

National Tourism Sector Strategy (NTSS)

Presentation to Tourism Portfolio Committee 22 August 2014

Department of Tourism
www.tourism.gov.za



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA



Inspiring new ways

PURPOSE

The purpose is to share the contents of the NTSS with the Tourism Portfolio Committee with specific focus on:

1. NTSS vision and mission.
2. Commitments made in the NTSS as approved by Cabinet in March 2011.
3. Current progress levels against some of the commitments.
4. Way forward.

BACKGROUND

- Cabinet approved in May 2010 the draft NTSS for public consultation with additional input.
- 2 months were allowed for public comments till end of July 2010.
- 37 000 comments were received from all stakeholder categories.
- Both Cabinet input and public comments were considered in the finalisation of the document.
- ***Cabinet approved the NTSS on 03 March 2011.***

STRATEGIC OVERVIEW OF THE NTSS

VISION:

“To be a Top 20 Tourism Destination in the World by 2020”

MISSION:

To grow a sustainable tourism economy in South Africa with domestic, regional and international components based on innovation, service excellence, meaningful participation and partnerships.

VALUES:

Upholding the values of our Constitution, Respect for Culture and Heritage, Service Excellence, Commitment to Transformation, Accountability, Responsible Tourism, Trust, Transparency and Integrity, Flexibility and Adaptability to Change.

STRATEGIC OBJECTIVES

Theme 1: Tourism & the Economy

1. To grow the tourism sector's absolute contribution to the economy
2. To provide excellent people development and decent work within the tourism sector
3. To increase domestic tourism's contribution to the tourism economy
4. To contribute to the regional tourism economy

Theme 2: Visitor Experience & the Brand

5. To deliver a world - class visitor experience
6. To entrench a tourism culture amongst South Africans
7. To position South Africa as a globally recognized tourism destination brand

Theme 3: Sustainability & Good Governance

8. To achieve transformation within the tourism sector
9. To address the issue of geographic, seasonal and rural spread
10. To promote responsible tourism practices within the sector
11. To unlock local government tourism economic development potential

THEME 1: TOURISM & the ECONOMY

OBJECTIVES

1. To grow the tourism sector's absolute contribution to the economy
2. To provide excellent people development and decent work within the tourism sector;
3. To increase domestic tourism's contribution to the tourism economy
4. To contribute to the regional tourism economy

INDICATORS

- Increase in: Contribution to GDP; Foreign Visitor Arrivals, Employment, Investment etc.
- compliance level with decent work framework.
 - Improved skills levels across the tourism value chain.
 - % domestic tourism contribution to overall tourism contribution to GDP.
 - Increase in the total number of domestic holiday trips.
 - Increase in the number of regional tourism programmes e.g. Transfrontier Conservation Areas, marketing presence in the region.

THEME 2: VISITOR EXPERIENCE & the BRAND

OBJECTIVES

5. To deliver a world class visitor experience.
6. To entrench a tourism culture amongst South Africans.

To position South Africa as a globally recognised tourism destination brand.

INDICATORS

- Satisfaction levels rating.
- Skill availability.
- Level of awareness on tourism and its value within South Africans.
- Increased levels of community participation in the sector.
- SA Tourism Brand awareness levels in core markets
- Conversion rate (sales).

THEME 3: SUSTAINABILITY & GOOD GOVERNANCE

OBJETIVES

8. To achieve transformation within the tourism sector

9. To address the issue of geographic, seasonal and rural spread

To promote responsible tourism practises within the sector

To unlock local government tourism economic development

INDICATORS

- % achievement of the 2017 Tourism Charter targets

- Increase in the share of foreign and domestic bed nights during low season months, foreign bed nights spent in the least and mid-level visited provinces, domestic tourists bed nights, diversity of tourism products, supply of rural based tourism products.
- decrease in seasonality.

- Levels of adherence to Responsible Tourism practices outlined in the Cape Town Declaration

- Systems for local government Tourism development and promotion support.

KEY TARGETS – 2015 & 2020

GDP(Direct): (2020);	R118,4 bn (2015) and R188 bn
GDP(Direct & Indirect): (2020);	R318,2 bn (2015) and R499 bn
Tourist Visitors: 2020);	12,1 mil and 15 mil (2015 and
Jobs (Direct): (2020);	403 000 (2015) and 461 700
Jobs (Direct & Indirect): and 2020;	968 300 and 1,1 million in 2015
Domestic contribution to GDP :55% (2015) and 60% (2020)	
Domestic holiday trips:	16 mil (2015) and 18 million by (2020).
Marketing offices in Africa:	3 (2015) and 5 (2020).

70% of the 2017 Tourism Charter targets by 2015 (Broad Based Black Economic Empowerment - BBBEE).

KEY INTERVENTIONS

Demand

- Marketing and Brand Management
- Conventions Bureau
- Domestic Tourism
- Regional Tourism
- Emerging Markets (BRICS)

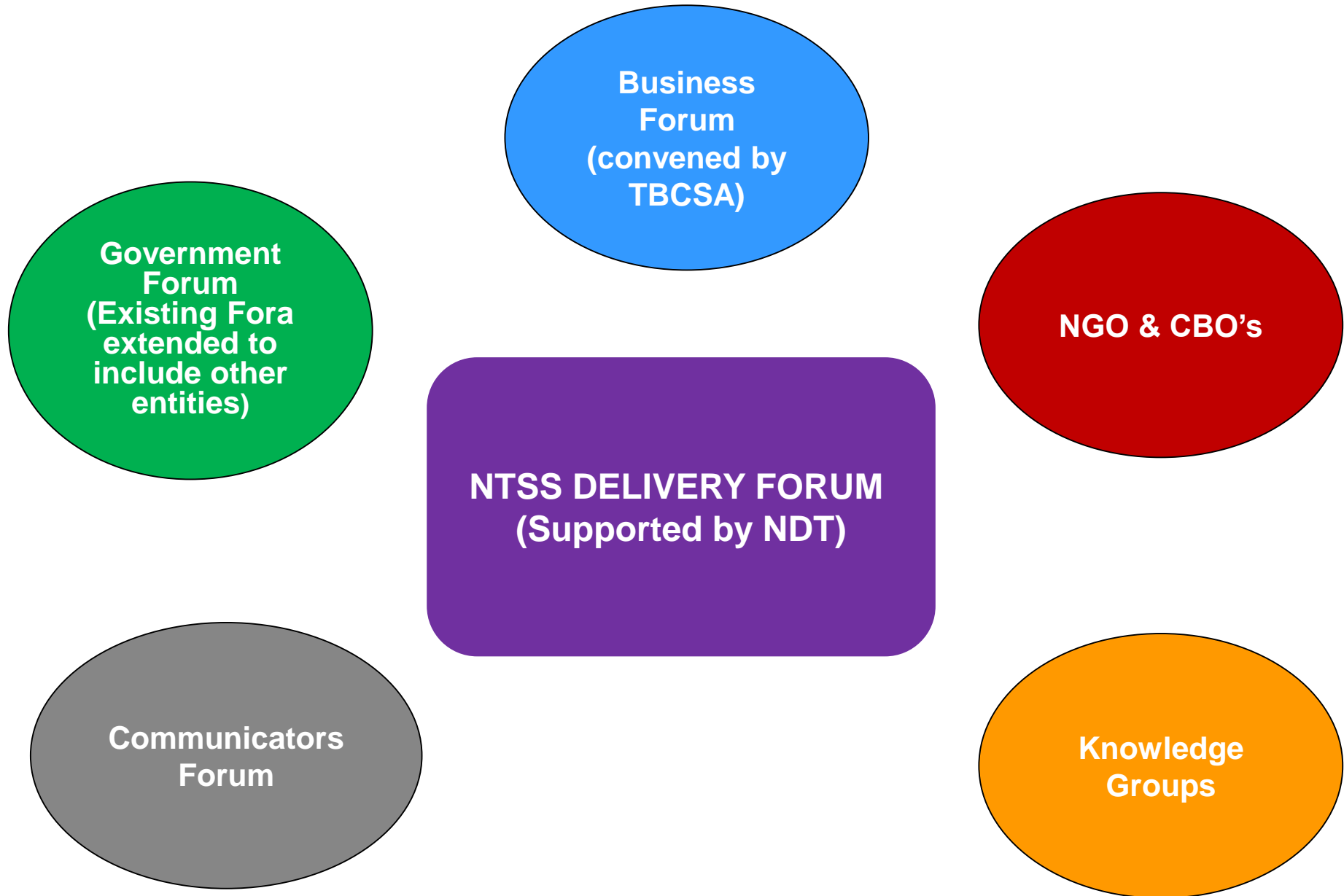
Supply

- Product development (e.g. cultural, heritage, rural)
- Niche tourism (e.g. Cultural Heritage.)
- Strengthening quality assurance
- Skills, Capacity & Service excellence
- Access Channels
- Investment promotion
- Information

Other Interventions:

Transformation, Community Participation, General Tourism Awareness, Safety & Local Government Capacity.

Implementation – Structural Arrangement



OVERVIEW OF PERFORMANCE

DIRECT CONTRIBUTION TO ECONOMY (Source: Tourism Satellite Account by Statistics South Africa (StatsSA))

- **Direct contribution of tourism to Gross Domestic Product (GDP):** Provisional: From R83,5 billion (2.8% of GDP) in 2011 to R93,3 billion (3% of GDP) in 2012
- **Direct contribution to employment:** From 591 785 (4.5% of total employment) in 2011 to 617 287 (4.6% of total employment) in 2012. *This is a total of 63 297 new jobs from 2009.*

DIRECT AND INDIRECT CONTRIBUTION TO ECONOMY : Source: World Travel and Tourism Council (WTTC)

- Direct and indirect contribution to GDP: Estimates: R 290.3 billion in 2011 and R314.9 billion in 2012.
- Direct and indirect contribution to employment: Estimates: 1 290 800 in 2011 to 1 378 600 in 2012.

OVERVIEW OF PERFORMANCE

Tourist Arrivals 2013 (*Source: South African Tourism and StatsSA*)

- Tourist arrivals went up by 4.7% in 2013 compared to 2012. This was a total of 9 616 964 in 2013 from 9 188 368 in 2012.
- Arrivals from overseas markets went up by 7.1%. A total of 2 683 141 in 2013 from 2 505 762 in 2012. Top overseas markets: UK, USA, Germany, China (including Hong Kong), France.
- Arrivals from Africa recorded a total of 6 889 389 in 2013 from 6 634 933 in 2012 which was an increase of 3.8%. Arrivals from Africa account for 71.6% of total tourists arrivals to South Africa. Top African Markets: Zimbabwe, Lesotho, Mozambique, Swaziland and Botswana.

OVERVIEW OF PERFORMANCE

DOMESTIC TOURISM (Source: SAT):

- **Domestic tourism trips:** 25.4 million in 2012 from 26.3 million in 2011 (- 3.8%)
- **Domestic travellers:** 12.5 million in 2012 from 13.9 million in 2011.
- **Main purpose of visit:** Visiting friends and relatives (72.3% in 2012), followed by holiday (6.7% in 2012).

TOURISM DOMESTIC CONTRIBUTION TO THE ECONOMY (Source: TSA):

- **Domestic tourism contribution to the economy:**
 - R105.6 billion in 2012 from 82,7 billion in 2009. This was an increase from R100.1 billion in 2011.

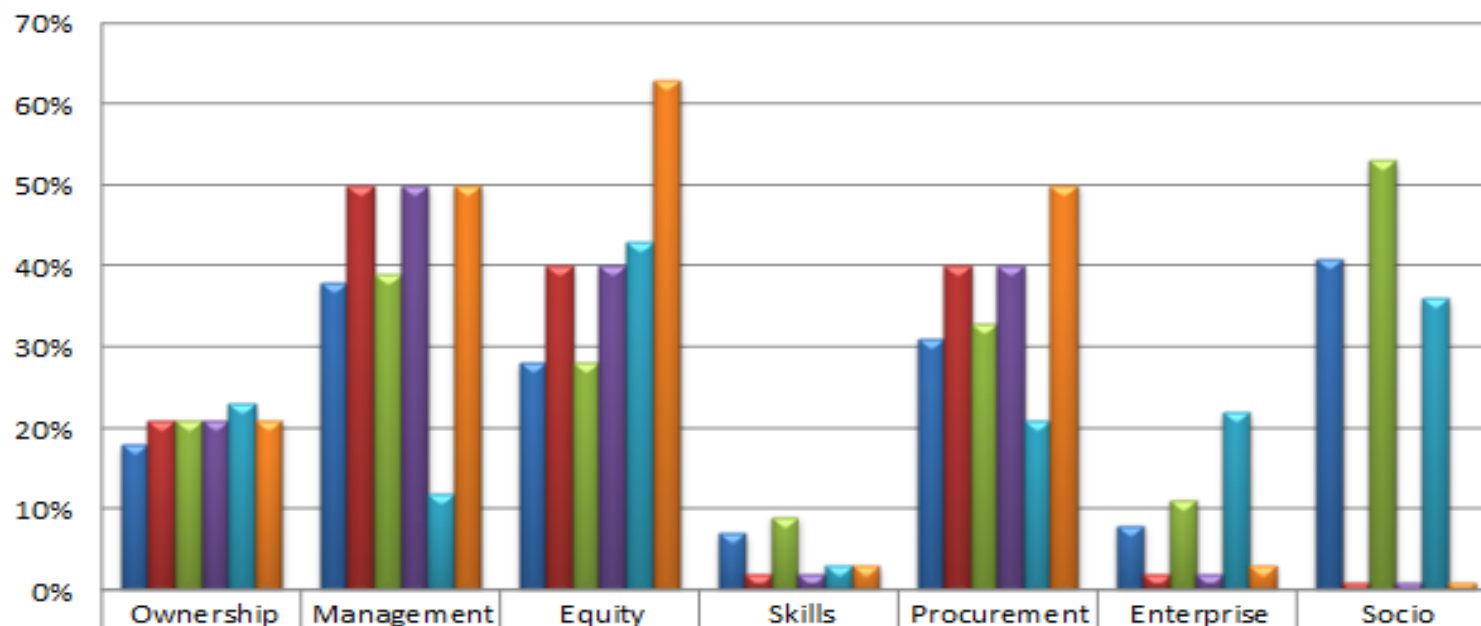
OVERVIEW OF PERFORMANCE

Balance of payments

	2008	2009	2010	2011	2012
Export (Inbound) (Rm)	69 963	67 141	69 422	71 747	85 423
Import (Outbound) (Rm)	56 317	53 553	59 542	60 545	58 588
Tourism trade balance (Rm)	13 646	13 588	9 970	11 202	26 835
Year on year growth in tourism trade balance (%)		-0,05	-36,3	11,0	58,3
Growth between 2008 and 2012 (%)	49,1				

OVERVIEW OF PERFORMANCE

2012 TARGETS AND RESULTS



	Ownership	Management	Equity	Skills	Procurement	Enterprise	Socio
EME: results	18%	38%	28%	7%	31%	8%	41%
TARGET	21%	50%	40%	2%	40%	2%	1%
QSE: results	21%	39%	28%	9%	33%	11%	53%
TARGET	21%	50%	40%	2%	40%	2%	1%
LE: results	23%	12%	43%	3%	21%	22%	36%
TARGET	21%	50%	63%	3%	50%	3%	1%

WHY DOMESTIC TOURISM

- ❑ Maintains travel and tourism during difficult times globally (sustainability) – maintains the jobs;
- ❑ It stabilizes the cyclical and seasonal flows of inbound tourism;
- ❑ Provides an indirect way of building a product base for international tourism; and
- ❑ Creates a tourism culture in the country (critical for the success of all forms of tourism).

DOMESTIC TOURISM PERFORMANCE IN OTHER COUNTRIES

- ❑ **China**, has an incomparably large domestic tourism market.
- ❑ Compared to inbound tourism flows which declined by 1% in 2012 with trips falling to 57 million, domestic trips increased to 2.5 billion (12%),
- ❑ Domestic trips are expected to maintain strong growth with the number of trips set to increase by 10%.
- ❑ Domestic tourism expenditure increased from RMB 1,93 trillion to RMB 2,20 trillion registering a 14% growth. (**Euromonitor, August 2013**).

The effective promotion, diversity of products, constant improvements in their national transport system, including increasing affordability of air tickets with the advent of low cost carriers, as well as the introduction of an extensive high speed rail network contributed to the growth in domestic tourism

DOMESTIC TOURISM PERFORMANCE IN OTHER COUNTRIES

- ❑ **France** recorded, 202 million domestic trips in 2011, a 3% increase compared to 2010 and the number is expected to grow to 209 million (1%) by 2016.
- ❑ Domestic tourism grew at a faster rate than outbound tourism since many French households decided to spend their holidays in France.
- ❑ Domestic tourism expenditure increased by 58,7 billion EUR (2.7%) compared to 57,2 billion (4.9%) in 2010 (**Euromonitor, May 2012**).
- ❑ In the **USA**, domestic tourism grew by 3% in 2012 to exceed 1 billion trips for the first time
- ❑ This indicates that Americans returned to domestic holidays, with the strongest growth recorded in a decade despite the setback of Hurricane Sandy in October 2012.
- ❑ The number of trips is expected to increase by 8% reaching almost 1.1 billion by **2017(Euromonitor, August 2013)**.

Strong marketing strategies and national media campaigns have been effective in enhancing domestic tourism growth.

WHY THE CONTINENT

- ❑ Spending capacity of the emerging middle class;
- ❑ Highest overall average spend was registered from Angola and Kenya for period January – September 2013;
- ❑ Specific focus on Regional Tourism in the National Development Plan; and
- ❑ Proximity and access.

WAY FORWARD

LEGAL MANDATE

Chapter 2 of Tourism Act no.3 of 2014 under section 4 (1) provides for the development of the National Tourism Sector Strategy”(NTSS), and also requires that the strategy be adopted and gazetted by the Minister after a consultative process.

Section 4(2) further requires that the NTSS provides for strategies, objectives, indicators, targets, plans, guidelines, procedures and institutional arrangements and intergovernmental coordination with provincial and local spheres of government relating to the promotion, development and transformation of tourism.

WAY FOWARD

Through the existing implementation coordinating mechanisms, the Department of Tourism has commenced with the preparations for the initial review process, which is scheduled for 2015/16 Financial Year.

This will include the following:

- Assessment of the progress made;
- Taking lessons from the implementation (both progress and challenges) to date;
- Review of the current and future environment; and
- Development of future strategy in line with the requirements of the Tourism Act No.3 of 2014 as well as the outcomes of the review.
- Guided overall by the National Development Plan objectives.

RECOMMENDATIONS

It is recommended that the Tourism Portfolio Committee notes the following:

1. NTSS vision and mission.
2. Commitments made in the NTSS as approved by Cabinet in March 2011.
3. Current progress levels against some of the commitments.
4. Way forward.



Thank You