



**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

Keynote address delivered by Minister of Tourism, Derek Hanekom, at the SATSA conference at Fancourt, George

14 August 2015

It's great seeing so many of you here today, coming together from all parts of Southern Africa. There is simply nothing more powerful than tourism to bring people together. We, and the rest of the continent, continue to make rapid progress in claiming our rightful share of the global tourism market. And right now is the time when we most need to stand together. I know that 2015 has been a really tough year for your businesses, with tourist arrivals seeing declines year on year from almost all markets.

I have recently seen some of the figures from some of the major players showing how their bottom lines have been hit hard this year. This is probably even more the case for smaller players, who do not always have the depth of financial resources to survive the difficult times.

So let's deal with the visa story first. With respect to the visa regulations, you will all be aware by now that Cabinet has decided that a team of Ministers will be convened by the Deputy President, to review the regulations. As the Deputy President said in Parliament on Wednesday, we should give this process a chance. Security, including the safety of children, and easier access for tourists are not mutually exclusive. I am confident that we will find solutions through this process.

I would like to use this opportunity to thank David, and many others, for providing us with your inputs on this matter over the past months. David Frost, I must say, is a tireless and determined fighter for the industry.

Recovering from this backslide in South Africa's tourist numbers will require great resourcefulness and effort. Fortunately, these are characteristics with which South Africans are well imbued. And this is certainly true for the many businesses here today. Many of you started with small businesses, operating in highly competitive foreign markets. You have faced difficult times along the way: going through periods during which global markets have been weak – like during the financial crisis of 2008 and 2009; then dealing with the over-supply of businesses following the 2010 World Cup. You have all shown great resilience through these challenging periods.

But, as the saying goes, adversity breeds creativity and resourcefulness. And that is what we need right now. As we emerge from the challenges of the past year, industry and government will need, more than ever before, to work together, as strong partners, to reposition our country as a must-do destination. We need to cement South Africa's position as a leading tourist destination - indeed, as a "must-see many times" destination.

Thank you for all the work you have already done as industry to establish our country as an amazingly attractive place to visit and to ensure that tourists have great experiences, which they share back home with friends and family. Our historic performance has been very good and I am certain we can get back there. Of course, it will take hard work. And smart, focused work. But I firmly believe in the fundamental and remarkable underpinnings of South Africa as a tourist destination – we have so much to offer. We are only just beginning to mine its full potential.

- We are a world-class tourism destination, and our establishments and facilities have won several global awards recently.
- We are global leaders in sustainability policy and practice.

- We are home to some of the most significant sites on the planet: the Cradle of Humankind, Mapungubwe, Vredefort, Robben Island are unique in the stories they tell.
- The current exchange rate, combined with the quality of our tourism infrastructure and product offering, makes South Africa a great value for money destination.

Now we need an incredibly powerful partnership in place between the tourism industry and the department of tourism, including South African Tourism, as the tourism marketing agency, to leverage on our shared experiences, resources, relationships and insights.

Government will continue to support South African Tourism with what we believe is a fairly sizeable budget - close to R1 billion per annum –to position and market the destination. We would like you to also support South African Tourism through continuing as TOMSA levy payers, where this is relevant, but also through working with them.

As you may be aware, I recently commissioned a panel of experts to review the operations, performance and mandate of SA Tourism. I understand that SATSA management gave the panel honest and important feedback which was reflected in the findings and recommendations of the report. Thank you for this.

While there have been many achievements of which we can all be proud, one of the fundamental findings of the report, and, indeed, recommendations, relates to the relationship between industry and SA Tourism. What is clear is that we need a deeper, better, more creative, more dynamic partnership between industry and SA Tourism. There are many ways to achieve this, and the report suggests a few. I have faith that the new Board and its management are acutely aware of the necessity of building a robust and powerful partnership with industry.

This partnership will be the basis of rebuilding our destination. I am certain SA Tourism will soon communicate with all of you – through TBCSA and SATSA – the different channels and opportunities for industry to contribute more deeply to market insights and joint activities. Let's make sure that none of these opportunities goes to waste.

At a time when our industry is facing great challenges locally, and when the world at large has many serious conflicts and crises to contend with, tourism remains an important way of building bridges, and expanding understanding between people. Advancing social cohesion on a global scale is enormously important.

One of the benefits of all the media attention on tourism of late in South Africa, ironically, is that tourism is now more recognized than ever for its important economic contribution to our country. Our economy needs dynamic sectors, like tourism, to help shield us from the falling commodity prices and other global economic and financial trends that challenge our ability to grow the economy as fast as we would like to. And perhaps most critically of all, to sustain and create jobs.

In this vein, an opportunity that the Department will be exploring soon to support short term job opportunities relates to enhancing the safety and cleanliness of our tourist destinations. We intend to make some of our tourism precincts and attractions safer and cleaner by introducing a new "Working for Tourism" program, in which unemployed people will be trained to ensure the safety of tourists at key sites, to keep facilities clean, and to provide relevant information. We would welcome your thoughts on how and where this can be best achieved.

Ultimately, the main objectives of our tourism policies going forward must be these:

- Firstly, we want the sector to stabilize, and then to recover fast, and continue with a strong growth trajectory. We believe we can achieve more than we have in the past decade, growing faster than many other destinations.
- Secondly, we want to create more jobs. Obviously a growing tourism sector will attract more investment and jobs. Public employment jobs, if well targeted, will help create conditions for increased investment.
- Thirdly, and very importantly, we want to make the entire sector more inclusive and representative by bringing people who have been marginalised into the mainstream tourism economy.
- And, finally, we want to make the industry both environmentally and socially responsible.

All of these developmental imperatives are also ways of building our tourism brand, as well as becoming known as a responsible tourism destination.

We have many inspiring home-grown success stories including the Hotel Verde, which has become the first hotel in the world to receive a double platinum certification for LEED, Leadership in Energy and Environmental Design, from the United States Green Building Council. It is also the first establishment to receive a Six Star grading from the Green Building Council of South Africa.

The hotel has innovative systems to manage, conserve and recycle water, energy and waste. It procures fresh produce, goods and services from the surrounding area, so that the local community benefits directly.

There are many other examples of excellence, including amongst SATSA members present here.

I believe that excellence is the result of good people doing great things. And, at the end of the day, tourism is about just that: good people doing good things.

I encourage all of you to continue doing whatever is possible to make a difference in your operations, in your little corner of the world. You may feel that it will make little difference, but if every one of us does something of social value, and we all do something out of the ordinary to look after our physical environment, the combined impact will be massive, and we will change the face of the industry.

As the Department of Tourism, we will do our part by reflecting on our policies and practices, in our drive to be competitive and to be amongst the best in the world. I mentioned the institutional review of South African Tourism. We have also recently done a rapid review of the Indaba Travel Show.

The Indaba rapid review has produced several recommendations to make the event more competitive, including securing a suitable partner with international expertise. I have accepted this recommendation and SA Tourism has been requested to find a strategic partner, going through the normal required processes. This will be concluded before the 2016 Indaba, but the first Indaba show that will be fully based on the new partnership arrangement will be Indaba 2017.

During the next few months we will be reviewing our National Tourism Sector Strategy. We look forward to your participation in this review, especially in the environmental scan.

It is encouraging that the Department and SATSA have signed an agreement to collaborate on self-regulatory measures in the adventure tourism sector. While we support self-regulation in principle, we must ensure that it takes into account broader policy objectives such as inclusivity and transformation, and that it is in the best interests of both operators and consumers.

Just a year has gone by since we met at your last conference at Spier. So much has happened since then. The launch of our new Tourism Incentive Program was one of the many significant developments.

- The renewable energy component of this incentive program is starting as a pilot to support the overall drive for sustainability. We are currently appointing expert advisors on renewable energy to oversee the technical aspects of the project. In the pilot phase we will focus mainly on state-owned properties. At Robben Island, we will install a renewable energy solution to replace the island's reliance on a diesel generator during this financial year. At Kruger National Park, camps operated by SANParks, will be retrofitted with renewable energy. Three facilities operated by SANBI are earmarked for the installation of renewable energy sources: the Hantam Karoo Park in the Northern Cape, the Karoo Desert Garden in Worcester and the National Botanical Gardens in Bloemfontein
- Our market access interventions have also been launched as a pilot, so that we can apply learnings to a scaled-up program. Small South African enterprises were able to promote their offerings at the Asia Roadshow in China and Japan last month. Others will attend the ABAV Expo at Sao Paulo in Brazil, and the World Youth Student Travel Conference in Cape Town. A call for applications to attend IMEX in Las Vegas has also been issued.
- As part of the access to grading component of the Tourism Incentive Program, we have invited 3000 establishments to apply for a reimbursement on their assessment fees.
- The Destination Development component of the TIP will start with support to Robben Island, two projects being undertaken by SANParks (the Phalaborwa Wild Activity Hub and Shongoni Gate) and the Walter Sisulu Botanical Gardens in Gauteng. Support programs to improve visitor experience at these destinations include skills development for guides, language training, improving visitor management systems, improving the quality of food and beverages on offer, and providing appropriate memorabilia.

Ladies and gentlemen - to return to where we started: tourism is indeed going through a rough period, but it is an incredibly resilient sector, run by creative, and committed people, who can and will steer us back to good times.

Tourism operates on many levels, and its impact runs deep into the economy. Government and the tourism industry may have different mandates, but we have the same goal: a sustainable, thriving tourism sector. If we work together, we can develop creative solutions that will serve the greater good of our industry and our people. Partner us to re-establish our remarkable country as a leading destination. Let's work better and smarter. Now that we have to dig deep, we have the opportunity to really bring our best talents to bear.

I thank you.