

SA car rental market shows healthy growth in leisure rentals

The South African leisure car rental sector has continued to show healthy growth, with last year experiencing a 16.7% increase in car rentals by international visitors and a 1.6% growth in local leisure rentals. These figures reflect growth on growth coming on the back of last year's leisure market expansion of 23% and 11% respectively.



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"We're feeling really optimistic, as leisure travellers are giving our country a big vote of confidence. This indicates that South African travel remains popular both locally and internationally, which bodes well for future growth. The other good news from the latest figures is the geographical spread.

"The major growth has been in the main metropolitan areas – especially in Cape Town, which dominates with about 50% of car rental – but we have seen growth all around the country," said Lance Smith, executive: sales at Avis southern Africa.

A provincial breakdown shows growth in leisure rentals across all provinces, especially in the Eastern Cape (20.4%), Gauteng (16.8%) and the Western Cape (17.6%). The local and foreign leisure segments are a significant part of the South African car rental market – together accounting for 55% of that market, according to the South African Vehicle Rental and Leasing Association (SAVRALA) statistics.

South Africa an attractive destination for travellers

"The healthy increase in foreign leisure rentals reaffirms that South Africa remains an attractive destination for international travellers. Even the most celebrated tourist capitals have seen geopolitical instability, and by contrast, South Africa is relatively calm, which seems to be attractive to tourists," said Smith.

Smith added that the growth rates in car-rental figures were significantly stronger than those for international visitors released by Statistics SA. The most recent [Statistics SA figures](#) show a 3.4% annual increase to 802,252 tourists for the year to February 2018.

"This means that tourists to SA are more inclined to use self-drive, which shows they feel safe travelling in our country."

South Africa – a healthy car-rental market

Smith said that despite factors like the water crisis in Cape Town, and the strengthening rand, South Africa remained a healthy car-rental market, with good growth indications across all geographical areas.

Smith highlighted two major growth opportunities for the leisure travel market. One was the opening up of the Asian market for inbound international travel, in particular, China. On the domestic front, he emphasised the potential of the expanding black middle class: "If this economy turns, and the black middle class continues to grow and we continue to uplift people, I have no doubt that will drive domestic tourism.

"If this goes hand in hand with further improvements in corporate governance, and ending corruption, there should be very positive sentiments for our leisure market. This will have a knock-on effect that will drive even greater growth. We're really excited about the car-rental growth we're seeing, as well as the potential of what's to come!" concluded Smith.

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