



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

Private Bag X424, Pretoria, 0001, South Africa. Tel. (+27 12) 444 6780, Fax (+27 12) 444 7027
Private Bag X9154, Cape Town, 8000, South Africa. Tel. (+27 21) 469 5800, Fax: (+27 21) 465 3216

Address by Tourism Minister Derek Hanekom at the Tsogo Sun Entrepreneur of the year awards in Johannesburg

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The CEO, Management and Staff of Tsogo Sun,
Our finalists in this year's awards, our V VIPs,
Ladies and gentlemen,

Thank you for inviting me to join you for this wonderful celebration tonight.

This is one event I did not want to miss. The development of human capital and the deepening of our entrepreneurial talent pool are critical for the success and growth of tourism, and for the South African economy.

We applaud the industry for implementing such initiatives.

We often have to remind ourselves that we live in a young, vibrant and often noisy, democracy. For me, like many, many others, it was a privilege to be part of the struggle for this freedom and democracy we enjoy today. Freedom of expression is a right we fought for. However, violence and destruction of property can never be condoned by any of us, however strongly people feel about an issue.

And we, who are working together in tourism to make it one of the world's great success stories, must never allow ourselves to be distracted from our central aspiration to grow tourism in our country, inclusively and sustainably. We must continue to focus on the developments that take tourism forward, because these are the things that also take our entire country forward.

On that note, let me congratulate the leadership and management of Tsogo Sun for the outstanding work *you* are doing to take South Africa forward.

As Africa's premier hospitality, gaming and entertainment group, the quality of your products and services is essential to continuously improve the standard of our country's offering to tourists. You contribute immensely to our reputation and competitiveness, and we applaud that.

You provide jobs for over 13 000 of our people, at a time when unemployment, especially youth unemployment, is one of our country's greatest challenges.

Congratulations on maintaining your position as the leading empowered company in the tourism sector on the Johannesburg Stock Exchange. Our government values your commitment to supporting the nation's transformation agenda through initiatives like the Tsogo Sun Entrepreneurs programme

It's a very impressive programme, for many reasons.

In the past 10 years, I am told that the programme has benefitted over 200 small businesses, who are operating competitively, creating jobs, and contributing towards the growth of our economy.

It's impressive that 128 of the 152 enrolled in this year programme were guesthouse and B&B owners, and 82% are black South African women. About 75% have already graduated to the

Alumni phase, and have trained to become mentors to new entrepreneurs, and to perpetuate the virtuous cycle of development.

It is hugely impressive that 47 businesses in the Alumni phase have already expanded their operations as a result of the programme.

The diverse products and services among this year's finalists is amazing: guest house owners Meisie Nkosi, and Zinzi Masina; tour operator Lucille Cremen; Carol Senosi, who owns a cleaning services company, and jewellery designer Nqobile Nkosi.

You have all been declared the most industrious and successful entrepreneurs in the programme. Very, very impressive.

Congratulations! Please may I ask you to stand up, so that we can all acknowledge you.

Dear finalists, although I am meeting you for the first time tonight, I already know a lot about you.

I know that you are innovative, that you have the capacity to come up with an idea, to make it work, and to take it to the market as a product or service that people really want.

I know that you are willing to take calculated risks, that you may sometimes lose every cent invested in the business, just because of a stubborn determination to make the business happen.

You have a knack for addressing the needs of society, and for creating value for yourself and society. We know that you have put tremendous effort and hard work into getting to where you are today.

These are the attributes that have made you a finalist tonight. Without these traits, you would not be here.

Although one of you will walk away with a big cheque from Tsogo Sun tonight, a business bursary and other prizes, you are all winners.

Every entrepreneur in our country, every person who seeks to find innovative and workable ways to solve problems and fulfil the needs of our people, plays a very important role in our economy.

Innovation and continuous improvement are critical factors for entrepreneurial success. Just think about the endless stream of possibilities that have been opened up by the digital world: Uber, Airbnb and every other digital platform in tourism would simply not have been possible a few decades ago.

And we can expect even more dramatic developments in the digital space in the future.

In developing economies, successful small businesses are the primary engines of job creation, income growth, and poverty reduction.

South Africa needs to do more in unlocking our entrepreneurial spirit, as we are rated low for a developing nation, according to the Global Entrepreneurship Monitor.

More than many other industries, tourism has the potential to create employment and provide opportunities for people to run their own businesses, as tourism is one of the most accessible industries for budding entrepreneurs.

Last year, the department supported 100 small enterprises through the Tourism Enterprise Partnership.

It benefitted products like Naledi Backpackers, who subsequently increased their monthly turnover by about 50%, and the Soweto Camp Festival, who have increased the number of full time staff they employ, and now anticipate an increase in revenue.

The Department of Tourism has also designed several initiatives to provide strategic training programmes, with a focus on empowering women and the youth in particular.

An Executive Development Programme for black women managers in the tourism sector was launched to address the low percentage of women at board and executive management levels. This has been done in partnership with the University of South Africa's School of Business Leadership.

Last year, the Department of Tourism enrolled 2950 learners for the National Certificate in Food and Beverages and in Accommodation Services. Of these, 2654 learners graduated, and 1837 were women.

Of the 270 learners who enrolled for Wine Service training, 243 graduated, and 187 were women.

Our National Youth Chefs Training Programme produces chefs who are able to enter the competitive world of work. The department enrolled 577 learners for the Professional Cookery qualification, and 470 learners graduated in July this year - 405 of them were women.

The Department has also trained 100 unemployed tourism graduates in the Food Safety Programme in KwaZulu-Natal, Mpumalanga and Limpopo - 88 trainees were women.

Next week, the Department will launch a pilot Tourism Incubator at Pilanesberg in the North West province as part of a new Enterprise Development Programme for more targeted support to small enterprises.

The incubator will support a cluster of small tourism enterprises in the local tourism hub around Pilanesberg, and will be followed by a second incubator at Manyeleti in Limpopo.

The new programme will include the development of an internet portal to bridge the information gap. Content for the portal is being sourced from industry partners.

We have also appointed a pool of service providers to improve the success rate of small enterprises through appropriate training and mentorship.

Ladies and gentlemen, we live in a competitive world.

The public and private sectors must join hands and work in partnership to increase the pool of talent in tourism, and to open up opportunities for all South Africans to participate in our tourism economy.

We applaud the work of every entrepreneur in tourism, who are the bedrock of our industry. Your success means success for the entire tourism sector, and all the industries associated with it.

You will create and support sustainable jobs, and you will play your part in contributing to the success of the national economy.

Once more, best of luck to each of the finalists, and congratulations on your sterling efforts and your hard work.

Thank you.

Enquiries:

Mr Praveen Naidoo

Media Liaison Officer to the Minister

National Department of Tourism

Telephone: +27 (0) 12 444 6607

Cell: +27 (0) 71 677 5004

Email: pnaidoo@tourism.gov.za

Facebook: [DepartmentOfTourism](#)

Twitter: [@Tourism_gov_za](#)