

# The South African Tourism Supply Value Chain and Its Dynamic Interactions

**Tourism Research Seminar**  
**24 October 2025**

**Dr Lorren Haywood**  
**Project Team: Sihle Matinise, Benita de**  
**Wet and Kolobe Chaba**



science, technology  
& innovation

Department:  
Science, Technology and Innovation  
REPUBLIC OF SOUTH AFRICA



**CSIR**  
Touching lives through innovation

**80<sup>th</sup>**  
anniversary

# AIM OF RESEARCH

- The aim of research is to provide detailed insight into what comprises the tourism value chain and the tourism supply chain and to map this to represent the tourism supply value chain.
- Understanding the structure and dynamics of tourism supply value chains is crucial for developing effective government interventions to enhance the sector's competitiveness and sustainability.



## Tourism supply value chain

An interconnected network of suppliers and value creating sub-sectors that holistically create, assemble, and deliver tourism products and services to tourists



**CSIR**  
Touching lives through innovation

**80<sup>th</sup>**  
anniversary

# OBJECTIVES

- Describe the tourism supply value chain and its characteristics.
- Map out the tourism supply chain:
  - Identify different subsectors that constitute the tourism supply chain
  - Identify the describe the activities and services that form a tourism product in the supply chains through literature review and information gathering session from key stakeholders
  - Identify key stakeholders in each sub-sector and the role they play in tourism supply chains
- Determine the value creation in tourism supply chains (structures, interfaces and processes)
  - Determine the value created/generated in each subsector of the tourism supply chain through insight gained from the Tourism Satellite Accounts
  - Assess how value is created/generated in each subsector of the tourism supply chain
  - Identify priority sub sectors and/or niche areas that create value in the tourism supply chain.





# METHODOLOGICAL APPROACH



1) Comprehensive theoretical review



2) Systems dynamics

In depth literature review to unpack value creation in the South African tourism sector

Use system analysis and systems diagrams to map the tourism supply value chain

Investigating:

- The nature and structure of tourism supply chains associated with different tourism products,
- Key stakeholders involved in these supply chains,
- Value creation as described in tourism statistics
- The interdependencies between sectors, and
- The opportunities and constraints influencing value creation across the system.

Stakeholder input and verification

# TOURISM SUPPLY VALUE CHAIN

Travel Intermediaries

Passenger  
Transportation  
Services

Tourist  
Accommodation

Food and Beverage  
Served to Tourists

Leisure, tours,  
excursions and  
recreational activities  
for tourist

Shopping

Support Service



Value creating **core** services for tourism

Value creating **supplementary** services for tourism

R 21,793 billion

R 140,355 billion

R 46,387 billion

R 62,125 billion

R 45,013 billion

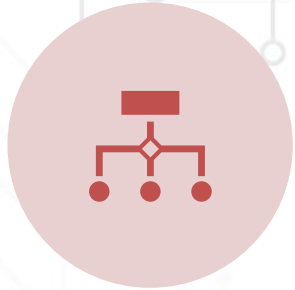
R 48,148 billion

R 143,022 billion

Total Expenditure for 2022  
R506,843 billion

# Unpacking the sub-sectors of the tourism supply value chain

## Value chain



1) Identify the main categories or type of service providers associated with each sub-sector



2) Identify the tourism products associated with the sub-sector

## Supply chain

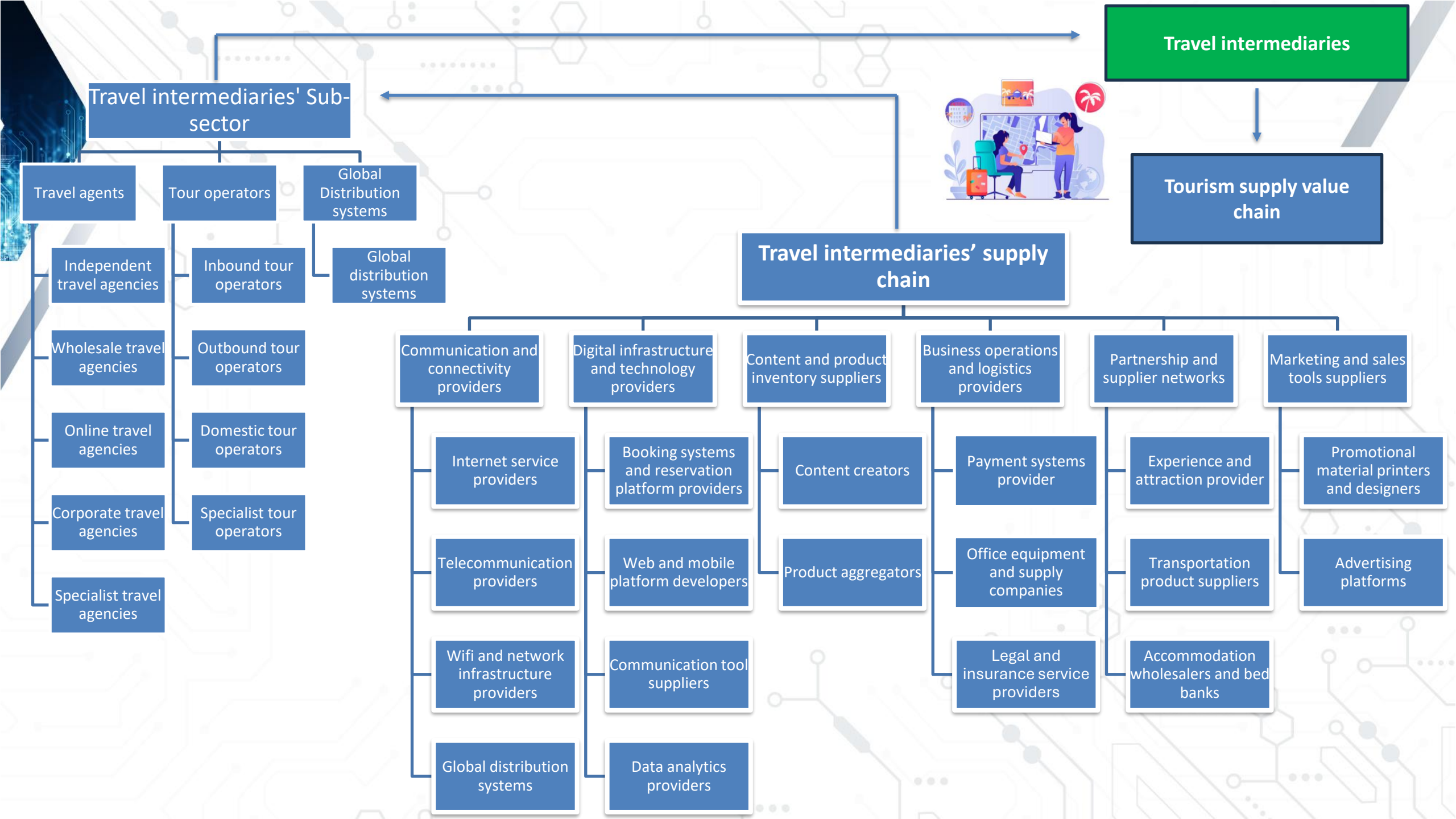


3) Identify the main types of services required to make up the tourism products

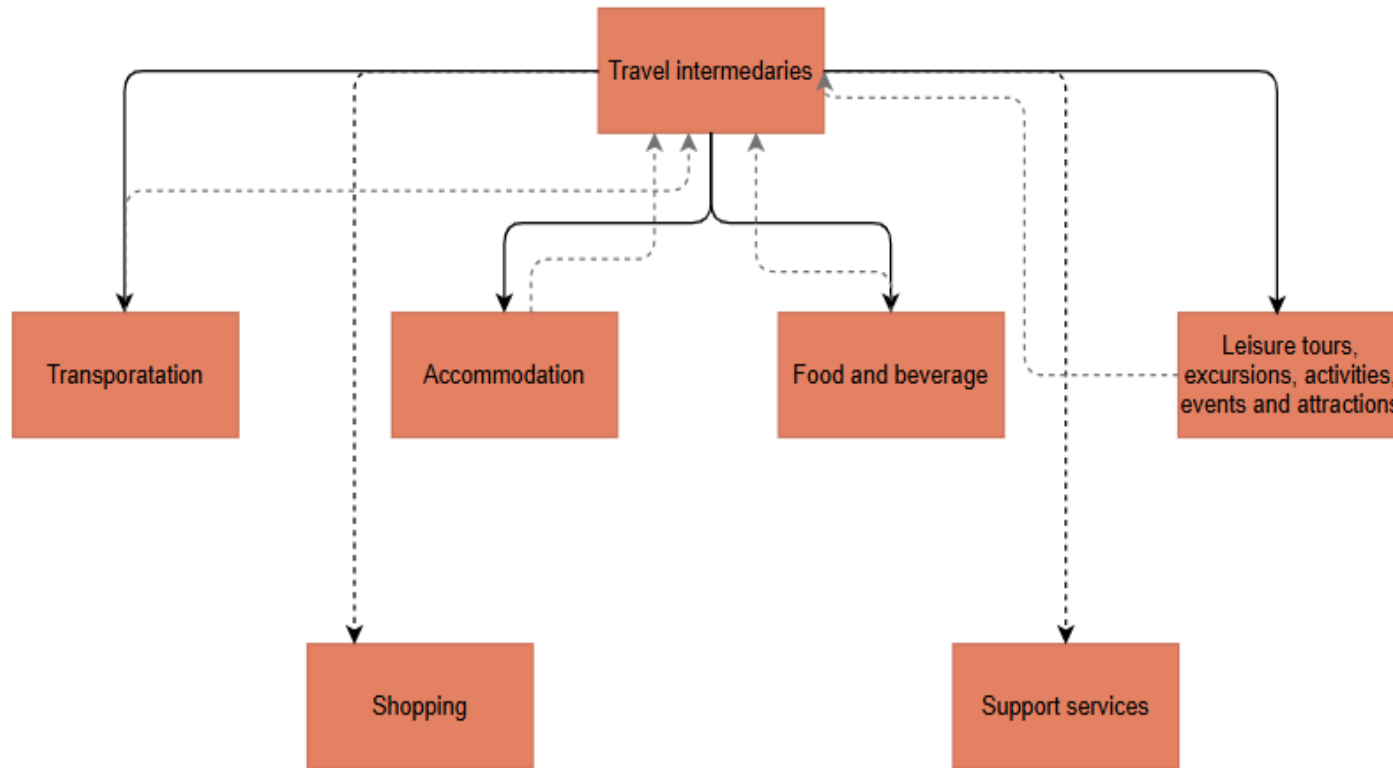


4) Identify typical services providers associated with the services identified

## Supply value chain



# Dynamic interactions and interconnections between the travel intermediaries and the other sub-sectors



- Travel intermediaries package and promote products, driving demand.
- Growth in intermediaries and sub-sectors reinforces each other.
- Customer insights improve products and experiences.
- Coordination of packages lowers supplier risks.
- Provide pricing, availability, and reviews to guide choices.
- Boost supplementary services (e.g., shopping, support).
- Feedback loops strengthen stability and competitiveness.

—————> Direct relationship

.....> Reinforcing relationship



# Key stakeholders

## Supporting and enabling tourism



National government departments



Tourism councils and association boards



Conservation bodies and NGO's



Marketing agencies



International organisations



Civil society



Community-based tourism organisations



Provincial tourism authorities



Customs, ports and immigration services



Heritage Authorities and Cultural Institutions



SETA bodies



Tribal authorities



Media and technology partners



Local tourism offices, agencies and associations



National parks and environmental authorities



Cultural communities and artisans



Financial institutions that support tourism



Tertiary institutions

9



Public sector organisations



Physical environment



Tourism quality assurance institution



**CSIR**  
Touching lives through innovation

**80<sup>th</sup>**  
anniversary

# Unpack the dynamic relationships associated with the tourism supply value chain



*destination*

Make use of systems analysis and systems mapping to understand how the tourism supply value chain interact with the factors that make South Africa a tourism destination of choice

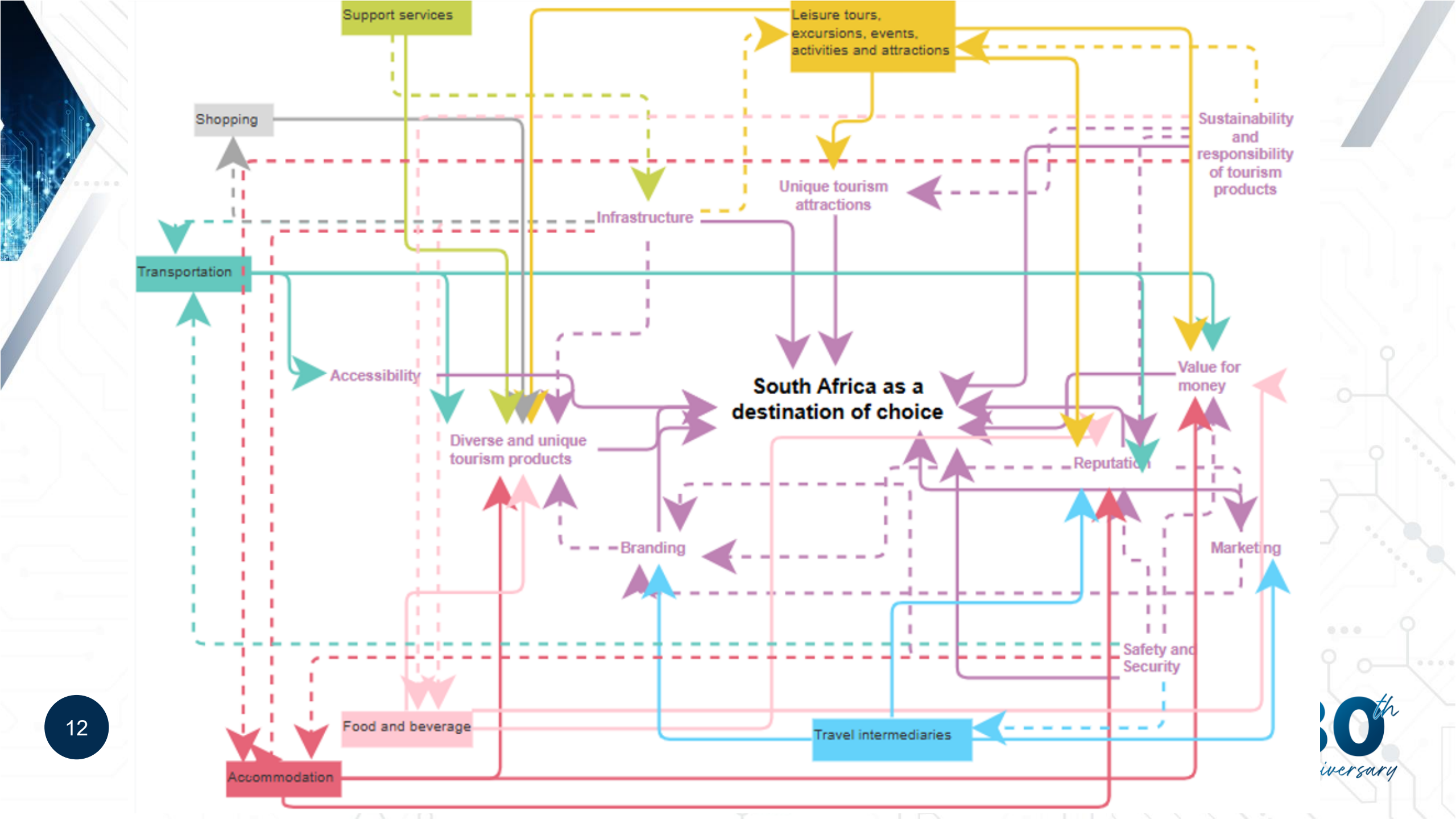
1) Identify the factors that contribute to making South Africa a tourist destination of choice (i.e. competitive)

2) Map the relationship between the factors and the sub-sectors of the supply value chain

# Factors contributing to making South Africa a destination of choice

- Supporting and enabling infrastructure
- Accessibility to and within the destination
- Diversity of tourism products
- Branding of the country as a destination of choice
- Marketing of tourism products
- Reputation
- Safety and security of tourists
- Value for money of tourism products
- Unique tourist attractions
- Sustainability and responsibility of tourism products
- Cooperative governance and travel regulations







# Analysis: Building competitive advantage

Tourism in South Africa functions as a complex, adaptive system, not merely a supply value chain.

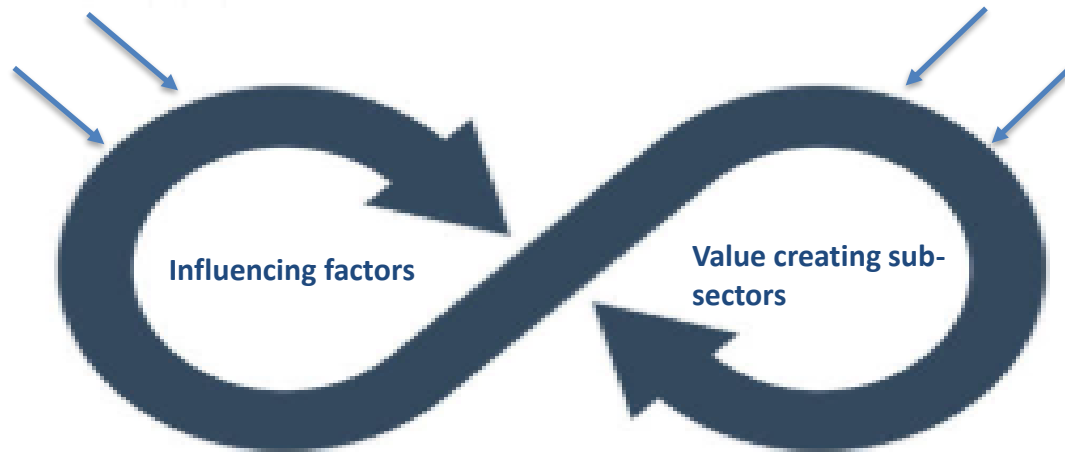
Tourism products and their viability are influenced by a wide range of interconnected factors that affect tourists' decisions to travel to and within South Africa.

These influencing factors can either reinforce or weaken the various tourism sub-sectors and their associated products.

The success of tourism depends on understanding and managing the two-way relationships:

Between the tourism sub-sectors themselves, and

Between the sub-sectors and the critical factors that influence tourism in South Africa.



# Conclusion

Tourism products and experiences represent only a fraction of the total value created, supported by a vast network of goods, services, skills, and resources.

The supply chain (enabling products) and value chain (distributing benefits) form an inseparable system driving economic, social, and cultural value.

Both core (e.g., accommodation, transport, attractions) and supplementary (e.g., finance, retail, communications) sub-sectors are essential; tourism growth depends on their interconnected, reinforcing relationships.

No sub-sector should be prioritised in isolation; interventions should focus on strengthening linkages to enhance competitiveness and resilience.

Tourism is a complex, adaptive system, where products and their success both influence and are influenced by broader contextual factors, such as infrastructure, safety, and reputation.



## Recommendations

- The study provides a foundation for research to guide government interventions to strengthen the sector.
- Future research should apply systems analysis to specific tourism products or niches (e.g., eco-tourism, business tourism, medical tourism) using detailed case studies.
- Tailored systems models can identify strengths, weaknesses, and leverage points within each niche to enhance competitiveness, resilience, and connections to the broader tourism economy.
- Insights from case studies can inform national and regional frameworks, supporting evidence-based, targeted interventions for sustainable, inclusive, and competitive tourism growth.





The background is a solid blue color with a subtle, intricate pattern of white circuit board traces. A large, thick white arrow points from the left side towards the right, partially obscuring the circuit pattern. The text "Thank you" is centered in the middle of the image.

**Thank you**