



MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA

Opening remarks by Deputy Minister of Tourism, Fish Mahlalela at Wits Business School of Leadership Programme TBCSA-Wits Business School - Tourism Leadership Dialogue Series

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Mr. Blackie Komani, Tourism Business Council
Various Business and Public Sector Leaders on the platforms
All Participants, and
The Media

1. As we are caught up in the eye of the COVID-19 epidemiological storm, never before has strong and decisive leadership been more important. I am reminded of the following quote: "Leadership is the capacity to translate vision into reality" - Warren Bennis.

And now is the time.

Allow me to greet you and thank you for this opportunity and space to engage with this highly esteemed audience of business leaders, scholars and other participants in today's engagement. As we accepted this invitation we did so believing that you are the appropriate people to be talking to, we hope that was the same motivation on your part.

We are also motivated by the main theme of the WBS Leadership Dialogues which is "**Nurturing the Next Generation of Business Leaders**". **This theme could not have been more relevant than now.**

Let me start by saying that it is important to appreciate how South Africa managed through the pandemic.

The pandemic has wrought havoc on a global scale and after recalibrating, we are confident that we are able to live side by side with COVID-19, while chartering its waves of intensity. A year later and we are a year wiser in navigating the cyclical nature of these turbulent times.

South Africa has not been spared from the near-collapse in international tourist arrivals. For six months from April to September 2020, the tourism industry has been at a standstill, with hotels closed and flights grounded for international travel to our country.

Tourism is a significant lever in the economic machinery that drives the South African economy. It supports a vibrant and diverse value chain that experienced fundamental disruptions and is responsible for employment opportunities, geographic diversification and increased foreign currency receipts. This sector is therefore a strategic development priority and a catalyst in growing other linked sectors. With its extensive value chain and labour absorption capacity, it is a significant tool for economic development as well as responding to the country's socio-economic challenges.

Throughout the pandemic the Minister of Tourism led the tourism sector in the areas of national leadership; health professional leadership and tourism sector leadership.

This was facilitated through the developments of bio security protocols, which are world-renowned and accepted protocols. This was achieved through collaboration between the private and public sector.

The pandemic necessitated the imposition of travel restrictions across the globe which meant that our country was disconnected from its tourist source markets. Tourist destinations have to put systems in place to rebuild confidence and trust, so that the entire customer journey can feel safe. One of the important interventions outlined in this plan is the development and publication of norms and standards for safe operations across the value chain to enable safe travel and to rebuild traveller confidence.

Prospects for reigniting tourism growth and recovery

The COVID-19 pandemic has had a profound effect on the global tourism sector. Governments across the world had to implement measures to contain the spread of the virus. This pandemic affected the entire tourism value chain negatively due to a decline in the demand for tourism services. A direct impact of this pandemic was a restriction of movement globally. The tourism and travel industry, therefore, remain one of the most affected sectors by the COVID-19 pandemic.

The tourism sector is one of the critical intervention areas that have been identified in the Presidential Economic Reconstruction and Recovery Plan as tourism is a key driver of the economic recovery in the country. The Department of Tourism together with its stakeholders, have collaborated to develop the robust Tourism Sector Recovery Plan. This Plan is anchored on three interlinked pillars or strategic themes: protecting and rejuvenating supply, reigniting demand and strengthening enabling capability for long term sustainability.

The Tourism Sector Recovery Plan is a response by the sector and its constituent partners to the multiple challenges brought on by the pandemic. This Plan acknowledges the need for targeted and coordinated action to mitigate the impacts of the crises and sets the sector on the most optimal path to recovery, transformation and long-term sustainability.

The implementation of interventions outlined in the Tourism Sector Recovery Plan is aimed at not only returning the tourism sector's performance to levels it reached before the outbreak of COVID-19, but to place it on a long-term sustainable growth trajectory that fully realises South Africa's vast and diverse tourism potential.

Therefore, tourism recovery is projected to be more gradual than previously forecast, especially given the fluctuating state of the virus, the pandemic evolution, the development of the vaccine as well as the volatility and unpredictability of source market border closures and government regulations.

International tourism recovery will strongly depend on pandemic trajectories, travel restrictions and vaccine development. There is thus a large risk in optimism that international travel will return during 2021. Instead, as a sector, we must seize the gap to re-imagine and redefine the role that domestic and regional tourism can play as a mainstay of our economy.

Consumer preferences are evolving and the pandemic has accelerated these changes. Amongst other things travellers for overseas holidays in 2021 want refund guarantees, they want the flexibility to change dates and/or destinations and the demand for open spaces or outdoor holidays to avoid congestion has risen.

A sharply focussed domestic tourism campaign will lend impetus to the recovery of the sector.

Domestic tourism has always been the backbone of the industry and will also be the driving force and lend impetus to the recovery plan. The Minister and I recently led a series of domestic tourism activations across the country to promote domestic travel and to encourage a culture of travel among South Africans while showcasing the variety of experiences, attractions and establishments that we have to offer.

As we strive to reignite the demand domestically and internationally, we will work collaboratively with the private sector to ensure that the South African tourism sector is responsive to these changing needs.

What Next and What needs to be done

The recovery of the sector has always been anticipated to be lengthy and is directly affected by the restrictions on international travel. Efforts to revive the tourism sector present a unique opportunity to not only return the sector to levels it reached before the outbreak of COVID-19, but to position it for long-term sustainable growth as well as to unlock its full potential. The Tourism Sector Recovery Plan, therefore, will allow for a “reset” of the sector.

We must promote inclusive economic growth; invest in people’s health and education; and insure against shocks that plunge people into poverty, using expanded social safety nets and acting against global threats like climate change and pandemics.

The second and third wave has affected the confidence of domestic travellers with the accommodation sub-sector, in particular, experiencing cancellations as infection rates increased. The rollout of the vaccination programme is both a risk and mitigating factor, the slow rollout of the programme is a risk, the successful rollout of the vaccination programme will be mitigation.

AS I CONCLUDE

Our targeted interventions are necessary ingredients towards a more sustainable, inclusive and resilient tourism sector. As government, together with the compact with various social partners, we must continue to amplify messages on the non-pharmaceutical interventions, promote our safety norms and standards for the tourism sector, encourage compliance and ensure enforcement.

How will we measure our success?

We need to do this without listing targets and percentages and complex projections and scenarios, we need to quantify our successes and cut our losses.

To demonstrate success, we need to see the following four indicators:

1. Increase international tourist arrivals, tourist foreign direct spend and increased length of stay by international tourists
2. Income in the various subsectors like accommodation, food and beverages and transportation starts to rise with shared benefits
3. Domestic holiday trips increase with people travelling and spending in both rural and urban areas across all provinces
4. Measurable direct contribution to the Gross Domestic Product (GDP) as well as the direct contribution of tourism to job creation.

May I once again state that I look forward to further engagement with the panel and the audience of this leadership dialogue. With continual, great servant leadership, we will become tourism strong once more.

I thank you.