



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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Opening speech by Tourism Minister Derek Hanekom at the 30th South African Association for the Conference Industry in Bloemfontein

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Members of the South African Association for the Conference Industry,
Congress delegates,
Representatives of the media

It is really an honour and a delight to be here with you today, in Mangaung, one of the intellectual hubs of our country, to open your 30th SAACI Congress.

Mangaung readily matches the theme of this year's congress: "With Knowledge, it's Possible".

There are two tertiary institutions here, the University of the Free State and the Central University of Technology. There's a Further Education and Training College, the Motheo FET College, as well as five private tertiary institutions. These institutions, and many others across South Africa, are driving our country towards a knowledge driven economy.

The benefits of access to quality education, and the benefits of growth in tourism, have one thing in common: they both contribute directly to resolving the many challenges of our times. Education, knowledge and skills constitute the foundation essential for the growth and healthy development of our society. And tourism is now without a doubt one of the most important sectors that has the potential to get our economy back on to a healthy growth path.

The business events industry, like other segments of tourism, depends on and feeds into many other sectors that form the overall value chain of our tourism sector. This makes it critical for all of us to engage with each other so that we can extract the full value of the many opportunities ahead, as we grow the industry.

The United Nations World Tourism Organization, the World Travel & Tourism Council and the Joint Meetings Industry Council recently issued a joint statement, and I quote:

"Travel & Tourism (including business events) is one of the world's largest economic sectors. This sector accounts for 9% of GDP and one in eleven jobs worldwide and generating 30% of the world's service sector exports. While the Meetings Industry is a major contributor to travel and tourism revenues, its outputs also deliver significant incremental benefits that support overall global economic and social advancement".

I am sure that all of us here today can identify with this statement. The business events industry has immense potential to contribute to the growth of tourism in South Africa. The industry already generates significant income, employment and investment, and government is committed to working together with the industry to improve on this contribution even further.

We are all aware that international tourist arrivals declined by 6.8% last year, compared to the previous year. But that downward slide is thankfully now behind us, and 2016 promises to be a tremendous year for tourism. Arrivals in the first three months of this year have grown by 19%, compared to the same period last year. And the prospects for the months ahead look really good.

Business events and conferences may be primarily about knowledge exchange and the promotion of innovation, but they have the hugely important feature in helping address the challenge of seasonality

in tourism. Furthermore, many travellers to these events would not necessarily otherwise have visited our country. It is the conference, or the business event that brings them here. It is the great experience they have while they are here that brings them back as leisure tourists. Their experience is communicated in real time via Facebook, Twitter and Instagram to friends and family across the world.

We should also never underrate the enormous social benefits of bringing people together, whether it's for business or leisure. Nothing promotes understanding between people better than meeting each other face to face and connecting as human beings who share this planet.

You, the members of SAACI, are the face and the hands of this industry. You provide the facilities and the experience. You are the makers or the breakers. Every one of you is playing a key role in actively staging world class events and conferences, and in doing so you are showcasing our country to the world, advancing human togetherness and building social cohesion.

The South African National Convention Bureau certainly understands the need to create new business opportunities for our industry to grow. The Convention Bureau spends just over R30 million a year on creating marketing and sales opportunities through international trade platforms like Meetings Africa.

The Department of Tourism is also opening up access to business opportunities for emerging local companies by helping them to participate in international trade platforms through the department's Tourism Incentive Programme.

207 qualified international and regional buyers attended Meetings Africa 2016. Collectively these buyers hold potential business events that could bring in 70 000 delegates to our country, with an estimated economic impact of R2 billion. About 75% of these buyers had never been to South Africa before, and Meetings Africa proved to be a huge eye-opener for them.

I know that many of you here are involved in the domestic market for business events. The local hosted buyer programme at Meetings Africa was designed for you to make the most of opportunities in the local market.

The investment in sourcing qualified buyers is paying off handsomely. Many exhibitors at this year's Meetings Africa have reported that they have already secured business from attending the show. It's up to each of you to take full advantage of the opportunities in this segment, and to work with the Convention Bureau to secure more business.

Following a workshop held with the industry, a dedicated Bidding Support Programme is now being created to secure more international business events, including meetings, incentives, conferences and exhibitions. This is good news, The potential returns on this investment is massive.

Naturally, we will also use this opportunity to promote South Africa as a leisure destination to business event visitors.

The South African Business Events industry has been growing steadily over the last 10 years, and it has contributed significantly to tourist arrivals in our country. In 2015, South Africa hosted 140 international meetings and conferences, which attracted about 80 000 delegates to the country. These events generated just over R1 billion in economic impact.

We attracted 70 000 association professionals to our country in 2014 and 2015, and we remain the number one meetings destination in Africa and the Middle East.

For the next five years, starting in 2017, South Africa has already secured 66 international association conferences and meetings. These events are guaranteed business for our tourism and hospitality industry, and will contribute about R1.4 billion in economic impact.

They will attract 108 000 association professionals, who will also be exposed to our tourism offerings, and will spread the word of the amazing value for money we offer to the world.

In addition, we have 45 bids that are still pending for the next five years. These events have the potential to attract 112 000 delegates and can potentially contribute a further R1.5 billion to our economy.

Although we still have more work to do, we have made good progress in resolving some of the challenges that travellers to South Africa have experienced in obtaining visas. An accredited travel company program has been put in place in China, allowing travel agents to apply for visas on behalf of

their clients. This has improved ease of travel considerably, and we are now experiencing a massive rebound in tourist arrivals from China.

The same applies to India, although we are experiencing challenges in the length of time it takes to obtain visas, which is constraining growth in tourism numbers from that country. If we can get over that hurdle we can double the numbers of Indian tourists in the next couple of years.

It came as good news when the Minister of Home Affairs recently announced that Russian citizens will no longer need visas for holiday trips to South Africa. We need to pull out all the stops to get a greater share of the more than 1.2 billion outbound tourists in the world.

Africa, and South Africa in particular, has a unique and special offer. We need to identify and exploit every possible opportunity on the African continent, and in all segments which offer potential for growth in tourism.

It is now up to you to work together with your industry organisation and with the National Convention Bureau to identify these opportunities, to explore them thoroughly, and to extract the benefits for the events industry, for tourism, and for our country's economy.

The tourism department is committed to working closely with you to take this industry forward. Through meaningful engagement and collaboration, and effective partnership, we will move forward.

I thank each one of you here for your dedication and your contribution to our industry. I hope you will have a fruitful congress under the leadership of your association's CEO, Adriaan Liebetrau, and your Chairperson, Wayne Johnson, and that you will leave here inspired and motivated to do more.

In closing, I leave you with the very well-used words from our former President and icon Nelson Mandela. He said: "It always seems impossible, until it is done."

These words remain a simple but powerful reminder of the potential within every one of us to achieve great things. It reminds us of the journey our nation has travelled against all odds. We must cling to this positive mindset as we move into the future, and we must be ready to take on what may seem to be impossible tasks.

If we take the theme of this conference to heart, and arm ourselves with the knowledge we need, coupled with our aspirations to grow and succeed, more and more things will become possible every day.

Thank you.

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