

# Brexit: how will currency fluctuations affect Cape Town tourism?

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24 Jun 2016

How will the currency fluctuations caused by Brexit, in particular, affect tourism in Cape Town?



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- The exchange rate still makes SA a highly favourable prospect for international visitors as it means affordable luxury. For international visitors, once in the city, the costs of exploring and experiencing the attractions are reasonable: the reaction that is given from international visitors after their visits is that a stay in the city was far more affordable than they'd perceived prior to visiting.
- The shock of Brexit on travel will be short-lived. The process to exit will take about two years, which means that in the medium term, tourists and tourism businesses will need to prepare themselves for a series of changes. For South Africans travelling abroad, the questions around VISAs will need to be answered as soon as possible, but, for now, it would remain unchanged.
- According to the Post Office [Holiday Money Report 2016](#) (released in January 2016), prices in Cape Town were down 20 percent, making Cape Town one of only two long haul destinations to make the leading 10 destinations. As a result of the great strides made by sterling against the rand in recent months, the city has powered past Bali to make it the lowest-priced of 32 long haul destinations surveyed and third cheapest overall. With sterling now worth 28 percent more than a year ago, equating to £111 extra cash on a £500 currency purchase, Post Office Travel Money has chosen South Africa for its 2016 hotlist. Despite the fluctuation in currency, this remains largely true.

- We would caution against tourism businesses raising their prices to gain from international visitors only to price locals out of the market, especially since locals may opt to travel domestically within SA as a result of unsteady exchange rates.
- Exchange rates fluctuate so this is not the sole feature that should be used to market attractions and experiences, but there are those that offer value for money regardless of the exchange rate. It must be noted that imported goods will increase in price and the supply chain may affect local pricing.
- On the whole, we anticipate that those international visitors who have booked well in advance will be able to enjoy their visit to the Mother City, and we will continue to showcase all that the city has to offer as a world-class travel destination.

## ABOUT ENVER DUMINY

Enver Duminy is the CEO at Cape Town Tourism

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