



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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**Speech delivered by Deputy Minister of Tourism, Tokozile Xasa at the launch of
EZASE-KASI Business Fridays**

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I am particularly honoured that I am able to play a small part in our Government's persistent march towards the realisation of the National Development Plan Vision 2030 by creating an enabling environment for the growth of township economies.

The EZASE – KASI initiative is but one positive step in the right direction as, in line with the NDP, if we are to create more jobs and realise inclusive growth we must support small businesses by coordinating the effort of the various role-players.

Ladies and gentlemen with roughly half of South Africa's urban population living in townships and informal settlements, a worrying statistic is that about 60% of all unemployed people are found in South Africa's townships and informal settlements.

By design, South Africa's townships were to be neglected, overpopulated and isolated and this naturally discouraged investment which in turn meant a lack of resources and infrastructure and soaring unemployment levels.

Today, about 60 percent of the population lives in urban areas. In line with global trends, the movement of people from the countryside to the cities is expected to continue, and by 2030 about 70 percent of the population will live in urban areas.

This poses significant challenges particularly if we are to meet the objectives of the NDP which seeks to drop the unemployment rate to 14 percent by 2020 and to 6 percent by 2030.

In order for Vision 2030 to be realised total employment should conversely rise from 13 million to 24 million with the percentage of working adults increasing from about 41% currently to 61% by 2030.

The proportion of adults in rural areas working should also rise from 29% to 40% by 2030.

In terms of what the National Department of Tourism is doing to assist in boosting township economies, the 1996 White Paper on the Development and Promotion of Tourism Development in South Africa stresses that communities are expected to play a vital role in tourism development.

The ground-breaking policy called on communities to identify potential tourism resources and attractions, to use them as a basis for exploring tourism development opportunities, and to seek partnership opportunities with the private sector, while supporting and promoting responsible tourism and sustainable development.

In 2002, the National Responsible Tourism Development Guidelines for South Africa re-affirmed the White Paper's call, and further stressed that communities should establish new and complementary products for the formal tourism sector, and that visitors should be encouraged to spend more money in the local economy.

The South African government is fully committed to playing its role in promoting and supporting the development of sustainable tourism that brings benefits to local communities where it is taking place.

The National Tourism Sector Strategy (NTSS), the blueprint for the tourism sector, has identified that the growth of the tourism industry has not yielded genuine benefits for rural communities although rural communities could benefit from and participate in the tourism industry.

In certain instances, some tourism investors and operators have taken advantage of the natural and cultural resources belonging to communities, without any benefits accruing to the communities themselves.

This was caused by the level of awareness and limited skills which the communities were faced with.

These negative issues have created reluctance amongst communities to consider tourism as well the private sector having reservations about community involvement in tourism projects.

The situation further resulted in a lack of progress in delivering tourism benefits to communities for sustainable tourism development.

In addressing these issues that hinder communities benefitting from the ever-growing tourism industry, the National Tourism Sector Strategy (NTSS) recommended the development and implementation of a comprehensive community beneficiation framework.

The National Department of Tourism then duly embarked on the process of developing a Framework for Community Based Tourism during the 2014/15 financial year, with the objective of understanding the challenges faced by Community Based Tourism projects and recommend solutions or interventions to address the challenges that impedes development of community projects.

Amongst the key outcomes of this process was the recommendation for the development and sustainable management of community-based tourism projects.

COMMUNITY TOURISM INITIATIVES BY THE TOURSIM DEPARTMENT

The department is responsible for identifying, sourcing and funding appropriate tourism projects through its Social Responsibility initiatives under the auspices of the Expanded Public Works Programme.

The programme focuses on development of tourism infrastructure projects which contributes to alleviating skills shortages and creating employment opportunities. The identification of projects is done in consultation with the national, provincial and local tourism stakeholders.

These include skills development programmes such as the National Young Chefs programme, the tourism buddies and the wine appreciation training programmes.

The Programme mainly funds communities through non-profit representative structures such as Trusts or Section 21 companies, Municipalities and State owned entities.

The types of projects funded include:

- Heritage tourism projects,
- Recreational tourism,
- Hospitality and accommodation facilities (lodges, guest houses, b&bs, resorts etc.),
- Niche tourism projects,
- Tourism attractions,
- Tourism training and capacity building projects targeting unemployed youth,
- Tourism routes,
- Camp and caravan sites,
- Picnic sites, hiking trails,
- Visitor/tourism information centres and interpretation centres, and
- Nature based tourism.

In the 2015/16 financial year the Department of Tourism through its Social Responsibility Implementation Programme created 3059 Full Time Equivalent (FTE) jobs.

The Department had an agreement with the Tourism Enterprise Partnership (TEP) to ensure SMME support takes place to improve the performance and increase the profitability of SMMEs by focussing on skills, product development, quality assurance, market access, and access to finance thereby actively

supporting the creation of new jobs and maintenance of existing jobs. The Department contributed R13.5 million towards the partnership for the financial year 2015/16.

During the 2015/16 financial year the Department supported 101 rural enterprises. There were 101 Development Needs Assessments (DNA) conducted against the initial target of 100 rural enterprises. Therefore, 101 enterprises were supported with skills, mentorship, and access to information, market access, training and quality assurance. Of this 101 rural enterprises supported, 67 were historically disadvantaged enterprises/individuals (HDE) from the rural and urban communities.

TRANSFORMATION

Transformation of the tourism and hospitality industry remains a challenge and thus a key focus of the department is the continuous checking of whether the current support programmes to small business owners are meaningful and how the sector could achieve full transformation.

It is important to note that a number of tourism programmes implemented by the NDT are continuously being assessed in terms of their impact on the ground in order to address issues impacting on the growth and development of emerging businesses in particular township tourism businesses.

There is also a strong need and a focus on how SMMEs could be meaningfully supported in order to be part of the mainstream tourism economy.

There is clearly a need to reconsider current policies in favour of greater regulation and alternative forms of investment as well as a need to reassess the value of advocating responsible tourism to consumers who are often unable to gain full understanding of the context they visit or the implications of their choices.

Ladies and gentlemen tourism contributes significantly to job creation, directly to the tourism businesses and indirectly to other businesses in the township.

With this in mind, let us all make tourism our business.

I thank you