



**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:

In the light of the fact that one of the key constraints to the growth of tourism in the country is the limited integration of local communities and previously neglected groups into the tourism value-chain, while those who benefit most are white persons who own guest houses and land, what steps is he taking to ensure that tourism opportunities are open to black people, who have no land and no guest houses, to own the industry value-chain and not just benefit as employees?

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REPLY:

Although it is not factually correct, as claimed in the question, that black people own no guest houses, research has shown that guest houses and other businesses are still mainly owned by white people, largely as family businesses.

In August 2012 the Minister of Tourism appointed the Tourism B-BBEE Charter Council to advise him on how the sector can integrate local communities and historically disadvantaged groups into the tourism value-chain and mainstream economy.

The tourism sector directly and indirectly contributes more than 9% to South Africa's Gross Domestic Product (GDP). The department has put measures in place to make sure that tourism opportunities are open to black people to play a meaningful role in the sector.

Studies indicate that a lack of access to funding for black entrepreneurs contributes to skewed ownership patterns in the sector. The Department of Tourism launched the Tourism Incentives Programme earlier this year as one of many initiatives to accelerate transformation. The support provided under this incentive programme aims to reduce operating costs through retro-fitting establishments with renewable energy sources, to support quality assurance by providing a rebate on grading costs and to help owners of establishments gain access to international markets.

The department is working with the Small Business Development Department to identify the needs of small enterprises. This will help the department to improve the support packages provided to businesses in the sector. The department is also developing an enterprise and supplier development portal to help SMMEs to trade with large enterprises. The department also provides support to rural enterprises through the Tourism Enterprise Partnership.

A guide to the procurement needs of large enterprises in the sector was developed and published in July 2015 to address the slow integration of black owned enterprises in the tourism sector mainstream. The guide includes information on the procurement needs of large enterprises in the tourism sector and the projected growth in demand, the statutory requirements for eligibility to supply goods and services to large businesses, and methods used by large enterprises to advertise their procurement needs.

The tourism sector faces the challenge of low numbers of black people, especially women, in management. This is attributed mainly to the unavailability of black managers with the required qualifications, skills profile and experience for promotion to executive management and board positions.

To address this challenge, the department is partnering with a reputable South African Business School to provide an Executive Development Programme targeting women from all nine provinces. The programme is aimed at building strong business skills and leadership capabilities among women to form a pool of future top leader, entrepreneurs and industrialists in the sector. The programme will provide in-depth training on running a successful tourism business.

It was necessary to tighten the transformation policy to ensure that opportunities in the tourism sector are extended to Black South Africans. The department has embarked on a process to align the Tourism B-BBEE Codes to the Department of Trade and

Industry's Amended Generic B-BBEE Codes of Good Practice. The codes have been changed to prioritise ownership, skills development and enterprise and supplier development. The Minister of Trade and Industry has gazetted the draft Amended Tourism B-BBEE Codes for comment in terms of Section 9 (5) of the B-BBEE Amendment Act 46 of 2013, making Tourism the first sector to have its Amended Codes published.

Through its Social Responsibility Implementation programme the department has worked with several communities to develop tourism products and attractions. All these measures are designed to enable black people to participate meaningfully in the tourism economy.