



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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NATIONAL ASSEMBLY:

QUESTION FOR ORAL REPLY:

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Ms A Matshobeni (EFF) to ask the Minister of Tourism:

Is his department making any significant investments into growing domestic tourism and ensuring that black persons do not just become employees, but become owners of tourism businesses? NO616E

REPLY:

The Amended Tourism B-BBEE Sector Code was published in the Government Gazette on 20 November 2015 for implementation by tourism businesses. One of the key objectives of the amended Code is to facilitate a substantial increase in the number of black people who have ownership and control of existing and new enterprises. The code is a crucial lever for transformation setting a 30% black ownership requirement for both large businesses and Qualifying Small Enterprises (QSEs). Ownership requirements did not previously apply to **QSE's**. Again, the 30% requirement is highly progressive given that the **DTI's** Generic Code of Good Practice has a 25% requirement.

In line with the **sector's** Broad-Based Black Economic Empowerment Code of Good Practice, the department's transformation approach for the industry is premised on four critical pillars - skills development, enterprise and supplier development, B-BBEE policy implementation and community empowerment with an emphasis on ownership for black people who were previously marginalised from meaningful economic participation.

At the other end of the spectrum, the department has invested funds in the construction of successful community owned and operated products across the country through the Social Responsibility Implementation (SRI) Programme, which has enhance levels of ownership at community levels.

Our research studies highlighted black women who constitute the majority of the workforce and are notably not in properly represented in management and leadership positions in the industry. The department has sought the assistance of the University of South Africa's (UNISA) Graduate School of Business Leadership to develop an Executive Development Programme (EDP) in consultation with Industry, which will particularly target the participation of black women in the sector. The programme is aimed at building strong business skills and leadership capabilities amongst black women in the tourism sector to lead key parts of tourism businesses and form a pool of future top leadership, entrepreneurs and industrialists in the sector.

Our investment in skills development and training is essential to create a solid base of young, well qualified black people who will be equipped with the necessary skills to enter into key tourism professions and with the potential to advance into management positions (which is an essential part of the transformation of the industry), and to be better prepared to be the business owners and entrepreneurs of the future. These programmes include the training of Chefs, Sommeliers, food safety monitors etc.

In the past year, the department through the Minister of Tourism launched the Tourism Incentives Programme (TIP) to the industry to advance the course of transformation in the sector. The incentives provide support mechanisms to empower small enterprises and new entrants to access international markets, with the view to grow these enterprises into bigger players in the future.

The department is exploring partnerships with the Development Finance Institutions (DFIs) to establish mechanism to improve access to funding aimed at supporting transformation and entrepreneurship within the tourism sector.

The department is also developing a B-BBEE Portal targeting black owned suppliers to the tourism sector with the aim of creating a platform for linkages between **SMME's** supplying to the sector to large enterprises in the sector.

With effect from the 2016/17 Financial Year, the department will implement a new enterprise development programme which will entail the establishment of two tourism incubators in North West and Mpumalanga.