



tourism

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Business - events tourism takes the industry to new heights

Statement by the office of the Minister of Tourism, Mr Marthinus van Schalkwyk, on the occasion of the annual South African Association for the Conference Industry (SAACI) event hosted at the Boardwalk Convention Centre, Port Elizabeth

29 July 2013

I am delighted that the Nelson Mandela Bay Municipality now has a convention centre of its own. Congratulations to everyone who formed part of making this Boardwalk Convention Centre a success. This outstanding facility will not only benefit from our thriving business-events industry, but will assist in growing and sustaining it.

As government continues to focus on tourism as one of the key job-creating sectors, we continue to recognise business-events tourism as an area with significant growth potential. Our decision to invest in business-events tourism was informed by our strategy to diversify our offerings and source markets. The international leisure market is always volatile in times of global economic uncertainty. That is why we balance our investment in domestic and long-haul tourism; in leisure and business tourism, and a portfolio of both mature and emerging source markets.

As you all know, tourism is a leading sector of the South African economy. Last year, international tourist arrivals grew by 10,2%, which is more than two and a half times the global average of 4%. The business-events industry has been an important contributor to this success. Back then, we promised to launch the South African National Convention Bureau (NCB) to show how serious we, as a country, are about the business-events industry and its contribution to tourism growth. We have delivered on that promise.

The NCB, under the leadership of Amanda, has now been in operation for nearly a year and a half. It has been extremely successful in aligning our efforts, and in helping our destination to secure 88 major bids for the period 2013 until 2017. Jointly, these bids will attract no less than R2,6 billion to the tourism economy. These meetings will bring an estimated 200 000 delegates to the country. One of the biggest will be the 21st International Aids Conference, which is to be held in 2016 in Durban. These are indeed impressive achievements, of which every single one of you sitting in this room can be proud. Congratulations to you all.

But, today, I would also like to address you on the outlook for the meetings-and-events industry worldwide, and where South Africa and Africa as a whole fit into the picture.

The industry worldwide mirrors the state of the global economy. Following the economic downturn, the road to recovery in the business-events market was volatile. However, we seem to have turned the corner. According to analysts of the European Incentive and Business Travel and Meetings Exhibition (EIBTM), buyers are successfully adapting to the 'new normal'. Even in world regions characterised by low or no economic growth, we can still look forward to another period of moderate expansion in meetings, events and business travel. That applies equally to volume and spends in 2013. Most indicators point to at least a modest increase in demand and prices in 2013, while in those world regions with fast-

expanding economies, such as ours, much greater growth can be expected.

Africa is the continent at the forefront of global growth. According to the International Monetary Fund growth forecast for 2011 to 2015, seven of the world's fastest-growing economies are African. Africa has the world's fastest-growing population and the fastest-growing middle class. The African Development Bank predicts that, by 2030, Africa's middle class will have rapidly grown. Consumer spend in Africa are also expected to sky-rocket from \$680 billion in 2008 to \$2,2 trillion by 2030.

Professional organisations are attracted to destinations that will bring them new members. There is not a business or sector that can afford to miss out on the African opportunity. And we want the world to be part of it – to share in, and profit from, our growth. That is why we are inviting the world to bring their events to South Africa – the biggest economy in Africa and a gateway to the continent. We have come a long way. The success of the South African business-events industry is reflected in the fact that the International Congress and Convention Association has ranked South Africa 37th on its list of the world's top business-events destinations, and 15th on its list of long-haul destinations, while we have come out tops as the number-one business tourism destination in Africa.

South Africa's track record shows we mean business. The 97 international association meetings that South Africa hosted last year amounted to a third of all the meetings hosted on the entire continent. However, there is still much work to be done. Although we are the undisputed leader in business events on the African continent, we have to work hard to attract and host more regional association conferences. Furthermore, Africa as a whole still has a long way to go when it comes to attracting international association meetings. For example, Africa hosted just 2,7% of the 11 000 international meetings held globally in 2012. It is only through hosting conferences that can rotate on the African continent that we can become more competitive in the ICCA ranking. African association meetings are therefore a big focus of my Department, the broader tourism industry and the NCB this year.

We understand that when one part of the continent wins, we all win. Collaboration and competition spur growth, build capacity and boost global competitiveness. For most associations, meeting and conference organisers, Africa for many is not the tried and tested option, yet. To get to that point we have to actively support the industry in taking that step.

Looking forward, our new business events tourism campaign, "Rise with us", is about shifting to a higher gear. Through the campaign, we are asking the world to "Rise with us", because South Africa:

- offers value for money;
- is economically and politically stable;
- has a proven track record; and
- is a safe and secure destination.

In conclusion, all of you are the lifeblood of South Africa's business-events industry, which is a formidable and globally competitive sector. This year, we join SAACI in celebrating 26 years of collective determination to build South Africa's conference sector; 26 years of encouragement and mentorship, of fostering healthy competition, and of cementing partnerships.

I wish you fruitful deliberations.

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