



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

**REMARKS BY THE MINISTER OF TOURISM, HON MINISTER MMAMOLOKO
KUBAYI-NGUBANE, AT NON-ALCOHOLIC WINE DINNER, ONLINE, 20 MAY 2021**

Programme director

Premier of Western Cape Mr Alan Winde

Ms Dimakatso Malwela, Brand Owner

Distinguished guests

Ladies and gentlemen

Good afternoon

Thank you for inviting me to this launch this evening, even though I am joining you through an online platform. I would have liked to have joined you in person because I was curiously looking forward to tasting the non-alcoholic wine but unfortunately other pressing duties called.

Let me take this opportunity to congratulate Dimakatso Malwela and her team at Nhlakanipho Holdings for the launch of the House of D'licacy non-alcoholic wine brand. This is another important milestone in your business journey, a month after launching a non-alcoholic Wine Tasting Room in Krugersdorp.

Let me also take this opportunity to appreciate Ms Dimakatso Malwela, as a women leader and entrepreneur who is breaking the boundaries and making it happen for herself. She has been championing women's cause through various organisations having held the position of CEO of Women of Value SA, as well as Chairperson of Women in Tourism for the SADC Region. Not only are you advocating for women to be given opportunities, you are also a living example that women do not only want to be given opportunities but they can also create opportunities.

As the tourism department we are always excited to be part of activities that have a positive impact on our country's brand and more importantly the potential to attract

more tourists to our shores. South Africa is the world's eighth-largest producer of wine and the wine estates are part of our most visited attractions in our country. Globally, South African wines are regarded as some of the best wines in the market and they have carried our country's brand to all corners of the world.

The wider economic benefit of this industry is that in the process of manufacturing, packaging, exporting and distributing wine products, throughout the entire value chain, the local wine industry supports a wide spectrum of economic activity. These includes a wide range of producers and suppliers, such as wine grape farmers, as well as retailers, distributors and the downstream industries such as hospitality industry, restaurants and so on.

The wine industry is an important part of the tourism value chain. South Africa has an increasing number of world-class restaurants, with South African wines being part of the highlight. In the Western Cape the wine industry is a boon for hotels, guesthouses, restaurants, wellness spas, game lodges and golf courses. More significantly, various wine routes which offer a wide variety of activities, from horseback trails to mountain biking and hiking are also part of diversity of our tourism offering.

A study commissioned by the wine industry body Vinpro found that Wine tourism is a significant revenue generator for the South African economy having contributed R7.2 billion to GDP in 2019. This includes direct expenditure of a visitor at a wine farm, indirect expenditure of goods bought by wineries from other local businesses to deliver the tourism service, as well as induced expenditure by the wineries' employees at shops.

The close links between the wine industry and tourism is part of the reason why COVID-19 has had negative impact on the wine industry. The global collapse of the tourism supply and demand market, led to a significant reduction in the number of travellers. This means that hotels and restaurants are seeing lower occupancy levels and patronage respectively.

Given the direct link between tourism and hospitality and the wine industry in terms of providing an outlet for the consumption of wine, the lower demand was felt across the value chain. As a result of fewer visitors, the revenue generated at the wine farms has reduced and several wineries have shut their tasting rooms due to the risks of the virus.

The wine industry is indeed an important contributor to the South African economy in terms of jobs, the multiplier effect and national income. To reverse the impact of the devastation of the tourism sector by the pandemic, we have outlined the Tourism Sector Recovery Plan (TSRP) which has been developed together with the private sector. The plan elaborates on the actions that will be undertaken by various implementing agents, public and private, for the tourism sector to get on the path to sustainable tourism recovery.

The Plan is anchored on three interlinked pillars or strategic themes: protecting and rejuvenating supply, reigniting demand and strengthening enabling capability for long term sustainability.

We are cognisant that our efforts will now and then be interrupted by the fluctuations of the spread of the virus. Our experience with the virus thus far has showed us that the spread will come in waves, some more devastating than others. As has been announced by Minister Mkhize, the third wave is upon us and we hope that it will not be as devastating as the first and the second wave.

However, government is quite confident that the experience we have acquired in the past year will help to navigate these uncertain times. Easing and tightening restrictions might be with us for much longer, until such a time that we are able to achieve herd immunity in our country.

The tourism sector will, in the meantime, have to operate alongside the virus. It also suggests that the sector is potentially facing numerous stop/start cycles as restrictions are changed and adjusted in line with the evolution of the virus. These stop/start cycles will continue to affect traveller confidence and place jobs and the survival of tourism firms at risk.

The collective management of the pandemic combined with the vaccination programme will push our country to a new equilibrium in which there will be some level certainty. The sooner we attain this certainty the better for our economic recovery.

The addition of a new brand into this important sector can only bode well for our economy and for the economic recovery. More importantly, the addition of a black-woman owned wine brand enterprise is a positive step for economic transformation not only for the wine industry but for tourism and the wider economy.

As you may be aware, women in the tourism sector are in the majority in terms of participation however they are found at very low level jobs. Women, black and white, are absent at managerial and ownership level. It is important women who are making inroads in this sector such as Dimakatso be given all the support they need to succeed.

I was also pleased to learn that the event will involve women and youth in tourism business; and that the launch will be followed by Non-alcoholic Wine Transformation Programme through the Women of Value SA's enterprise development incubator. More importantly, it is reassuring to know that the stated main objective of the House of D'Licacy is to house non-alcoholic women-owned brands and also assist them by creating local and export marketing. It is important that as we rise, especially as women, we also lift others who need a helping hand. As the saying goes "to whom much is given much is expected".

Let me again congratulate Dimakatso and her team for this great achievement. I wish you well for the rest of the launch in the coming two days and those of you who will be joining the organised tours enjoy the beauty of our country and enjoy the experience.

I thank you.