



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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SONA debate speech delivered by Minister Derek Hanekom in the House of Assembly

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Madame Speaker
Your Excellency, President Zuma
Honourable Members.

Honourable President, let me start off by quoting one short sentence from your State of the Nation address. *"We are proud of our democracy and what we have achieved in a short space of time. Our democracy is functional, solid and stable"*. In this hard fought-for democracy of ours there have been many impressive achievements.

One of these great achievements is the way tourism has grown over the last two decades. Tourism arrivals in South Africa have grown from 3.9 million in 1994 to 8.9 million in 2015. That is phenomenal growth! Tourism has truly become an immensely valuable treasure chest for our people, filled with precious gems and opportunities.

And right now, the opportunities in tourism are probably greater than ever before. But, before I get there, a word or two about our economy. We do have challenges, there is no escaping it. Commodity prices have fallen dramatically, as Minister Rob Davies highlighted earlier in this debate, and we are experiencing one of the worst droughts our country has ever experienced. Not surprisingly, our economic growth is not at all where it should be. We all know that. But we are sometimes guilty of seeing just the negative. Our economic policies have stood up to the harshest of tests. Our economy has proved to be very resilient. Growth is far too low, but it remains positive. Two of our BRICS partner countries - both very big economies - are in recession.

Having said that, the fact is that growth is not where it should be to address the challenges of unemployment, poverty and inequality. We need to respond in the right way to reduce our debt and get our economy on a higher growth path. That is precisely what our ANC led government is doing. In the midst of these challenges we continue improving our roads and port infrastructure. We continue building houses for our people and constructing dams. We are building hospitals and schools. That is the good news. You will hear more about all of this from Minister Patel tomorrow.

But we do need to identify opportunities to get out of this sluggish growth and get on to a healthy growth path. That is where tourism comes into the picture.

As it stands today, across the value chain, about 1, 5 million people are employed in the tourism sector, directly and indirectly. According to Stats SA's satellite Account, in 2013, 655 000 people were directly involved in producing goods and services provided by tourists.

We are confident that tourism can grow rapidly, offering more of our people work and livelihood opportunities. We are working closely with the Ministry of Small Business Development to stimulate the establishment of new SMME's. Some of these small businesses will become the big and successful big businesses of the future.

Comrade President, in your address to the Nation on Thursday you said that *"SA Tourism will invest one hundred million rand a year to promote domestic tourism, encouraging South Africans to tour their country"*. Your emphasis on the importance of domestic tourism came as music to the ears of all of us who are working in tourism, who so passionately believe in the great value tourism offers our country.

We can assure you, Mr President, that we are putting a great deal of effort and resources into domestic tourism. We are determined to make our iconic attractions accessible and affordable to our people.

More people should be able to travel to Kruger National Park to see the biggest wildlife extravaganza on earth. Our people must have the opportunity to take the ferry to Robben Island and experience the story of the triumph of the human spirit over oppression.

Many more school children should be able to visit Mapungubwe and to take pride in the history of this ancient African civilization that cast the Golden Rhino long before Africa was colonized. This is our heritage, to be shared by all our people.

It is fitting that your words, Mr President, were spoken on the day that we were commemorating the release from prison of our first President, Nelson Mandela. This is exactly what our icon and leader, Madiba, would have wanted for his people: that all South Africans, regardless of economic status, should be able to enjoy our beautiful country and rich heritage.

And indeed, this is what this ANC led government promises to work at, together with our partners in business. We will soon announce some exciting new measures to make our world famous tourism attractions and iconic sites more accessible to all South Africans. We will not be able to achieve this goal overnight, but we are deeply committed to making this dream a reality for all our people. We will apply the 100 million rand you referred to, Mr President, creatively and it will be backed up by a vigorous marketing campaign.

Around the country, our hotels, B&Bs, restaurants and tourist attractions did a roaring trade over the festive season. The best news is that the recovery translates into jobs - a lot of jobs.

For every tourist who occupies a bed, there is someone to make that bed, to cook, and to serve meals. Behind every tourist is a long line of people who benefit from a long list of jobs. Some supply fresh produce to restaurants. Others make furniture for hotels. Some are tourist guides who tell our remarkable story to the world.

With more tourists coming to South Africa, and more South Africans touring their own country, we can help break the back of unemployment in our country.

This is why every tourist counts. This is why it so important for every person who has a job in tourism to do it well and this is why the Department of Tourism is training our people in service excellence.

The Kruger National Park welcomed 6% more visitors last year than in 2014. In December, the astonishing rock formations at Bourke's Luck Potholes attracted 40% more visitors than the previous December.

In the Eastern Cape, the Camdeboo National Park welcomed 20% more visitors this December compared to 2014. No less than 4 000 people experienced the thrill of Bungee jumping at the Bloukrans bridge last year, and about 200 000 people visited the nearby Khoisan Village for a unique cultural experience.

In the Northern Cape more than 12 000 people visited the Auwabies Falls in December - a 10 percent growth on 2014. The Noord Kaapenaars here will be pleased that the Northern Cape was named yesterday by Rough Guide as one of the top regions in the world to visit in 2016!

In KwaZulu-Natal, the number of visitors to the iSimangaliso Wetland Park grew by 8% over last year.

Tourists are increasingly seeking adventure and cultural experiences in rural areas, off the beaten path, and businesses are adapting to serve their needs. More people from around the world are eager to experience the amazing things we have to offer. This brings me, Honourable President, to another thing you said in your state of the nation address. You said: *"We must take advantage of the exchange rate as well as the recent changes to our visa regulations to boost inbound tourism."*

Indeed Honourable Members, the exchange rate, is making a Sho't Left very attractive for South Africans. For visitors, the exchange rate, coupled with the recent changes to the visa regulations offer massive opportunities for growth in international arrivals. Everything points to 2016 being a bumper year for inbound tourism.

The Departments of Tourism and Home Affairs are working closely to implement the cabinet decisions on visa regulations. Travel companies in China have already been accredited to submit visa applications on behalf of travellers. We expect very strong growth from the Chinese market in the future. The same visa application process will soon apply to India as well, and the same result is expected.

While it is true that many factors affect tourism numbers, these changes are important and in line with multilateral agreements in the United Nations World Tourism Organization (UNWTO) which advocates ease of travel as a means to promote tourism development and multiply its socio-economic benefits, without compromising safety.

2015, Mr President was not a good year for tourism in our country. According to StatsSA data, tourism arrivals from the top 9 countries requiring visas saw a year on year decline of 20% in 2014 and a further 7% in 2015. However, in the last quarter of 2015 there was a 14% growth in arrivals from these visa requiring countries. This is good news and I have no doubt that tourism numbers will dramatically increase given the improvements in ease of travel, and other conducive factors.

In fact, all indications are that we now have ideal conditions for growth in inbound tourism. Growth means more decent jobs for our people. Tourism contributed R357 billion to our GDP in 2014, and supported 9% of total employment. The World Travel and Tourism Council estimates that, by 2025, tourism will contribute R560 billion to our GDP and will support over two million jobs. This is not my optimistic estimate, comrade President, this is the World Travel and Tourism Council. Many of us are convinced that we can do even better than that.

Our ANC led government knows what needs to be done to put our economy back on a stronger growth path, and is systematically putting all the building blocks in place. We know what we have to do to achieve inclusive and sustainable growth in tourism.

We so often forget what a special country we live in. Sometimes it takes someone from outside to remind us that we are so blessed to live in such a beautiful country.

Recently, the influential BuzzFeed site voted South Africa as the most beautiful country in the world.

The most beautiful country in the world! Our African sister countries also fared very well: Namibia, Kenya and Tanzania were in the top 10 list.

South Africa is indeed a very special place. Africa is a special place. We serve as a travel hub with tremendous potential for growth on a continental scale.

The people of Africa are rising. The continent is attracting investment from around the world and opening the doors for tourism. Tourism can convert the natural beauty and cultural heritage of our country and our continent into an astounding economic and social success for all our people.

We offer tourists unique and meaningful experiences. Tourists remember them forever, and they will tell others about it. And through the actual experience of our country perceptions change.

Our eight World Heritage Sites, ranging from Mapungubwe in the north to Robben Island in the south, from iSimangaliso in the east to the Richtersveld in the west, each tells a unique story of our rich natural and cultural history.

We have become known as a country that offers the most diverse and exciting tourism experiences.

You can dive with sharks in the Atlantic Ocean off Cape Town. You can hike in the silent magnificence of the Drakensberg mountains, or cycle through the bustle of Soweto. While you're there, you can experience the culture of Vilakazi Street, the only street in the world that was once home to two Nobel Prize winners.

Hotels, high end properties and game lodges were in great demand over the peak season. This suggests that there are attractive investment opportunities in these segments. Bookings from core markets, including the United Kingdom, the United States of America and Europe increased and guests are booking longer stays and spending more money during their stay.

Our tourism businesses have done well in difficult times. We commend them for their hard work and perseverance, and for their commitment to attract more tourists to our shores.

Mr President, we have said consistently in our manifestos and our National Development Plan that it is through working together that we can make South Africa a truly great country for everybody. I am pleased to inform you that there is a healthy partnership between business and government in the tourism sector.

We are jointly striving to achieve the inclusive growth of the sector and to create more jobs and opportunities for all our people.

Our excellent performance in business events shows what an important driver of growth this segment has become. South Africa has been ranked number one in Africa for international meetings and events, and we are steadily climbing up the ladder of international rankings for business events.

The growth of tourism depends on healthy cooperation between all three spheres of government. We are working together to create new experiences and to crowd in tourism activities around our mega-attractions.

To mention a few examples, the Departments of Environmental Affairs and Tourism are collaborating to develop a Wild Activity Hub at Phalaborwa in the Kruger National Park. We have also joined forces with the DEA to unlock the full potential of the Oceans Economy. And we have teamed up with the Department of Arts and Culture to improve the visitor experience at Robben Island.

We are pleased to announce, Mr President, that we have begun the work to install a solar energy system to replace Robben Island's reliance on diesel generators. You can expect an invitation when we officially switch to the solar system later this year. We know that Robben Island is close to your heart. You lived there for a number of years, admittedly not by choice. Now millions of people from all over the world want to visit this iconic World Heritage Site as a matter of choice.

Our country not only shares with the world a rich history of ancient civilisations, struggles of resistance, peaceful transition to democracy under the leadership of the African National Congress, but also tells the story of our shared ancestry and common humanity. It all began in Africa.

In Gauteng the discovery of Homo naledi resulted in a visitor rush to Maropeng in the Cradle of Humankind which had a year on year increase in visitor numbers of 22%. This is one gem that will continue sparkling for decades to come.

Mr President, we are collectively buoyant, confident and optimistic about the growth prospects for tourism in our country. But we are not sitting back and waiting for it to happen. We are working hard to make it happen. We are removing the barriers that could stand in the way of tourism growth. We are training people to improve what is already an excellent standard of service in our country. We are working hard to enhance our destination and our offerings, to make our visitor experience an unforgettable one. And we are intensifying our marketing efforts to bring more and more people to our magnificent country.

We are striving to become one of the top 20 destinations in the world. And in the pursuit of these goals, we will create jobs and lasting benefits to millions of our people. Through tourism, we will share our proud stories of liberation and reconciliation with the people of the world. Through tourism we will contribute to global peace and friendship. We will share with the world our warmth and our spirit of Ubuntu.

We are acutely aware that our tourism sector is not as inclusive as it should be - that there is a need for meaningful transformation in the sector. In this regard we are proud to announce that the new BBBEE code is designed to accelerate transformation by including more Black people throughout the tourism value chain. It will help us to develop Black-owned suppliers and enterprises, which in turn will support jobs and grow communities. The code will also help to empower Black women to take up executive management and leadership positions in tourism.

We need constant innovation to convert our challenges into opportunities. We have excellent tourism assets, we have a good performance record, and we have great potential for the future. Most importantly, we have dedicated people in the tourism sector, and in other sectors of our economy, who are working hard to make South Africa a better place for everyone. We must stand together to combat all attempts to derail us from moving our country and our economy forward.

One thing that should be said, Mr President, is that all of the good work that this ANC led government is doing stands to be undermined by illegal activities. Wherever this happens, we must all stand together and put our country first. Drugs rob our youth of their future. Illicit traders threaten our collective livelihood. Operations Fiela was launched to combat attitudes of impunity and intolerance that had threatened the rule of law in some parts of our country. Our Government acted swiftly and decisively to stabilise the situation, and developed an integrated national action plan to reassert the authority of the State. Between April and November last year, over 3000 operations were conducted under the action plan. Over 40 000 arrests were made, vehicles were impounded and firearms confiscated. Large quantities of drugs were found before they could make their way onto our streets and wreak their damage, especially among our youth.

Operation Fiela has helped to reinstate the rule of law in many communities, and our people and our visitors can now feel much safer. As we intensify our efforts around Operation Fiela, we are restoring an environment which is conducive to investment in tourism and the growth of our economy. Well done to our Minister of Police and all the dedicated police men and women who are carrying out this operation.

Getting back to tourism: with all the tremendous opportunities that tourism offers to help get our country on a stronger growth path, we must now stand together to build a tourism nation. We are all brand ambassadors, for our sector and for our beautiful country. People who come to South Africa as tourists could well return as investors, if they believe their investments will be secure.

Let's not wait for BuzzFeed to declare us the most beautiful country in the world. Let's shout it from our own rooftops and billboards. Tourism gives us hope for the future. We need to stay positive, and keep doing constructive things to build the sector together.

To conclude: we do have challenges in our economy, and we do stand to lose jobs in the mining sector. That's the reality. But we can more than compensate for these possible job losses by getting greater numbers of tourists visiting our country. That's the truth!

We must now remove all obstacles in the way of tourism growth. We must intensify our marketing efforts. We must make the visitor experience an ever improving one. We must work together. In so doing we can positively change the lives millions of our people.

Thank you.

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