



**DEPUTY MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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**Speech by the Deputy Minister of Tourism Hon. Fish Mahlalela, MP, on the occasion of
33rd SAACI Congress, Elangeni Hotel, Durban**

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Theme: *Switched On*

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MEC of Economic Development, Tourism and Environmental Affairs in KwaZulu-Natal Province, Ms
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Members of the South African Association for the Conference Industry,
Congress delegates, Representatives of the media

Ladies and Gentlemen of the South African business events industry, thank you for taking the time to invite us to open and address you on the occasion of the 33rd Southern African Association For The Conference Industry. Let me thank you for embracing the spirit of partnership in working with government in growing the greater South African tourism industry.

Under the theme, Switched On, Your Theme is actually in line with our motto as government. In government we say... "Khawuleza". It is a Xhosa word meaning faster. Let us indeed be switched on, do things more faster.

As we celebrate 25 years of democracy this year, let us look back into the last 25 years with pride on how we, collectively, have made South Africa a significant destination of choice for business and leisure tourists. As a renowned philosopher Friedrich Engels says "Freedom is the recognition of necessity", it is this democracy that brings us freedom. Let us consolidate it for the benefit of all humanity.

Thanks to your continued co-operation, our South African business events sector is a story of success. Between 1 April 2018 and 31st March 2019, South Africa hosted 207 international conferences which attracted 87 457 delegates, generating 799 conference days and contributed R2.5bn to the country's economy. This is impressive!

In the same period, South Africa was ranked 39th globally on the International Congress and Convention Association's (ICCA) 2018. South Africa is still ranked the number one association congress destination in Africa and Cape Town being the top convention city in this region, hosting 100 of the total 415 association meetings held on the continent.

South Africa is a vast country with nine provinces and a diversity of tourism and business events

experiences and infrastructure on offer. It is encouraging that the hosting of major events continues to be an effective tool to promote, position, and brand our country as destination of choice. As partners in this business events sector, I encourage you to continue to strive to not only contribute to the number of tourist arrivals to South Africa but to also inject a well-needed boost to our economy. A thriving business events sector can bring economic benefits.

Your partnership is hugely appreciated.

To echo our South African President's commitment when he spoke at the State of the Nation Address earlier this year, let me emphasize and pledge our financial support to the business events industry, because we know the importance and value to our economy.

Departmental Tourism Programmes Key To Your [SAACI] Industry

The MICE industry should take advantage of the Market Access Support Programme, whose aim is to reduce the cost burden for small tourism enterprises to participate in selected international trade platforms and thereby improving their access to buyers in new and growth markets to unlock demand growth and allow market penetration. The Market Access Support Programme offers partial financial support to exhibitions, participation fees and capped contributions to the cost of accommodation and economy class return airfare to qualifying small tourism enterprises to participate and exhibit at selected international and domestic tourism marketing platforms. The Market Access Support Programme gives preference to applicants with majority black ownership and higher levels of compliance with the Tourism Broad-Based Black Economic Empowerment Codes.

Tourism Grading Support Programme

Another programme that MICE should attentively focus on is the Tourism Grading Support Programme. This was introduced to encourage wider participation in the tourism grading system and to reduce the cost burden of grading on small tourism enterprises. The programme is administered by the Tourism Grading Council of South Africa (TGCSA) on behalf of the department

Green Tourism Incentive Programme

The third Programme you need to take advantage of as the industry is Green Tourism Incentive Programme. As we may all be aware, increasing electricity costs and supply challenges and persistent drought conditions in many parts of South Africa poses a threat to sustainable tourism operations. It is against this backdrop that the Department introduced the Green Tourism Incentive Programme (GTIP) to encourage private tourism enterprises to move towards more efficient utilisation of energy and water resources. The programme is administered by the Industrial Development Cooperation on behalf of the Department

Tourism Transformation Fund

As part of its efforts to support sector transformation, the Department partnered with the National Empowerment Fund (NEF) to establish a dedicated capital investment funding mechanism to encourage capital investment by majority black owned investors. The Tourism Transformation Fund is administered by the National Empowerment Fund on behalf of the Department and applications for support follows the normal loan application process of the NEF.

Mentorship Programme

The National Tourism Sector Strategy under the Pillar: People Development, calls for the development of programmes to ensure transformation of the Tourism Sector. One of the initiatives recommended is the establishment of a formalised national mentorship programme. One of the sectors we wish to ensure that there is greater transformation is your industry, the MICE. SACCI and its members can play a meaningful role in partnering with the department to drive the desired transformation in this sector, Especially on our youth training and skills development programme.

Skills development in the tourism sector, is critical to create an environment for easy employability within the sector's value chain, with the aim of transformation and job creation for our youth. The department has various skills development projects which need partnerships with yourselves to host these young people for the experiential learning so that they can enter the world of work with practical skills. The following are offered, the chefs, wine appreciation, hospitality, resource efficiency amongst others.

Security Concerns

The issue of tourism and security is a profoundly important one. Tourism provides much needed revenue to countries during uncertain times. Our overall goal must be to protect tourists, to prevent organized crime and to promote sustainable development so that communities can prosper from this activity. Meetings such as today's can help ensure that we achieve these goals, and in doing so, continue the joint work of achieving sustainable development for everyone within the framework of peace and security.

As your partners, the government is fully committed to removing any barriers that hinder the growth of our sector. We are aware of the challenges that South Africa faces in relation to crime, safety and security. We concede that the impact of crime and violence in any country has adverse effects on the tourism industry. Perceptions about safety, security and crime in South Africa present a serious challenge when it comes to promoting our country in order to attract tourism, trade and investment.

Government is marshalling all the means at its disposal to show that South Africa is determined to ensure that tourists who come to our country are safe. To this end, we are in the process of finalising the Tourism Safety Strategy, ensuring we are able to deal with this issue.

It is for this reason that we are currently in the process of entering into a Memorandum of Understanding with South African Police Services. The purpose of the MoU is for the two departments to collaborate on specific projects of common interest as they relate to tourist's safety. The areas of collaboration include but not limited to the following:

- Identification and analysis of key hotspots,
- Establishment of a database of crime against tourists,
- Enhancement of tourism environment through visible policing and the implementation of the Tourism Monitors programme, and
- Establishment of the Tourism Safety 24-hour Hotline.

The National Tourism Safety Forum is in the process of developing the National Tourism Safety Strategy. The purpose of the strategy is to foster public private sector partnership in addressing issues of tourism safety in a more coordinated manner in order to provide an enhanced visitor experience and in the long term to change perceptions of South Africa as an unsafe destination.

The strategy will have a clear Communication plan which covers institutional arrangements and roles clarification and covers three broad thematic areas:

- **Proactive Measures:** This area focuses on addressing issues that can minimise the potential of incidences that impact on tourist safety. It's about putting in place mechanisms to ensure that tourists (both domestic and international) feel safe within the destinations. The Tourism Monitors programme forms part of the proactive measures being put in place.

- **Responsive Measures:** This area will focus on measures or processes that will be followed once an incident has occurred. It is related to "On the scene" mechanism that will ensure quick and effective turnaround to attend to tourists in distress.

- **After Care Programme:** This area will focus on measures to assist tourists once an incident has happened

Visa Waiver To Benefit Tourism

A positive development for our sector is the recent visa waivers announcement by the Department of Home

Affairs a few weeks back that seven countries have been added to the visa waiver list for travel to South Africa. Citizens of Ghana, Sao Tome and Principe, New Zealand, Cuba, United Arab Emirates, Qatar and Saudi Arabia no longer require visas to visit South Africa.

This announcement made by the Minister of Home Affairs, Dr Aaron Motsoaledi, is amazing news and could not have come at better time for our industry. As we look to growing the African business events sector, the visa waivers will go a long way to assisting us in achieving this.

Business Events Market Overview

South Africa is a multifaceted country with some of the world's most unique experiences on offer. Three years ago, government approved an amount of R90 million that was aimed at establishing a ground-breaking Bidding Support Programme to propel our country's business events industry forward. This grant enabled us, as South Africa, to bid more aggressively for international association conferences, meetings, incentives and exhibitions and we have done so over the last two of the three years that this fund was given to us. We have been able to provide improved support across the bidding process:

During the 2018-2019 financial year (1 April 2018 to 31st March 2019) South Africa had a target of 105 submissions and in conjunction with the city and provincial convention bureaus the SANCB submitted 108 bids, which represents a 14.89% increase compared to the 2017-2018 financial year.

The 108 submissions included 94 meeting, incentives and conferences and 16 exhibitions that was supported through the bid support programme.

The 94 meetings, incentives and conference represented a combined estimated economic impact of R2.4bn and the 16 exhibitions combined economic value totalled R135m.

Combined, these events have the potential to attract 80 429 delegates to South Africa between 2019-2024.

These submissions have a combined potential to generate 501 events days.

To date, 29 of the bids were converted into secured events for the country with 3 lost to competing destinations and 61 still awaiting outcomes. 55.5% of these bid submissions were for association conferences followed by 30% for corporate meetings and incentives and was dominated by the medical and life sciences sectors.

Every time we host mega-events here in our shores, we deliver important socio- economic benefits to our people. Ladies and gentlemen, these events put South Africa on the map as an exciting and value for money option for meetings, incentives, conventions and exhibitions. We have all the infrastructure, technical capacity, expertise and experience that's needed, not to mention you, the extremely welcoming, service-oriented and capable people.

From a government point of view, it is critical that we don't only limit these events to the major centres, but spread the benefits of business events and leisure tourism to the less-visited – but no less capable or equipped – corners of our beautiful country. Let us also continue contributing to the transformation of the lives of South Africans.

We are already encouraged because 28% of the bid submitted in the last fiscal included smaller town and combinations between metropolitan areas and smaller towns. Some of these town include Port Elizabeth, Tzaneen, Bela and Mokopane. Bids were also submitted for Limpopo, North West and Mpumalanga provinces, improving the regional spread of bids from 13% in 2017-2018 to 28% in the 2018-2019 financial year.

The sustained growth of South Africa's business events industry is good news for the economy. While we are pleased that the sector brings in millions of Rands worth of foreign direct spend, what is really exciting is that the business events industry fuels the knowledge economy in two key ways:

Firstly, when South Africa hosts an international association meeting or a global corporate event, our local

professionals and industry leaders are exposed to cutting-edge research, expertise and knowledge as well as excellent networking opportunities with global leaders in the field or sector in question.

Secondly, by hosting international events in areas where South Africa is a global leader, the country is given an opportunity to showcase its expertise to a high-level audience from across the world, providing exceptional networking opportunities which could lead to further investment and growth in the field or industry sector in question.

To ensure that South Africa's business events industry has the biggest impact on South Africa's knowledge economy, the South Africa National Convention Bureau (SANCB) is focusing its efforts on attracting events in economic sectors that have been identified by government as priority sectors for future development.

The target industries include manufacturing, with a specific focus on areas where South Africa excels including the automotive, chemical, pharmaceutical, agri- processing, electronics and biofuels sectors.

While we are impressed by the healthy growth of this sector we acknowledge that there is a long way to go before this sector can truly reach its potential. I am sure we can continue to count on your commitment.

Hosting major events in these sectors can contribute significantly in accelerating macro-economic benefits for the country and also demonstrate that the country has the intellectual property to compete globally.

Continuity and Change: Addressing Transformation

Having said all that, I have been asked Program Director, given the change in leadership of the 6th Administration, whether there would be any change in strategic vision of government on tourism. I'm aware that change, in any form whatsoever, brings uncertainty. It is even more so when it is a change in leadership.

I would like to take this opportunity to assure you delegates, that there will indeed be continuity and change, continuity from where the previous Ministry left, and a change to move with speed to implement programmes and projects, a change for an increased cooperation and partnership with yourselves as the champions of the industry. A change to address transformation agenda: a transformation agenda that reflects inclusivity in the management, change of ownership and control of the means of production! However, stability in the tourism sector will be the order of the day.

Conclusion

We look forward to seeing you at Meetings Africa, our continent's premier Business Events trade show. Next year Meetings Africa will be 15 years - an important milestone. We invite you to come partner with us and we, together, grow South Africa and indeed the rest of the continent's business events sector.

My door, and that of the Minister, are always open for any constructive engagements, to help strengthen the tourism sector, and grow our economy.

Ladies and Gentleman, I wish to leave you with the wise words of our founding Father of Democracy President Nelson Mandela, who once said, and I quote: "... A fundamental concern for others in our individual and community lives would go a long way in making the world the better place we so passionately dreamt of. When people are determined they can overcome anything!"

I wish you a robust deliberation, successful Congress and progressive outcomes

I Thank You