



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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Speech by Tourism Minister Derek Hanekom in the debate on building collective action for inclusive growth in the National Assembly

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Chairperson, Honorable Members

I don't need to repeat what has already been said in this debate - our economy is not growing the way it should and the way we know it can. We are painfully aware of this, and we are collectively determined to turn this situation around. We are working hard with all our social partners to get back on to a healthy and sustainable growth path. And we will succeed.

In the tourism sector we are working closely with the industry to recover from last year's decline in tourist arrivals, and to improve tourism's contribution to the economy, and to help tackle the triple challenge of poverty, inequality and unemployment.

This year has started extremely well for tourism in our country. We experienced an unprecedented surge in international tourist arrivals in the first quarter of 2016. Year-on-year growth was a staggering 18.7%, compared to the first three months of last year.

Tourism across its extensive value chain contributed no less than R375 billion to our economy last year, representing about 9.4 % of GDP. If we include indirect and induced jobs, over 1.5 million people are employed in the sector, representing almost 10% of all employment.

Globally, travel and tourism has proved to be far more resilient than other sectors in times of economic turbulence. Internationally, tourism grew by 4.4% in 2015, reaching a record level 1.2 billion tourists traveling abroad.

Right now, tourism is one of the best performing sectors in our economy. We have strong competitive advantage in tourism, the exchange rate is in our favour and the global growth in outbound tourism that I have just referred to, present us with a magnificent window of opportunity.

However, Honourable Members the realization of this growth potential does not just happen because conditions are favourable – we have to work together to make it happen. The Department of Tourism, together with SA Tourism is pursuing several initiatives to strengthen our international marketing drive, to enhance our destination, and improve the visitor experience by developing the skills of our people. We are also determined to achieve meaningful transformation in the sector. We are working closely with industry to achieve these goals.

SA Tourism is developing a counter-seasonal marketing strategy with industry to promote tourism throughout the year. They are also jointly working on strategies to more effectively target untapped segments in key source markets, while exploring new investment in emerging markets with high potential, like China and India.

Honorable Members, we are not paying lip service to working with our industry partners. We have had two very productive meetings with senior Chief Executive Officers of industry in the last few months, together with National Treasury officials. This is not a public relations exercise: joint working groups have been established to find new and innovative ways to capitalise on the immense opportunities to grow our sector and create more jobs and life-changing opportunities for our people.

This engagement has already resulted in the creation of a collaborative fund to support our bids for international conferences, meetings and events. This is an immensely important component of tourism and we are becoming increasingly competitive in this area.

Honorable Members, the success of tourism depends on collaboration and cooperation. A whole of government approach is key to maintaining South Africa's status as a competitive and attractive tourism destination. The main player in the tourism and hospitality sector remains the private sector. That is common knowledge. Less known though, is that the largest single provider of bed nights in South Africa is actually SanParks.

Wildlife and our natural heritage remains a huge attractor to our country. The successful management and conservation of our natural resources is critically important to sustainable tourism growth. Our collaboration with the Department of Environmental Affairs is therefore very important to us.

Cultural and heritage experiences feature increasingly prominently in tourism packages. Our unique world heritage sites further make up the tourism offering which differentiates South Africa from other tourism destinations. We are working closely with the Department of Arts and Culture to find creative ways of enhancing this important component of our diverse tourism offer.

To get more people to visit South Africa, we have to work with our sister departments to remove all unnecessary barriers that could discourage travel to our country.

We are working with the Department of Home Affairs to facilitate ease of travel to our country. All international evidence points to the immediate positive effects of the relaxation of visa requirement and the streamlining of visa issuance.

The work of the Department of Transport in improving air connectivity is immensely important to tourism growth. Improved air connectivity, especially with countries on our continent, means greater competitiveness and will certainly translate to more tourism arrivals.

We have devised a program to support emerging tourism businesses, in collaboration with the Department of Small Business Development, to help them achieve success.

These are just a few examples of collaboration with our sister departments. Of course, every department plays a role in maintaining conditions under which tourism thrives.

The Department of Cooperative Governance and Traditional Affairs has a special role. Tourism happens on the ground, in local communities, and alignment between all three spheres of government is essential for success.

Developing our domestic tourism market offers additional potential for growth on a massive scale. We want South Africans to experience our amazing country and all that it offers. A thriving domestic tourism sector will help to extend tourism activities throughout the year, and spread the benefits to all regions of our country.

SA Tourism has been allocated R110 million to promote domestic tourism this year. We must make domestic tourism more affordable and more accessible for our people, and we are working with industry to achieve this goal.

In his budget speech recently, Minister Gordhan described the national budget as one which promotes inclusive growth, emphasises partnerships amongst role players in our economy, supports employment creation and contributes to building a capable, developmental state. We are confident that the tourism sector is well-placed to contribute to these goals.

And the economic benefits of tourism are formidable, tourism is also a powerful tool for peace, and greater understanding and tolerance amongst people.

In just over two months we go to Local Government elections. This ANC led government has brought peace, justice and stability to our country. We have a Constitution that gives body to our Freedom Charter. We have demonstrated our ability to both grow the economy and to care for all our people through the continued growth of our social programs are neither reckless nor over cautious.

We have just passed the Expropriation Bill. This a carefully crafted piece of legislation that will be used as a developmental and transformational tool, not s stick or a threat. Because this ANC led government leads thoughtfully and responsibly.

Both the electorate and investors can feel at ease and confident - our economy is in good hands. We are the only party that offers our young people a secure and better future. We remain a pro-poor movement, with the demonstrated ability to lead our country to a more prosperous future, and to the dream of a non-racial, non-sexist society.

Tourism can, in a very significant way, help us get to that promised land. Tourism offers our people hope to escape poverty, real possibilities of decent jobs, and offers the opening of minds, and the restoration of pride and dignity.

As a tourism destination with such a wealth of natural endowment and cultural heritage, infrastructure, and, most importantly, our warm and welcoming people, let's be bold: we can double the size of our tourism sector in the medium term by working together and building on the effective partnerships we have in place. We can do it. We will do it.

I thank you.

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