



**MINISTRY OF TOURISM  
REPUBLIC OF SOUTH AFRICA**

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**NATIONAL COUNCIL OF PROVINCES:**

**QUESTION FOR ORAL REPLY:**

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**Ms H S Boshoff (Mpumalanga: DA) to ask the Minister of Tourism:**

- (1) What are the reasons behind her utilising the Tourism Equity Fund to the value of R1.2 billion solely for black entrepreneurs as she will not reach any of her targets in boosting South Africa's broken tourism industry by promoting one grouping only (details furnished);
- (2) whether by promoting a select few to benefit from such a scheme they will be able to rebuild this broken industry to ensure that tourism remains the largest contributor to the Gross Domestic Product (details furnished); if not, why not; if so, what are the relevant details?

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**REPLY:**

- (1) In its criteria, the Tourism Equity Fund directs its support to businesses owned and controlled by South African with 51% majority black ownership and control. Thus, the Fund criteria is inclusive as it is accessible to all South African. In its conception, recognition was made to the fact that levels of participation of the black majority, women, youth and people with disabilities are no where near the targets set by the Tourism B-BBEE Sector Code. State of transformation in tourism surveys revealed that while promoting Black ownership of enterprises is a priority element within the amended Tourism B-BBEE Sector Code, very few enterprises achieved the targets set for ownership. In fact, less than 45% of tourism enterprises in the three sub-sectors (accommodation, hospitality and travel) had achieved

the 30% ownership target. It is for these reasons that over and above the 51% black ownership and control requirement, priority is also given to those businesses whose ownership and control includes 40% women, 30 % youth and 2% people with disability. Furthermore, the Fund also prioritises business in rural areas and townships. In essence, the TEF moves away from an approach that empowers a few to broadening ownership and control in the sector.

After the launch of the Fund in January 2021, there was a threat of litigation against the Fund implementation from Afri-Forum and Solidarity. However, after they were subsequently engaged by the Department, they did not proceed with the intended litigation as there was no basis thereof.

- (2) B-BBEE is a policy of the Republic of South Africa and duly enabled through an Act of Parliament, the Broad Based Black Economic Act, 2012 as amended. It is the expectation of all South Africans that all Honourable members of Parliament must uphold and defend the Law of the land at all times in line with the oath they take.

Guided by the Tourism B-BBEE Codes and the B-BBEE Act, the to amongst others promote alleviation of poverty, inequality and growth of black controlled tourism enterprises. The objective of the TEF is to accelerate increase in participation by black tourism industrialists as reflected by their contribution to growth, investment, and employment creation in the sector.

The Minister will continue in her efforts to work with the industry in pursuit of the recovery agenda as guided by the Tourism Sector Recovery Plan. It is also encouraging that several messages of support for the TEF were publicly expressed, particularly by industry bodies. We welcome and appreciate such progressive posture towards our efforts to make this national imperative a reality reality.

Unfortunately, R1,2 billion is not nearly enough to get to the levels of transformation required. We should be talking about a higher amount to make a real difference.