



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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Speech by the Deputy Minister of Tourism, Tokozile Xasa, at the iLember Chamber of Commerce Gala Dinner

The role of National Central Government in unlocking tourism potential in secondary cities in unlocking regional economic growth.

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Ladies and gentlemen

I am honoured to be here with you today on the back of a very successful Indaba - Africa's top travel products and the meeting place of Africa's tourism leaders. This has once again reaffirmed that the tourism space is truly dynamic!

Tourism is recognised worldwide as a key driver of economic growth and job creation. The growth in the tourism sector has been steady, silently churning in the background while the rest of the economy has been volatile. There is no surprise that it is one of the six key growth sectors in the New Growth Path, and its contribution to the GDP which measures 3.9% - more than most labour-intensive sectors. Tourism in South Africa contributed R357 billion (direct and indirect) to our GDP in 2014, and supported 9.9% of total employment.

This is a beautiful region with its rich coast line, warm ocean and sub-tropical climate! The tourism sector in the North Coast is consistently growing and offers cultural, heritage, beach and nature-based tourism.

Resort development is prominent along the coastal spine. iLembe provides links to many other tourism areas in KZN such as the Midlands, Elephant coast and Zululand. Tourism in the area now has the advantage of King Shaka International Airport with thousands of tourists arriving on the North Coast every day.

The promotion of the North Coast as a tourist destination has been successful, especially amongst domestic tourists. Young up and coming domestic tourists prefer the high end tourist options offered by the North coast. The coastal tourism is evolving to meet specific markets with 3 star developments being integrated with 5 star options. iLembe offers heritage sites such as the burial place of King Shaka, the Ultimatum Tree and the battle between Princes Cetshwayo and Mbuyazi which is located on the banks of the Tugela River and forms part of the King Shaka Heritage Route. Other tourist attractions of high significance include the Shembe pilgrimage, Impi meeting sites, Kwaloshe Forrest and Kwa Shu Shu hot springs.

The Department of Tourism is tasked with the development and promotion of tourism in the country, support the tourism industry and newly emerging tourism businesses. The Department is committed to one key objective, and that is, to make South Africa a preferred destination for tourists from all over the world. In addition, it ensures that the tourism industry contributes to inclusive economic growth thus creating jobs so that all sections of our society can participate meaningfully and benefit from tourism.

Our government has recognised the potential of tourism for economic growth as stated in the National Development Plan (NDP). The World Travel and Tourism Council (WTTC) estimates that, by 2025, tourism will contribute about R561 (direct and indirect) billion to our GDP and will support over two million jobs.

Tourism has truly become a 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.

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 2014, 680 817 people were directly involved in producing goods and services provided to 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 SMMEs. Some of these small businesses will become the big and successful big businesses of the future.

The Tourism Incentive Programme (TIP) which was launched in March of 2015 – with the overarching policy rationale rooted in the National Development Plan (NDP) and the New Growth Path (NGP) - recognises tourism as a labour intensive and tradable service sector and a catalyst to support 'faster and more inclusive economic growth'.

The Department of Tourism has established an Enterprise Development Project Management Unit (PMU) which will focus on the following areas, namely:

Enterprise Development Online Information Portal

The purpose of the online information portal is to increase access to business related information and online tools by tourism SMMEs countrywide. The department's IT Unit is leading the design of the portal. The negotiation with Business Partners to share information on SME Toolkit is underway and launch of the Portal is expected to take place in the first quarter. The portal will provide information in the following areas: Tourism Incentive Programme (TIP), service excellence, request for support, current tourism business news, e-learning tools, start-up advice, inline surveys, events calendar, compliance requirements, grading info, Lilizela awards campaign, profiling of success stories; and opportunities listing.

Business Advisory Services

The department has expanded the number of service providers to seven which will allow for a wider reach and diverse expertise we can tap into for comprehensive support to SMMEs.

Tourism Incubator Hubs Establishment – this is to support emerging SMMEs until they are ready to function on their own.

The department will establish two tourism incubators in two thriving tourism destinations in the country.

A stakeholder engagement roll out is underway starting in the North West Province where we have engaged Government and Community of the Pilanesberg cluster, and the private sector representative body TBCSA. The Small Enterprise Development Agency (SEDA) will work with the department in the two pilot tourism incubators.

Currently we are investing in our iconic and world heritage attractions to make them accessible and affordable to our people. Some of these attractions include the iSismangaliso Wetland Park, Robben Island, Mapungubwe, Cradle of humankind, to mention a few.

Through our entity, South African Tourism, we have set aside R100 million rand to promote domestic tourism through a vigorous marketing campaign. This will assist in dealing with seasonality, geographic spread, increased length of stay and inculcate the culture of travel. Therefore we need the industry, provincial and local spheres to come on board so that we can build a strong domestic tourism economy.

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 domestic tourism markets include township tourism, culture and heritage tourism, sports tourism and social tourism. All these attractions contribute significantly to domestic tourism – which is the

backbone of this industry. This serves to enhance South Africa and to position it as a destination of choice.

Recently we have also joined forces with the Department of Environmental Affairs to unlock the full potential of the Oceans Economy and more especially coastal and marine tourism. We want to ensure that through our work in this area we can over the medium to long term unlock the vast economic potential of the coastal and marine tourism which covers over 3000km of coastline.

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. To this end,

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.

The establishment of the Women in Tourism Forum in 2014 is aimed at addressing the economic inequalities and challenges faced by women within the sector. To address these disparities, we have, in partnership with the University of South Africa (UNISA) Graduate School of Business Leadership launched the Executive Development Programme (EDP) for Black women tourism managers. The programme is aimed at building strong business skills and leadership capabilities amongst black women in the tourism sector to lead key parts of tourism businesses and form a pool of future top leadership, entrepreneurs and industrialists in the sector. The pilot for the programme will run for a period of 12 months starting with an intake of 20 Black women in July 2016.

We would like to appeal to the industry stakeholders to create opportunities for young people to join the tourism and hospitality sector through various means, one of which is to offer internships and training for young people. The department is actively promoting the promotion and inclusion of young people into the tourism industry.

The Department of Tourism has several skills development programmes that involve women and youth in Tourism. This was established in order to provide women and youth with the skills necessary to follow their passion within the tourism and hospitality sector. These programmes will give them industry accredited qualifications and expose them to the experiential training in the work environment, preparing them for a career in the tourism and hospitality industry. In merging the practical experience with the theoretical knowledge, our graduates are absorbed easily into the hospitality industry workplace, standing out and impressing employers in a market that is flooded with lesser-qualified applicants vying for jobs.

So today, I have shared with you the various strategies that our department has in place for unlocking local economic benefits. Coupled with your diverse basket of tourist treasures, I trust you will continue to do the sterling job that you have been doing in making South Africa a destination of choice.