



**MINISTRY OF TOURISM  
REPUBLIC OF SOUTH AFRICA**

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**Speech by the Minister of Tourism, Derek Hanekom SAACI Congress opening ceremony**

**18 August 2014**

Ladies and gentlemen  
Distinguished guests  
Members of the media

It is truly a privilege to be here with you today, especially in these absolutely magnificent surrounds.

The past few weeks, since my appointment to this exciting portfolio, have been a sheer whirlwind of activity. One thing has become quite obvious to me, is that South Africa's tourism sector is a vibrant one, thanks in no small part to people like you, in this room, who have shown your unequivocal commitment to making this industry grow.

As you all know by now, our shared vision as a country is outlined in the National Development Plan. To realize this shared vision will of course require a collective effort. Tourism is one of the sectors in our economy that could make a very significant contribution towards addressing many of the challenges identified in the NDP, and events and business tourism are pivotal drivers of the continued success of the sector.

SAACI clearly demonstrates that the collective is much more effective in shaping the future of this industry than individual players in the value chain can ever hope to be. If we add up the direct and indirect impacts, tourism generated 9.5% of South Africa's gross domestic product in 2013 and accounts for more than 1.4 million jobs in our country! Given that one of our single biggest challenges is to reduce the number of jobless people in our country, this makes the sector massively important to our country.

So how does business travel and conferencing contribute towards this? Quite simple: it is well known that business travel exceeds global averages for tourism spending – it represents a segment of higher end spenders, and the meetings industry contributes greatly to breaking seasonality patterns. Add to this the positive publicity that it gives our country, the image boost, and the high level of return visits, then it really is a no brainer.

The South African government remains fully supportive of the business events industry and well recognize the impact that it continues to have on the economy. We are thrilled about the impact of business events on attracting foreign direct spend and investment, creating jobs and positively shaping perceptions about our destination around the world.

South Africa as a business events destination is fast becoming a serious contender globally - we gained three places in the International Congress and Convention Associations' (ICCA) global ranking from 37<sup>th</sup> place in 2012 to 34<sup>th</sup> in 2013, and all indications are that we are poised to continue to gain it this ranking.

Two of our cities – Durban and Cape Town – are ranked amongst the Top 100 cities in the world for conventions. And we are the number one convention destination in Africa and the Middle East.

The 118 ICCA ranked meetings that we hosted last year brought over 94 000 association professionals to South Africa and contributed an estimated R1.2 billion to the country's economy. If we add to this the further 200 000 business event delegates visiting our shores, this sub-sector contributed some R6 billion to our economy last year.

These are big numbers. But I always like to understand how these numbers are disaggregated. So I asked the Conventions Bureau to provide me with a couple of examples of our return on investment. I must say, the story line is an impressive one. Take for example the meeting of the Global Consumer Goods Forum to be held in June 2016: the 800 to 1 000 CEOs and senior managers from over 400 retailers, manufacturers, and others, represent companies with combined sales worth some EUR 2.5 trillion per year.

The immediate estimated economic impact of R11.2 million will include some 4000 room nights spread over four conference days, and that excludes the spending by those delegates that decide to stay longer, visit other parts of the country, or to return with their families in a year or two. And this is not even to speak of the potential business and investment in our country that a conference of this kind could bring!

Forgive me if I am bombarding you with too many facts and figures and targets, but we must not be accused of proclaiming the importance of certain activities based on nothing more than anecdote and gut feel. Our assertions must be backed up by real evidence, and we need to know that our approach to the opportunities presented is well considered and planned.

The SA National Conventions Bureau has set a target of increasing the size of South Africa's business events industry by 57% by 2020. And they seem to be well on track - 269 association conferences and events are already confirmed between now and 2018. These events will bring no fewer than 310 000 professionals to South Africa and will contribute more than R4.2 billion to our economy.

The Conventions Bureau, working with established methodologies deployed by the World Bank, has quantified the benefits to be derived from the successful implementation of our strategy. These benefits can be measured in terms of economic impact, new employment, knowledge transfer and transformation. Just considering the incremental tax revenues to be generated for government: the ratio is calculated to be 1 to 16 – in other words, for every R1 we invest from government side, we stand to gain R16 in tax revenue. I hope you are listening, Minister of Finance!

What really excites me about business events is that it is not only businesses involved in tourism that benefit from hosting international events. Through hosting meetings and events, we are able to develop our intellectual capital and showcase fields and sectors where we have innovation and excellence to present to experts from around the world. This creates new networking and business opportunities, and it helps to position our country to benefit from the rapidly evolving global knowledge economy. And, of course, it advances trade, technology transfer and foreign direct investment.

Let me turn to Africa. Our efforts are bearing fruit not only for our own country but also for the region and the African continent at large. Gradually, through the work that we do, specifically with our annual trade show, Meetings Africa, the global business events industry is recognising that Africa offers much more than previously thought. The SA National Conventions Bureau has been instrumental in bringing our African partners, associations and stakeholders to the table to realise the benefits of working together. Next year the show will celebrate its tenth anniversary – a significant and symbolic milestone.

We are succeeding in showing the world that Africa can deliver world class business meetings and that we offer a safe and stable environment to host conferences. We boast world-class infrastructure and deliver on what we promise.

And finally - and no better place to stress this than in this environmentally World Heritage Site where we are gathered today - an important trend globally is the introduction of requirements for the greening of events and conferencing. SAACI has played an outstanding role in the Event Greening Forum, which is working to promote and embrace sustainable and ethical business practices within the events industry in South Africa. Very soon, sustainability practices will become a much more stringent license to operate.

When you consider this imperative, I would encourage you to think beyond green building design, energy efficiency and renewables roll-out in physical facilities. You will have to look deeper into your supply chains, including the procurement of sustainable food supplies, lower-carbon land transport and waste management. And, very importantly, the extent to which local community benefit.

Given the well-known socio-economic challenges in our country, we have to constantly ask ourselves the question: are we creating positive legacies through mega-events and major conferences, but also minor events and smaller meetings. Your task is not only to 'do the right thing', but also to educate and raise awareness in your supply chains and among those that participate in the events and meetings that you host. So much can be achieved just by changing behaviour – in addition to the potential advances achievable through improved waste management and greater water and energy efficiency.

We have a whole lot of work cut out for us. Let us take the conference theme seriously: When we beat the drum, continuously ask how we can accelerate the drum beat by innovating, forming new partnerships, and maximising the opportunities brought about by emerging technologies. You can rest assured, from the side of government we will be working with you to enhance our tourism offerings – we know that our visitors expect more than hotels and conference venues that are world-class, they seek meaningful experiences.

In conclusion, I look forward to working with you to help make South Africa one of the leading business events destinations in the world. I am confident we can do this – in partnership!

Thank you!