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REPUBLIC OF SOUTH AFRICA**

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**Speech delivered by Minister van Schalkwyk at the opening of the Local Government
Tourism Conference, Sandton**

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Local government crucial for tourism growth

The local government tourism conference has been called to better streamline coordination and planning in order to boost this important economic sector that is now a cornerstone of our National Growth Plan.

Travel and tourism is one of the fastest-growing sectors in the world. In 2012, South Africa continued to entrench its status as a major international tourist and business events destination, with our tourist arrivals growing an impressive 10,4% between January and October 2012 as we welcomed 7,5 million foreign tourists to our shores. The United Nations World Tourism Organisation indicated that global tourism growth was at a mere 3–4% in 2012. I am confident that when our final 2012 tourism figures are announced in a few weeks, we will have again bucked the international trend by registering growth far above the global rate.

While we are very satisfied with the growth in international tourist arrivals, domestic tourism remains the lifeblood of the South African tourism industry, and we are determined to stimulate and grow it.

In terms of volume, domestic tourists are by far the most. Between January and September 2012, 18,6 million domestic trips were undertaken by, South Africans, contributing R15,1 billion to the economy. In 2011, the total direct and indirect contribution of tourism to the GDP was R250 billion. The benefits of tourism are felt in local communities. Tourism enhances the image of cities and towns; it attracts additional commercial investments beyond the tourism sector; it creates employment opportunities and contributes to economic growth.

The cities of Cape Town, Durban and Johannesburg have some of the best tourism offerings, but there are towns like Oudtshoorn, Grahamstown and Clarens that have not only diversified in products but invested in niche tourism offerings which has made a big economic and social impact in the lives of its local communities. Oudtshoorn, showcases the Klein Karoo National Arts Festival, which was last year attended by 100 000 tourists with an economic impact of around R5 million-R10million.

Clarens in the Free State boasts diversity, natural, cultural and historical tourism product offerings. The town is endowed with many Art and Craft shops which offer the visitor a wide range of curios and original South African artwork. It furthermore offers 4x4 routes, fly fishing

and white water rafting. Another feature which adds to the picturesque atmosphere of the village is the many sandstone buildings. The village has become known as the "Jewel of the Free State" It is also the gateway to the Golden Gate highlands national park, ancient San rock art and dinosaur remains and fossils, which attracts thousands of tourists annually.

Grahamstown is a vibrant mix of all the best that Africa has to offer. It is one of the premier tourist routes in the Eastern Cape, and is also one of the most diverse ecological regions in South Africa, with a variety of biomes that provide unspoilt and spectacular scenery. The area offers much for the outdoor enthusiast and adventurer. Activities include skydiving, hunting, game viewing, fly-fishing, hang-gliding, abseiling, river rafting and mountaineering. Grahamstown also hosts the National Arts Festival, a vibrant celebration of South Africa's rich and multi-faceted culture, which draws approximately 50 000 tourists to its town annually.

Local governments therefore play an important role in the economic and social development of their communities. They must work with the various private and public stakeholders in the tourism sector to ensure that their communities derive maximum benefit. If tourism is to grow, we need a concerted, well-coordinated approach to manage it, which includes a well-managed approach to visitor servicing.

There are two matters that need further discussion, though:

- Firstly, many municipalities with some of the best tourism offerings in the country have cut tourism budgets, or do not have a tourism budget at all, whilst local government has the obligation to deliver basic infrastructure upon which tourism is built.
- In my view, this can have a negative impact on the future economic growth and development in those municipalities, as tourism has the potential to create local jobs. I therefore call on municipalities to make tourism a high priority in their budgets. To create the same quality of jobs in the tourism sector as in other economic sectors, the investment required is much less.
- Local governments will also find that, in the National Department of Tourism, the social responsibility implementation (SRI) programme is a willing partner, which will make money available for concrete development plans. I would like to cite three examples of successfully implemented SRI projects:

1. Hector Pieterse Memorial Square in Soweto

Funded for R16 million in 2002, this development will preserve what Soweto represents by way of its pictorial and verbal recollections, music, laughter and tears, embodying this vital era in the history of democracy. The site currently attracts about 25 000 visitors annually.

2. Zithabiseni Resort, Mpumalanga

This project was funded for R28 500 000 and comprises the renovation of 80 chalets, kitchen and the dining hall; the construction of a new office building. Since the project's completion in December 2012, the income generated by the resort has been in the range of R5 199 410,95. Visitor numbers have increased steadily.

3. Mukumbani Falls Project, Limpopo

This project was funded for R7 600 000 and entailed the development of two picnic facilities at the two Mukumbani waterfalls.

These are just three examples of projects, of which there are many more.

- Secondly, we have much to celebrate in terms of our achievements to mainstream and integrate tourism in government policy, planning frameworks, and economic and development agenda.

For that reason, we developed the Local Government Tourism Development and Growth Support Programme in partnership with the South African Local Government Association (SALGA).

This programme will equip tourism practitioners and policy makers at local government level with much-enhanced tourism skills in key areas. The National Department of Tourism is also committed to working with each one of you to make tourism an integral part of planning and, most importantly, implementation at the local government sphere. We will work with provinces and municipalities to ensure the integration of tourism priorities in the Provincial Growth and Development Strategies (PGDSs) and Integrated Development Plans (IDPs).

In conclusion, the implementation of the National Tourism Sector Strategy will require strong partnerships across public and private sectors, but, most importantly, appropriate structuring, capacitation and resourcing in all spheres of government.

I thank you and wish you productive deliberations as we tackle challenges and celebrate achievements together.

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