

SPEECH DELIVERED BY MARTHINUS VAN SCHALKWYK, MINISTER OF TOURISM

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Ladies and gentlemen,

It is always a privilege to share in the success stories of our partners and in this case the Tourism Enterprise Partnership and its clients. I address you today in the wake of our country and our tourism industry very successfully hosting one of the largest sporting events in the world. I do so as the waves of acclaim for South Africa continue to resound and as we in the industry use the successes of the tournament and the lessons learnt from it as a powerful springboard to reach new levels of growth.

The tourism sector really is everyone's business. When we consider the critical role of the sector in sustained economic growth and job creation, the numbers tell the story. We have seen exponential growth in foreign arrivals to South Africa, culminating in more than 9.9 million foreign arrivals last year.

Tourism's total direct and indirect contribution to the economy has almost doubled from 4.9% in 1994 to an expected 7.9% or R89.4 billion in 2009. As government, in close partnership with the industry, we have consistently been taking the necessary steps to ensure that we continue on this positive trajectory.

With the exceptionally successful hosting of the World Cup in South Africa, the tourism sector in South Africa is set to enter a new growth phase. The event offered us an unprecedented window of opportunity to build our brand as a nation and it is up to all of us to make sure we leverage the platform it created.

For the tourism sector especially, the World Cup was never an end in itself. Our country's hosting of the tournament has unlocked immeasurable positive brand value. Our industry and our citizens made sure we offered foreign visitors an extraordinary experience of South Africa and we are confident that these visitors will become powerful ambassadors for our destination.

The event was also a catalyst for important infrastructure development and we can be proud of our excellent offering of accommodation, communication infrastructure, financial services and airports, to name but a few. All of these are of particular significance to the tourism industry.

South Africa has now been placed more firmly than ever on the map as tourism destination that is internationally competitive in terms of the hosting of mega events, conferences and business engagements. Combining the expanded infrastructure capacity with our breathtaking natural beauty and the diversity of our leisure tourism offerings sets the stage to achieve our ambitious growth targets.

A particular challenge is to ensure that this growth is underpinned by the required skills set. We need to ensure that our people, communities and small entrepreneurs are empowered to share in the growth and its benefits. Likewise, it is critical that we avoid the trap of jobless growth. Growth without job creation will not help us to achieve some of the key objectives of national government.

The National Department of Tourism (NDT) will continue to engage with the entire tourism sector to ensure that we all do our part to help translate the gains made possible by the World Cup into more visitors, more spend, more economic growth, improved skills and more jobs over the medium to long term.

I am confident that we can capitalise on the huge strides we have taken over the last number of years, but that does not mean that we can ignore the challenges that lie ahead. These include the fact that under persistent difficult economic conditions, both foreign and domestic tourists are undertaking shorter or fewer trips.

We know worldwide consumer spending has not recovered fully and we must be more innovative in our efforts to attract tourists. We therefore know we must be more meticulous than ever in terms of the continuous improvement of standards and service levels. We must work even harder at marketing our destination in our traditional and very important emerging source markets. The diversification of our product base is also part of the strategy to ensure that our visitors stay longer and spend more.

We understand that we must cater to an increasingly discerning traveller who demands value for money and authentic experiences. And we know we must lead rather than follow when it comes to responsible environmental practices.

Unlocking the potential of small, medium and micro enterprises (SMMEs) is absolutely vital to addressing unemployment. Not only is it a core component of our Broad Based Black Economic Empowerment strategy, but it is also internationally accepted as a very effective way to tackle poverty.

We know that in many cases SMMEs form the basis for the delivery of tourism offerings and that they provide a point of direct contact between tourists, destinations and communities. Furthermore, SMMEs facilitate a rapid infusion of tourism spend into the local tourism economy.

These small enterprises are critically important to the South African tourism economy, as they are able to provide a set of extremely diverse and customised experiences. Their sustainability is however dependent on a number of factors, including market access and the necessary skills and training that would enable the delivery of a quality experience.

Many of these SMMEs require support from government to grow and expand. It is for this reason that we continue our cooperation in the implementation of the Tourism Enterprise Partnership (TEP). As partners, the NDT and the Business Trust have invested over R400 million over a period of 10 years for the growth and development of small enterprises in the tourism sector.

TEP's focus on product development, job creation and skills development has contributed to building the economic resilience and competitiveness of tourism small businesses. Since its inception in July 2000, TEP has successfully facilitated transactions in excess of R4 billion rand. These transactions have benefitted more than 5 600 enterprises, of which almost 70% were Historically Disadvantaged Enterprises.

TEP also recently launched its Enterprise Development Portfolio. This initiative will allow organisations and corporate entities to contribute to the development and transformation of the tourism industry and at the same time earn B-BBEE points for enterprise development.

I would like to thank our partners TEP and the business world as well as the tourism entrepreneurs here today for helping us to build tourism and for your continued commitment to a better future. A collective contribution from both government and the private sector is the only way we can ensure sustainable tourism growth, consistent improvement in terms of our economic performance and lasting improvements in the lives of all South Africans.

I thank you.

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