



tourism

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Opening remarks by Minister Van Schalkwyk at the INDABA Ministerial Roundtable, Durban

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Programme Director, AU Commission Chairperson

I have great pleasure in welcoming so many of my friends and ministerial colleagues from the African continent, as well as captains of industry and other stakeholders in the audience here this afternoon for the first ever INDABA Ministerial Roundtable. It is our intention to use this annual ministerial policy dialogue to discuss where we want to take our continent and its travel and tourism infrastructure in the next ten and 20 years.

Last year, we decided to build further on INDABA, which was already by far the biggest travel and tourism trade show on the continent, by accelerating its transformation into a truly pan-African trade platform. This year, INDABA has attracted 24 African-country exhibitors. We expect 10 000 visitors and 2 300 local and international buyers to do business with the 1 400 exhibitors this year. I am confident that, by next week, we will all be returning home having done good business.

As a proud African tourism minister, I am always impressed by the splendour of our continent's natural riches and the warmth of our people, which create such unique experiences for foreign and intra-continental visitors. I have always believed that tourism, as economic growth engine, job creator, earner of foreign currency and connector of people, is key to the future prosperity of our continent.

All indications are that Africa is ready, more than ever before, to become the world's most telling story of the creation of hope and prosperity over the next decade. With a fast-growing and rapidly urbanising middle class, Africa is on the verge of an unprecedented tourism boom. Hardly a week goes by that we do not hear of yet another hotel group, tour operator or airline's investment plans to capitalise on the strong growth in gross domestic product (GDP) and abundance of opportunities on our continent.

Despite this huge potential, the current reality and barriers are sobering at the same time. Our continent, which contains 15% of the global population, accounts for only 5% of global tourist arrivals, and only 4% of global scheduled air service seats.

I recently re-read the seminal World Bank report of late last year on the potential of travel and tourism on our continent, and three observations from that report have stayed with me. Inter alia, the World Bank reported the following:

Firstly, airfares in Africa are almost 50% higher than those outside the continent, which contributes to a price/value mismatch. As tourism people, we know that we cannot price ourselves out of the global market. There are too many other accessible destinations that compete with us. So, simply put, we have to get to the bottom of the often non-transparent pricing factors, such as taxes and monopoly behaviour, which drive up the cost of air passenger travel.

Secondly, up to 55% of international passengers on African airlines are travelling for business, compared to just 15% who travel for what we traditionally understand as leisure tourism, and 30% to visit family and friends. Of course, we need the business tourists: They are foreign investors and facilitate increased trade in goods and services. That is good. But we need to work much harder at developing, packaging and marketing our tourism offerings to increase the share of leisure tourism. Fixing the shortcomings of airlift and road infrastructure is part of the answer. This video clip is a simulation of 24 hours of air traffic. We clearly see the need to connect peripheral areas of our continent to the mainstream air routes. Otherwise, many African neighbours would remain de facto long-haul destinations to each other. There is also major potential for the development of a South-South corridor that reflects contemporary trade and other economic realities.

Thirdly, it is possible to create 3,8 million direct and indirect jobs (over a 13 million baseline in 2012) through travel and tourism in less than a decade – but for that to happen, we need to fix what is broken. This includes the travel facilitation and connectivity issues that we will be discussing today.

In this context, I look forward to the discussion this afternoon. It is clear that key priorities are to move even faster to gradually liberalise air policies and create an intra-continental air transport architecture that facilitates intra-African travel and trade, and to remove travel barriers such as cumbersome paper visas by switching to e-passports and e-visas as well as visa waiver and regional visa schemes, to name but a few.

With these few reflections, may I also convey my special greetings to a good friend, a former Cabinet colleague and the current AU Commission chairperson, Dr Nkosazana Dlamini-Zuma. Welcome and thank you for gracing this ministerial meeting with your presence. We look forward to your keynote address, and appreciate the priority that you also accord to this sector.

Thank you

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