



**MINISTRY OF TOURISM  
REPUBLIC OF SOUTH AFRICA**

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**Budget vote speech delivered by Minister of Tourism Derek Hanekom in the National Council of Provinces on Tuesday, 17 May 2016**

**17 May 2016**

Chairperson, and Honourable Members,

It is an honour to stand before you today to present the Tourism budget for 2016/17. Tourism is a powerful driving force for economic growth. In South Africa, and all around the world, tourism is an important earner of foreign exchange; a massive provider of jobs; and a powerful developmental tool. It is a catalyst for entrepreneurial opportunities and transformation.

In 2014, 680 000 people were directly employed in the tourism sector, representing 4.5% of the total workforce. This is direct employment. If you take the entire tourism value chain the sector supports 1.5 million jobs!

The balance of trade from tourism has more than tripled, from R10 billion in 2010 to R38 billion in 2014. The tourism sector is well placed to continue contributing to addressing our triple challenge of poverty, inequality and unemployment.

Furthermore, the value of tourism goes far beyond its economic value - it crosses the boundaries of diversity and brings people together. It is the best way to learn more about the world we live in, and it most certainly brings better understanding among people.

South Africa offers truly unique experiences, and we have untapped resources in abundance. We have all the ingredients to be one of the world's top tourism destinations. All our nine provinces are blessed with great attractions: beautiful landscapes, wildlife and biodiversity, leisure and adventure options, warm and welcoming people who are steeped in cultural tradition.

This year's budget will be used optimally to ensure that our tourism economy continues to grow, and to create tangible and lasting benefits for our people.

We all know that tourism took a knock last year. Thankfully though, by the end of the year the clouds had started to lift. This year we are seeing spectacular growth and recovery. January arrivals were up by 15% on last year and February was 18% up. Tourists from the world's top source markets like China are finding it easier to get visas, and are no longer deterred by the false fear of Ebola.

The best news is that the positive effect of growth in tourism is most certainly felt by people living in communities in all our provinces. Those who come into direct contact with tourists in remote rural areas, or in shops, restaurants and hotels will feel the benefits of more business, more demand for the products and services, and more opportunity. And those who are not directly involved in tourism will benefit from the significant contribution that our sector makes to our Gross Domestic Product.

The World Travel and Tourism Council estimates that tourism in South Africa will contribute over R380 billion to our economy this year.

The success of the national tourism industry starts with success at every establishment that serves tourists. This is why much of our budget will go towards enhancing our attractions and training our people: we want to improve the experience of local and international tourists in our country.

Just over a week ago, Durban hosted our premier trade show, Indaba. It attracted over 1000 exhibits of the most diverse and compelling attractions from Africa and all our provinces. There were over 1600 buyers from around the world. All our MECs for Tourism were there to personally promote their provinces. I was delighted to see some of you there as well.

Indaba showed how the people of Africa can come together, and work together with a common goal. The United Nations World Tourism Organisation forecasts that tourist arrivals in Africa will reach 130 million by 2030. I am convinced that we can do even better than this by making the right policy choices, investing and marketing wisely and collaborating with each other.

Honourable Members, our task to get more tourists to visit our country, through ever better marketing and by making it easier for people to come here. We must continuously improve our destination and enhance the visitor experience so that visitors come back and spread the word. We must invest in our people so that they are able to offer the best possible service. We must support our small businesses in particular, because they are the mainstay of our tourism industry, and we must create opportunities for our own people to travel and experience our country and all it has to offer.

These are the things that we are working on. The budget is spread across all these important activities.

We have an incredible country with a rich cultural and historical heritage. Working with various partners, the Department of Tourism is building on this natural and cultural heritage.

Robben Island is without a doubt one of our country's most iconic sites. We are working closely with the Department of Arts and Culture and Robben Island Museum to make the visitor experience a more profound and unforgettable one. We are refurbishing the restaurant and visitor facilities, and training guides to relate the powerful story of Robben Island with all its meaning and significance. We are also digitizing important historical records so that they are preserved for future generations.

This year we will enhance four iconic national heritage sites that depict significant milestones in the life of our former President Nelson Mandela: the Nelson Mandela statues at the Union Buildings and Freedom Park in Gauteng, the Nelson Mandela Capture Site in KwaZulu-Natal, and the Groot Drakenstein Prison in the Western Cape, where Madiba spent his last years of imprisonment on his own. This is where critical negotiations took place, which led to the unbanning of political parties and to his own release, and ultimately to the freedom we all enjoy today.

The department has started with its energy retrofitting program, and is assisting a number of our major destinations to convert to renewable sources. This will significantly lower their operational costs, contribute to our country's climate change commitments, and improve the image of the industry. Travellers are becoming more environmentally conscious, and they factor this into their travel choices. We intend to expand this program to the private sector in the course of this financial year.

The department's Social Responsibility Implementation programme creates and improves tourism infrastructure in rural areas to boost the rural economy and benefit local communities. In the process it also creates local jobs and develops the skills of our youth. This year the SRI programme will provide 7000 work opportunities across our country.

It should be said, Honourable Members, that many lessons have emerged during implementation of these projects. These lessons will guide the program going forward. We do have serious challenges in this program.

I have instructed the department to urgently commission an independent evaluation to assess the effectiveness, value for resources invested, governance and administration of these projects.

We have started shifting the focus of our Expanded Public Works Program by employing 200 young people who will keep 50 blue flag beaches clean and safe. This is the beginning of our new "Working for Tourism" program, and it will be expanded during the MTEF to include hiking trails and even some urban precincts.

Our tourism industry is made up of thousands of small businesses. The support we are providing to small businesses through our enterprise development programme is expanding through more training interventions, and the setting up of tourism business incubators near Pilanesberg and Kruger National Park.

The department will also promote access to selected government-owned attractions through negotiated discounted rates. We want more South Africans to be able to afford to visit our botanical gardens, game reserves, World Heritage Sites, and other places which have cultural and historic significance. This project will target learners, youth, pensioners, people with disabilities, and others who cannot afford to go to these places.

Honourable Members, domestic tourism is critical to the future of tourism in our country. SA Tourism has been allocated R110 million to promote domestic tourism this year. A media campaign has been launched, which includes a series of television commercials telling the stories of South Africans travelling for the first time, and how much it means to them.

Transforming the tourism sector is central to our aspiration for inclusive growth. The tourism industry was among the first to have its amended sector code gazetted last year. The new Tourism Charter Council will be tasked with developing transformative strategies, as well as monitoring and reporting on the state of transformation in the industry.

Honourable Members, the success of tourism as a shared competency relies heavily on collaboration and alignment between all three spheres of government. This is absolutely essential. Local government is not only at the coal face of service delivery, but it also provides facilities and opportunities for tourism at the local level. If we want tourism to succeed, we must consistently improve our tourism offer with good infrastructure, effective signage, and a clean, safe and secure environment. If we get these things right, tourism will grow and jobs will follow.

Harmonisation of policy and strategy is essential within government. We work closely with the Departments of Arts and Culture, Environmental Affairs, and Sport and Recreation to promote our country. Our Departments of Tourism and Home Affairs continue to make good progress in addressing issues around ease of access. Together with the National Treasury, we have established several working groups with our industry partners that are addressing issues like destination improvement and skills development across provinces.

I am very pleased that our MECs for Tourism are committed partners in the tourism space. We put a great deal of effort into ensuring that our various tourism marketing agencies, at city and provincial level, work together to achieve our common tourism goals for the country.

Honorable Members, I appreciate the efforts of the many people who are contributing to the success of tourism every day. I thank Deputy Minister Xasa; Director-General Victor Tharage and the entire Department of Tourism; the Chairperson, Board and staff of SA Tourism, the Tourism Business Council of South Africa, and all our partners in industry for their support.

I would also like to express my appreciation to the Chairperson of the Select Committee, the Honourable Edwin Makue, and all the members of the Committee: we appreciate your engagement and guidance.

If all of us, in every sphere of government, work together, and join hands with our partners in industry, tourism will continue to make a significant contribution towards eliminating poverty, unemployment and inequality in our country.

Thank you.

For more information, visit our website on [www.tourism.gov.za](http://www.tourism.gov.za);

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