



**MINISTRY OF TOURISM  
REPUBLIC OF SOUTH AFRICA**

**Remarks by the Minister of Tourism, Mmamoloko Kubayi-Ngubane, at Next Africa Summit, Virtual**

**28 September 2020**

**Programme director  
Ladies and gentlemen  
Good morning**

Yesterday, we celebrated World Tourism Day under the theme entitled: Tourism and Rural Development. This year's theme was conceptualised, as a recognition of the important role that tourism plays in the development of rural communities by way of poverty alleviation, employment creation and overall stimulation of economic activities. Yet it is these communities that have suffered the most from the devastating impact the pandemic has had on the tourism sector. Without tourism, many of these communities have no other form of economic activity that can help them generate income.

Moreover, tourism has, in the recent past, grown to become one of the major sectors in the global economy. In 2019, with a growth of 3.5% compared to 2018, Travel & Tourism's direct, indirect and induced impact accounted for: US\$8.9 trillion contribution to the world's GDP which 10.3% of global GDP and an estimated 330 million jobs which translate to 1 in 10 jobs around the world.

Statistics show that the tourism sector has been on an upward trajectory for the past decade and I have no doubt that the devastating impact brought about by the COVID-19 is a temporary setback. The South African government has been gradually relaxing restrictions in accordance with the risk level of the virus, and the one thing that we have realised is that people still want to travel. The response of South Africans to our call for them travel their country has been overwhelming.

For us to get a proper understanding of what we need to do to pivot on the restart of the tourism economy, it is important for us to have an in-depth understanding of the impact the pandemic has had on the demand and the supply side of the market.

As I have already mentioned, people still want to travel and therefore the demand side of the market will not pose much of challenge. However, in addition to meeting the needs of each market segment, the supply side of the market will have to provide a guarantee that they have prioritised health, hygiene, and safety. This can be done through the following amongst others:

- Ensure strict adherence to the health and safety protocols in attractions and tourism activities
- Train staff in current health guidelines and make personal protective equipment available
- Introduce enhanced cleaning and sanitation procedures
- Enhance facilities to minimise person-to-person interactions
- Promote more robust health screening and contact tracing

Collectively, the aforementioned measures are part of the necessary adjustments that the sector has to make to be able to operate in the new normal. More importantly, it is these measures that will build confidence on travellers that they can travel without compromising their health. I have witnessed first-hand how tourism establishments have embraced operating in the new normal.

Crafting marketing messages that include an update to the public about any new travel health and security related information will also increase customer confidence and ease travellers' fears about travel-related risks.

The supply side of the market on the other hand, has been the most affected by the pandemic. Many tourism businesses have suffered a crippling revenue loss which means it will take long for them to operate at 100% capacity. Yet for others, the impact has been so devastating that they will not be able to re-open. This has created a huge risk of supply constraints.

South Africa, just like other parts of the world, has now embarked on the road to recovery. After extensive consultation, we put together a tourism recovery plan that outlines a series of steps and a set of activities we need to undertake for us restart the tourism economy.

We have firm believe that tourism will be one of the fastest growing sectors in the recovery period and it will be one of the key sectors that will drive the overall economic recovery. The plan is a roadmap that will help us achieve the desired level of growth.

The plan is anchored on three pillars which include:

- Protecting and Rejuvenating Supply – focusing on business continuity risks, aligning the value-chain to new biosecurity standards, as well as investment facilitation and market access
- Reigniting demand – this will require a robust domestic marketing strategy, the agility to respond decisively to an uncertain global environment and responsiveness to changes in consumer preference.
- Strengthening Enabling Capability – implementing mechanisms to increase ease of travel through activities such as piloting and roll-out of the proposed e-visa system to simplify the visa and entry process.

Furthermore, our plan predicted that the recovery will experience a number of phases, from domestic tourism, through regional land and air markets, and lastly, resumption of world-wide international travel.

Traditionally developing economies rely on international tourism and South Africa is not an exception in this regard. This is despite the fact that as of 2019, the majority of global Travel & Tourism expenditure continued to be generated by domestic travel, accounting for 71.3% of total global spending, with the remaining 28.7% coming from international visitors.

The importance that we have placed on the domestic as an anchor for the recovery of the tourism sector has taught us that we need to place more emphasis on developing the domestic market. There a portion of our market that is treating the domestic tourism phase of the recovery as transition stage while they wait for the international market to resume travelling. Others have not even bothered to open for the domestic market. We think that there should be a change of attitude. Yet for others, the pricing of their products are just too prohibitive for the domestic market.

In South Africa, the history of racial discrimination and skewed resource allocation continues the defining fault lines that find expression on who has access to tourism products. I will repeat the appeal I made yesterday about pricing. We are appealing to the tourism sector market to introduce incentives such as affordable rates, discounts, upgrades and enticing packages so that more South Africans can have the opportunity to explore the country of their birth, thus giving them a proper sense of belonging. I am again calling on all sector players in the private sector to collaborate with us in creating a conducive environment to entice South Africans to travel their country.

Equally, the international market is still very critical for our sector. As we get ready to welcome international guests from the October 1<sup>st</sup>, we are cognisant that the international tourism market has become even more competitive. This means that tourists will choose a destination that will give them value for money. This market will give a big boost to the recovery efforts by helping to save businesses, save jobs and increased foreign currency receipts.

Thus, our approach to the domestic and the international market should not be that of preference of one over the other. It is for this reason that we think the sector must seriously consider introducing a

two-tier system that would ensure that both international and domestic travellers get value money on packages they both can afford.

Undoubtedly, the measures that were put in place to combat the spread of the COVID-19 pandemic, most notably the lockdown, have accelerated the usage of digital technologies in all spheres of our lives. Unlike other sectors wherein technology can totally take over (for example manufacturing in the future might be completely automated in the near future), the core of the tourism sector is human experience which cannot be automated. Technologies can only help us to enhance the tourism experience for tourists and travellers however, human experience will remain at the centre of tourism.

One of the subsectors that has already experienced irreversible change that will have a negative impact on the total tourism revenue is the meetings, incentives, conventions and exhibitions commonly referred to as MICE. The lockdown, a measure that was implemented in many countries around the world, accelerated the adoption of online meeting platforms such as Google Meet. These platforms have proved to be just as effective, if not more effective, as physical meetings. In addition, these platforms have helped businesses to save money and time. However, we believe that it remains in the nature of human beings to yearn for human interaction and this will be a great driver for MICE going forward.

As we work to restart the tourism economy lets ensure that we create an inclusive tourism sector and by extension inclusive economies. Let us also embrace the changes, including the technological, that have happened in the sector so that our road to recovery is sustainable in the long run.

Let's remember that the pandemic has not gone away, let's protect ourselves, let's wear masks, let's wash our hands and let's continue to practice social distancing.

I thank you.