Airbnb platform data (2022).** uses "guest nights" as the data point which is calculated as the total number of guests multiplied by the number of nights stayed.
4. Domestic tourist stays using the platform increased from 3.19 million people in 2019 to 4.25 million people in 2022.
5. **Airbnb (2022).** Airbnb Compact Survey Data, Guests. Based on 25 responses out of a population of 53 respondents.
6. **Airbnb (2021).** Airbnb Compact Survey Data, Guests. Based on 222 responses out of a population of 661 respondents.
7. **Airbnb (2022).** Airbnb Compact Survey Data, Hosts. Based on 437 responses out of a population of 827 respondents.
8. **Airbnb (2023).** *Celebrating and recognising women Hosts on International Women's Day.* Available [here](#).
9. **Airbnb platform data (2022).** Calculated using total guest nights stayed, excluding for cities with less than 200 total guest nights stayed in 2019.
10. **Airbnb (2022).** Airbnb Compact Survey Data, Guests. Based on an average of the 58 total responses.
11. **ILO (2022).** *ILO Monitor on the world of work*, 10th Edition, 31 October 2022. Available [here](#).
12. **Airbnb (2017-2022).** Airbnb Platform Data, Host earnings.
13. **Airbnb (2023).** Airbnb Compact Survey Data, Guests. Based on 28 responses out of a population of 113 respondents. Respondents reported being more likely to use Airbnb for domestic travel
14. **Airbnb (2023).** Airbnb Compact Survey Data, Guests. Based on 6 responses out of a total of 113 respondents. Respondents reported being more likely to use Airbnb for international travel.
15. **Airbnb platform data (2022).** uses "guest nights" as the data point which is calculated as the total number of guests multiplied by the number of nights stayed.
16. **Airbnb (2019 - 2022).** Airbnb Platform Data, Guest Nights Stayed, Millions.
17. Examples of protections on the platform include: the host guarantee feature that provides cover to hosts for the potential damage to property or theft. AirCover helps guests find alternative accommodation in the event that there is a serious issue with the listing or a host cancellation.
18. **Airbnb (2022).** Airbnb Compact Survey Data, Hosts
19. **Genesis Analytics survey data (2023).** 30% of surveyed hosts selected: "Airbnb helps me to easily market my accommodation or experience. 27% of surveyed hosts selected: "It helps me to manage the admin (payments, bookings, complaints) of hosting."
20. **Airbnb (2022).** Airbnb Compact Survey, Hosts. 352 respondents out of a population of 827 reported that listing on the platform has helped them stay in their homes.
21. **Airbnb (2021).** Airbnb Compact Survey Data, Guests.
22. **Airbnb (2022).** Airbnb Compact Survey Data, Guests. Question: *Did you save money on your accommodations by staying at an Airbnb listing?*
23. **Airbnb (2022).** Airbnb Compact Survey Data, Guests. 41 respondents out of a population of 53 report feeling extremely safe or very safe while using the Airbnb platform.
24. **Airbnb (2022).** Airbnb Compact Survey Data, Guests.
25. **Airbnb (2023).** *Safety tips for choosing a place.* Available [here](#).
26. **Airbnb (2023).** *Celebrating and recognising women Hosts on International Women's Day.* Available [here](#).
27. **Airbnb (2023).** *Airbnb Entrepreneurship Academy.* Available [here](#).
28. **The Department of Tourism (2023)** Memorandum of Understanding (MoU) between Tourism and Airbnb to enhance inclusive tourism growth. Available [here](#).
29. **Airbnb (2019 - 2022).** Airbnb Platform Data, Guest Nights Stayed. Cities with less than 200 total guest nights stayed in 2019 were filtered out so as to account for cities with high growth but off an extremely low base.
30. **Airbnb (2022).** Airbnb Compact Survey Data, Guests. Average spend in dollars based on 46 survey responses.
31. **Airbnb (2022).** Airbnb Compact Survey Data, Guests. Based on an average of 58 survey responses.
32. **Airbnb (2022).** Airbnb Compact Survey, Guests. Based on 33 responses out of a population 53.
33. **Airbnb (2023).** Airbnb Compact Survey, Hosts. Based on 228 responses out of a population of 460 respondents.
34. **Airbnb (2017 - 2022).** Airbnb Platform Data. Guest Nights Stayed by Cities. The fastest-growing cities by growth in guest nights between 2019 and 2022 are Impendle, Witzenberg, Emalahleni, Emakhazeni, Metsimaholo, Bela-Bela, Enoch Mgijima, Emthanjeni, Mpofana, Beaufort West. (2017 - 2022 Airbnb Platform Data).



DOCUMENT REFERENCE

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to South Africa

DATE

October 2023

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