



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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NATIONAL COUNCIL OF PROVINCES:

QUESTION FOR WRITTEN REPLY:

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MS L MATHYS (GAUTENG: EFF) TO ASK THE MINISTER OF TOURISM:

How has the tourism industry been transformed from the historically white controlled tourist attraction?

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REPLY:

The process of empowerment and transformation in the tourism industry is aligned to the major government policies such as the National Development Plan (NDP) and the Broad-Based Black Economic Empowerment (B-BBEE). Central to the transformation agenda is meaningful participation of black people in the tourism economy. It is also central to the department's vision, which states as follows, "leading sustainable tourism development for inclusive economic growth in South Africa".

Specific transformation targets are contained in the Gazetted Tourism B-BBEE Codes, and these constitute a framework upon which B-BBEE is being implemented in the tourism sector. In 2009, the Tourism B-BBEE Code was gazetted by the Minister of Trade and Industry in terms of section 9 (1) of the B-BBEE Act No 53 of 2003.

The National Department of Tourism commissioned a study in 2010/11 to assess the status of transformation in the tourism sector since the gazetting of the Code in 2009. The study highlighted, amongst others, that whilst there was improvement on the areas of socio-economic development, much more needs to be done in the areas of ownership and control of tourism businesses by black people. For example, the study showed that only 18% of the Exempted Micro Enterprises (EMEs) and 21% of the Qualifying Small Enterprises (QSEs) had achieved the ownership target of 21%. Again, only 23% of large tourism enterprises had achieved this target. Most lodges, guest houses and B&Bs and other businesses are still mainly owned by white people, largely as family businesses.

The government is committed to transformation of the tourism sector. To increase the pace of transformation in the tourism sector, the department has embarked on a process to align the Tourism B-BBEE Codes to the Department of Trade and Industry's Amended Generic B-BBEE Codes of Good Practice. The Minister of Trade and Industry gazetted the draft Amended Tourism B-BBEE Codes for comment in terms of Section 9 (5) of the B-BBEE Amendment Act 46 of 2013, making Tourism the first sector to have its Amended Codes published. The Tourism B-BBEE Codes is a crucial lever for transformation proposing a 30% black ownership requirement, as opposed to the generic 25%. The codes have been changed to prioritise ownership, skills development as well as enterprise and supplier development. The department's transformation approach for the tourism industry is premised on four critical pillars – skills development, enterprise and supplier development, B-BBEE policy implementation and community empowerment with an emphasis on ownership.

Various departmental programmes will assist in advancing transformation in the sector. The Tourism Incentives Programme (TIP) aims to reduce operating costs through retro-fitting establishments with renewable energy sources, to support quality assurance by providing a rebate on grading costs and to help owners of establishments gain access to international markets. Most importantly, the programme supports the sustainability of community based initiatives that were developed by the department, such as community lodges.

The department is working with the Small Business Development Department to identify the needs of small enterprises in order to improve the support packages provided to businesses in the sector. The department is also developing an enterprise and supplier development portal to help SMMEs to be able to trade with large enterprises, thereby providing a platform where large enterprises can find small enterprises that are supply ready for their different needs. The department also provides support to rural enterprises through the Tourism Enterprise Partnership.

The department also invested funds in the construction of successful community owned and operated products across the country through the Social Responsibility Implementation (SRI) initiative.

The tourism sector faces the challenge of low numbers of black people, especially women, in management. This has been attributed mainly to the unavailability of black managers with the required qualifications, skills profile and experience for promotion to executive management and board positions.

To address this challenge, the department is partnering with a reputable South African Business School to provide an Executive Development Programme targeting women from all nine provinces. The programme is aimed at building strong business skills and leadership capabilities among women to form a pool of future top leader, entrepreneurs and industrialists in the sector. The programme will provide in-depth training on running successful tourism businesses.