



PRESS RELEASE - June 12th 2018 water update

UPDATE ON CAPE TOWN WATER MANAGEMENT AND DAM LEVELS FROM THE OFFICE OF MICHAEL TOLLMAN, CEO OF CULLINAN HOLDINGS.

It is with great pleasure that I can report that the annual rains have started in Cape Town, rebuilding water supplies and tourism confidence. Now is the time for visitors to come to Cape Town.

The water situation in Cape Town in the past few weeks has significantly improved. As of June the 11th, the Cape Town dam water levels are at 31.8% versus 20.9% a year ago. This is the first month that current dam levels have exceeded the prior year, and are early signs that the water situation in Cape Town is significantly improving for the year ahead.

In tandem, water-wise measures have meant that daily water usage continues to be at least 50% below the prior year, and early May winter rains are better than the previous year. As a result Cape Town dam levels have recently increased by over 12%, and are now well ahead of prior year dam water levels (after trailing the prior year dam levels by 1.5% in April 2018).

With these good early May winter rains, water conservation by residents, farmers, businesses and government stakeholders, increased ground water usage via bore holes, desalination plants coming online, all point to a lower risk of water problems in 2019. Looking ahead, winter rainfall in 2017 was especially low, and latest weather forecasts (although not reliable) predict a wetter winter rainfall in 2018.

That said, the City of Cape Town continues to need to keep water restrictions in place in order ensure that daily water usage continues to be well below the prior year. For the moment it remains very important to maintain daily usage restrictions in order to ensure that dam levels continue to improve for the year ahead.

Hotels have been very successful in reducing their daily water usage by 45% versus the prior year as a result of various smart water wise measures. Tourists have responded favourably and supportingly to the request to be water wise, making the impact on the hotel guest experience minimal.

Tourism continues to be the main provider of employment in the Western Cape, and is crucial to normal daily life. Cape Town is open for business, excited to welcome back visitors vital to the province's economic and social wellbeing.

With water conservation systems now in place in the Western Cape, good early winter rains received, and winter rains expected to be as good or exceed the prior year, Cape Town dam levels are expected to much improved for the 2019 year ahead.

Visitors from across South Africa and the world have watched to see when and how Cape Town will recover from this unprecedented water crisis that faces over 120 cities worldwide. Cape Town has come through the crisis wiser, smarter, more united and more committed to tourism than ever.