



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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**Keynote address by Minister Derek Hanekom at the Board of Airline Representatives of South Africa (BARSA) Summit 2019
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Blacky Komani, Chairperson of TBCSA
Excellency, the Ambassador of the Netherlands
Industry leaders
Ladies and Gentlemen

You simply have no idea, June, how happy I am to be here with you at this BARSA Aviation Summit 2019. This is such an important opportunity for robust discussion around your theme: “Collaborate, Innovate, Disrupt – Propel to 2020.”

Firstly, a big congratulations to BARSA on this initiative. Even as your primary responsibility is to represent the interests of your African and international members to government, the airport operator and other stakeholders in the airline industry, I know from experience that you also do your best in facilitating and further developing a safe, efficient and viable aviation industry in your own host country. In addition, I know that you are deeply committed to growing tourism in our country.

In truth, tourism and the aviation industry are joined at the hip. Without tourists, your flights are empty. Without your flights, we do not get tourists. Globally, airplanes carry four billion passengers annually and close to 60 percent of international tourists travel by air- a share that is growing steadily. It was the introduction of the wide-bodied jets in the early 1960s that really opened up international leisure travel.

National airlines drove destination growth, as they still do, as witnessed in the United Arab Emirates. With the deployment of charter carriers, massive package holidays grew. Now low-cost carriers are driving new air markets and independent holiday travel.

In 2018 a total of 3.1 million international tourists flew into South Africa – almost 700,000 of them from our own continent. They arrived on 44 international airlines, and once here, many of these passengers used one of our ten domestic airlines to reach their final destination.

South Africa has eight international airports, two of them private. There are 23 airports with scheduled flights and an additional 100-plus smaller airports and airstrips. These offers great, albeit often as-yet unrealized opportunities to grow tourism.

Twenty-five years after the advent of democracy, there can be no doubting the fact that much has been done to develop the tourism industry in South Africa. International arrivals have grown four-fold to 15 million foreign visitors a year – 10.5 million of them tourists.

There are now more than a dozen international hotel brands in the country.

We have ten World Heritage Sites inscribed by UNESCO, among them the trailblazing iSimangaliso Wetland Park with the vast Lake St Lucia as its centrepiece. Included on this prestigious list is the Cradle of Humankind, just an hour from here, which has the most prolific fossil evidence of our early hominid ancestry, including the 2.3 million-year-old fossil nicknamed “Mrs Ples”.

Robben Island, our most famous and iconic world heritage site, is where South Africa’s favourite son and first President of democratic South Africa spent 18 years of his 27 years of imprisonment, for nothing more than fighting for our freedom. The island symbolises the courage and resilience of our nation, the quest for justice, and the spirit of forgiveness and reconciliation.

Over the past 25 years, we have significantly expanded the amount of land set aside for conservation. We now have 21 National Parks in our country, including the well-known Kruger National Park. Table Mountain National Park protects one of the richest floral regions of the world, with an incredible 2285 plant species, most of which are endemic to Table Mountain.

The Garden Route National Park, which straddles the Eastern and Western Cape Provinces, features a coastal reserve famous for its indigenous forests, dramatic coastline and the legendary Otter Trail.

Mapungubwe National Park brings into the parks collection the culturally rich Mapungubwe Hill, the site of a community dating back to the Iron Age, where archaeologists unearthed the famous golden rhino figurine.

Today South Africa boasts three world-class international convention centres with many more in our secondary and tertiary cities.

We have created many other authentic experiences of various types, but especially linked to our African culture and heritage, and our struggle history.

Returning to airlines - in 1994 twenty-one international airlines flew in our skies - today there are forty-four. Cape Town International Airport and its sister international airport in Gauteng - OR Tambo International - have in the recent past undergone significant expansion and upgrades. King Shaka International Airport is also relatively new, while Lanseria has undergone significant development. The Kruger National Park has its own airport whose establishment was a response to leisure tourism demand.

Aerotropolis developments are proceeding apace around OR Tambo and Cape Town International Airports. In November 2017, the City of Ekurhuleni launched the one-billion rand per year, 30-year metropolis master plan that is being created around OR Tambo. It is expected to create over 250 000 jobs. In fact, one of the finest examples of collaboration is to be seen in the City of Ekurhuleni, Gauteng Province and the Airports Company, ACSA, joining forces to build this project.

The fruits of collaboration are already evident in the Cape Town Air Access project, which was initiated in 2015. With the airport as the focal point for international route development to Cape Town and the Western Cape, the project has resulted in the establishment of 13 new routes and the expansion of 15 existing ones. The result has been 20 percent international passenger growth. The collaborators here are ACSA, the city of Cape Town, Wesgro, and the private sector including both tourism and non-tourism players.

Moving on to innovation and disruption - no doubt the aviation industry is open to many areas of innovation and disruption. Aircraft safety, environmental and emission issues, maintenance and turnaround times are all important to your industry’s future operations.

When it comes to the act of transporting passengers efficiently and safely and enhancing the passenger experience through linking the transport component to the rest of the tourist’s experience - innovation and disruption could see major changes to how we travel.

The tourism experience, as we know it, starts from information seeking, decision making and booking, through the actual travel and destination experience, to the reminiscing and sharing afterwards. For many the airport and the in-plane experience, is the least attractive element of a trip. Few people really look forward to the airport experience - the queues and stress of luggage collection and going through immigration.

Therefore, if we can improve this and efficiently link it to the rest of the tourism experience, collaboration combined with innovation and disruption could have a major impact.

Imagine checking in your luggage at the Sandton Gautrain station, as you set off to the airport, and the next time you see it, it's in your hotel bedroom, maybe in Cape Town that evening or Paris the next day. This needs technology and innovative systems, but above all, it needs bold thinking.

The Gautrain, airport, airline, ground transport (or the luggage-delivering drone) and the hotel will all work together seamlessly. No luggage trolleys to push, no queue for the airport bag drop, no wait at a luggage carousel, no need to go to the hotel first to leave the bags – you simply get there when you need to and it's in your room – hassle free.

This is delivering integrated experiences for the traveller, linking the players in the tourism value chain to reduce traveller hassle factors. It requires every player: hotels, ground transport, airlines and airports, immigration and even attractions and activities to work together. Through this, we can truly improve the tourism experience in a significant way, benefiting us all as we see more and happier tourists. And of course, more tourists means many more opportunities and jobs for many more people.

Such innovation and collaboration is so important that the WTTC is investing in a major project called “the Seamless Traveller Journey”. The vision of this project is to eliminate the need to repeatedly present travel documentation; IDs or passports, multiple tickets, etc. at multiple points throughout a trip.

Travellers should be able to book, progress through transport terminals, have luggage routed, check-in and out of hotels, rent cars, use buses and ground transport and access attractions and activities, all by simply confirming their identity biometrically.

It is possible with block-chain and the newest technological advances, and the aim is that it will be internationally inter-operable. We would be using face, finger print or retina recognition to access everything as we progress on a trip.

Moreover – not only does it reduce traveller hassles, it assists with addressing congestion and overcrowding; helps with efficient capacity utilization and improves service levels.

Sounds like tourism nirvana – for the operators and the tourist - and it is. This will truly change the travel status-quo. It is not pie-in-the sky. The WTTC is preparing to start pilots quite soon, and they have international airlines, hotel groups and others working on the trial with them – seamless travel experience of the future could be around the corner.

Like all industries, the so-called fourth industrial revolution will be game changing. Tourism, with its integral component, aviation, has to embrace and exploit the opportunities it presents. As an industry, we will have to incentivise customers to allow sharing of personal data, and data security and protection will have to be addressed.

But technologically and digitally enabled, personalized and integrated travel will be what the millennials, and the soon to follow, generation Z, travellers will expect. One definition of generation Z is “millennials on steroids”, and they are far greater in number than the millennials. Just imagine these as our tourists of the future. Exciting!

In South Africa, we must begin the journey and start looking for the innovative and collaborative opportunities. Smart airports, boarding eGates, self-service luggage drop, and the like.

We also need to up our levels of day-to-day collaboration – it does not all have to be disruptive. We must work together to drive new markets, drive destination growth and new destinations; collaborate on marketing and promotion, and work together to lobby for a conducive environment for tourism. We must identify ways to collaborate so that we can stimulate new areas of innovation and disruption in our industry.

South Africa – potential to grow tourism Whoever said, “South Africa is a World in One Country” did not veer far off from the truth. Our extraordinary scenic beauty continues to enthral visitors and has been the subject of many a novelist and landscape artist. We may not have the wildlife numbers of the nature reserves and parks of Central and East Africa, but we offer a far greater variety of ecosystems and wildlife and species diversity. Nature experiences abound. We are a sports crazy nation. Heritage and culture, business tourism, city tourism – all exist in plentiful measure. And generally access to these attractions is supported by a superb road, air and communication infrastructure.

There are amazing opportunities for growing the African market, especially the Anglophone states of Nigeria, Ghana, Kenya even as some of them are our competitors! While we remain strong in our

traditional North American and European markets, there is an urgency around tapping into the fast-growing China and Indian markets.

CLSA reports that, as Chinese consumers grow more affluent, the number of potential Chinese outbound tourists could reach 200 million by 2020– that is next year already! If we all put our shoulders to the wheel and aim to get just one-third of a percent of that market, that would net us 600 000 of these tourists. China’s business interests in the African continent are not a secret. E-visas and beefing up traveller safety are matters that require our attention for us to increase our share of this massive and rapidly expanding market.

India, another one of our BRICS partners, is one of the fastest growing outbound travel markets in the world. There were over 23 million outbound tourist departures from India in 2017 and the UNWTO expects this to more than double to 50 million in 2020. India has strong cultural political struggle links with South Africa; it is an English speaking country, with a rapidly growing middle class.

In his State of the Nation address, President Cyril Ramaphosa stated that we have the potential to achieve 21 million international tourists visiting South Africa in 2030. He identified India and China as well as strong markets on the African continent as prime targets. Such tourism growth could generate as many as 2 million more jobs in the tourism, transport, food, agriculture, retail and the creative and cultural industries.

Id the President in his address: “We will deepen the partnership between government and business to realise this vision. Our highest priority this year will be the introduction of a world-class e-visa regime. This combined with enhanced destination marketing and measures to strengthen tourism safety will create conditions for the growth we envisage, and the jobs and opportunities that will follow.”

Therefore, we have support at the highest level in government. Aviation and its role are fully recognised in the National Tourism Sector Strategy and improving air connectivity for prioritised markets remains a top priority.

In conclusion, I wish you well in your deliberations. Let us work together on “unlocking the true value of air transport, travel and tourism – and changing the status quo”. Those 21 million international arrivals in 2030 – with possibly closer to 50% arriving by air - will need smart collaborative, innovation and disruption to ensure we can handle them and to ensure that they have a hassle free experience.

I will end with a quote from one famous June Crawford: “Let’s think the unthinkable!”