



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

Private Bag X424, Pretoria, 0001, South Africa. Tel. (+27 12) 444 6780, Fax (+27 12) 444 7027
Private Bag X9154, Cape Town, 8000, South Africa. Tel. (+27 21) 469 5800, Fax: (+27 21) 465 3216

Budget Vote Speech for the Deputy Minister of Tourism, Ms Tokozile Xasa, MP

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TOURISM MOVING SOUTH AFRICA FORWARD!

As we celebrate 20 years of freedom and democracy, we use this opportunity for reflection on what we achieved in the tourism sector. In order to craft a path forward we can learn much from our experience over the last two decades. Not only have we healed as a nation, we have also seen the significant emergence of tourism as a fundamental pillar of the economy, a source of foreign exchange earnings, a job creator, a builder of social cohesion – a sector of hope and opportunity.

Twenty years ago, tourism was the eco-tourism playground of the elite. Our destination was known mainly as a safari destination. Then we emerged from our status as an isolated pariah state with only 3.6 million international arrivals per year and a GDP contribution of merely 1.7% (direct) in 1994. Over the twenty years, international arrivals have increased more than three-fold, and the share of GDP is up to 3% (direct). In the 20 years prior to South Africa becoming a democracy, tourism growth was flat. I am pleased to announce in the 20 years following our liberation, international arrivals have grown by an average of more than 7% per year.

Today, we can proudly acknowledge hosting some of the biggest tourism mega events in the world. All of these have contributed to redefining our country's image and building social cohesion:- the World Summit on Sustainable Development, the Rugby and Cricket World Cup Tournaments, the Indian Premier League, the 2010 FIFA World Cup, the BRICS Summit and so on. The announcement and eventual hosting of the 2010 FIFA World Cup helped to raise the profile of South Africa on the global stage and positively developed tourism further as a competitive industry that creates a better life for all our people.

The R3.6bn economic boost from the event, the brand exposure and the immense positivity towards our destination created worldwide is well documented. On the ground, this mega event stimulated local economic development and community upliftment. This event successfully united our nation as brand ambassadors and excellent hosts, it grew the skills base and led to public and private infrastructure investments. What we have learnt from this experience continues to inform our strategy to grow tourism consistent with our NTSS targets for 2020.

A glimpse of how these came about stems from the new policy and legislative developments that were designed since 1994. This includes the adoption of a new Constitution with concurrent powers for tourism development and promotion for all provinces; the 2014 Tourism Act which streamlines our efforts as a modern tourist destination; the NTSS that represents the unified vision of all stakeholders in the public and private sector and the New Growth Path that has identified tourism as one of six core economic drivers.

In addition, we have a stand-alone National Department of Tourism and SA Tourism with a combined budget in excess of R1.6bn – which should be compared to national government's

meagre investment of R81m in tourism in 1994. Over the 2 decades, South African Tourism has been transformed from a country - promotion and publicity organisation into a dynamic global destination - marketing organisation – with the focus shifting from pray and spray marketing to a carefully targeted approach informed by the best available market research. In 1994 SA hosted 12 international association events that met the ICCA ranking criteria; attracting only 5950 convention visitors to the country. The National Convention Bureau which was established in 2012 focuses on positioning and selling SA as a premier convention and business tourism destination and growing the industry's capacity and skills. During the last financial year (2013/14) the Convention Bureau supported 57 bids that will result in an estimated 180 conference days involving 76 000 delegates and an estimated economic impact of R948 million. We have already secured 150 conventions that will bring an estimated 240 000 delegates to our shores, and an estimated economic impact to the tune of R3.2 billion. In addition, South Africa, in 2013 according to ICCA was ranked 34th internationally and maintained its 1st position in Africa and the Middle East as conference and business events destination.

An area of strength is our successful partnerships with stakeholders including the media, trade, technology players and social media outlets that have improved brand awareness and has enhanced growth in foreign tourist arrivals.

Our Tourism Indaba's highlight this year was the world class TECH ZONE. This showcased the possibilities of high level global connectivity which is critical for the modern day traveller as it supports easy access to information on our destination.

At the heart of this vibrant industry is its human capital. We have shown that we are not just a destination of note with amazing eco-tourism tourism products, landscape, beaches and wildlife, but we pride ourselves on the warm human experience and rich cultural diversity that makes a visit to South Africa so unforgettable.

With the rapid growth of tourism in a new democratic South Africa, the demand for skilled and a well trained workforce increased. In the mid-1990s tourism was introduced as a subject in the school curriculum and more tertiary institutions introduced diploma and degree courses in tourism and hospitality management. The formation of a tourism sectoral training organisation also led to the development of the Tourism and Hospitality Education and Training Authority (THETA) in 2000, which was subsequently restructured to form the current CATHSSETA (Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority).

The apparent skills gap in the sector as highlighted in the Global Competitiveness Project study led to a partnership with the THETA and the TBCSA, to host a conference on tourism skills development in 2006/7. The conference led to a National Tourism Skills Audit being conducted in 2007, which in turn informed the development of the Tourism Human Resource Development (HRD) strategy. Some of the notable initiatives that flowed from the Tourism HRD strategy includes the annual National Tourism Careers Expo (NTCE) that exposed more than 60 000 learners to tourism training and career options since 2008, and more recently a Tourism and Hospitality Curriculum Evaluation process in partnership with UMALUSI and CATHSSETA towards improving the programmes offered at school level. The Eastern Cape will host its last leg of the three years in October and the department together with its partners should review the program to enhance provincial participation and impact.

Other interventions include the Social Responsibility Initiative (SRI) such as the Tourism Ambassador program where youth is trained in the hospitality field and will emerge with a SAQA qualification in either accommodation or food and beverages services; and our Sommelier training for young people in wine advisory certificate level 1. One identified gap was in food safety in hospitality - a scientific discipline aimed at handling, preparing and storing food in ways that prevents food borne illnesses. A Food Safety Program has subsequently been developed - a successful legacy of the 2010 FIFA World Cup.

After consultation with the hospitality industry, the NDT and FEDHASA entered into an agreement to introduce a new occupation - Food Safety Assurers in hospitality. 100 young tourism and hospitality FET graduates have been recruited, inducted and placed in facilities - two of them are our guests here today. I welcome Mr Siphephelo Dlamini and Ms Mpilenhle Shabangu. The program helps in the compliance levels of establishments and we already have positive feedback from hosts such as Tsogo Sun. Should full rollout be achieved, 5 000 FET graduates will benefit in this program by 2020 and will have trained and educated over 75 000 food handlers in the industry on food safety practices, making SA the global Capital of Food Safe Destinations. We need more private sector partnerships to achieve these goals as agreed in the NTSS. We need to translate skills development programs into accredited training thereby providing growth opportunities for each employee. We need more integration of all role players to enhance our efforts to create jobs, entrepreneurs and boost the economy.

The National Youth Chefs Training Programme has a number of success stories and achievers in its short history of really changing people's lives. Two outstanding heroes of the programme are Mr Tlali Masakala and Ms Diana Mazengera and I welcome them here today. They come from very difficult and poor circumstances and are committed to the course and focused on their training.

Chef Tlali Masakala (27) is a previously unemployed youth from Qwa-Qwa in the Free State. He won the Nestlé Professional Golden Chef's Hat competition in 2013 and the prize for this competition was an all-expenses paid working trip to Singapore to gain work experience under Chef Alan Orreal of Resorts World Sentosa.

As a result of attending the NYCTP, Chef Diana Mazengera (28) is the proud owner of a successful Guest House, Diana runs a very successful business at 80% occupancy, now employing 10 people full time.

These are just a few of our achievements over the past two decades. We have risen to our challenges and embraced our opportunities. There will be more opportunities for SMMEs as part of our transformation program through the SRI and the soon to finalised NDT incentive program. Creating opportunities for development of women is foremost on our agenda. The NDT in partnership with TBCSA will this year host an inaugural conference that will help craft a strategy of moving SA forward through the development and growth of women in this sector. We have positioned this sector as a catalyst that can and is able to create multiplier effects.

The NDT has also identified universal access in tourism as an important initiative to enhance SA's competitiveness in line with our NTSS target of being a top 20 tourism destination by 2020. The Tourism Grading Council of SA has integrated UA into its grading criteria to encourage compliance by the hospitality sector with international standards, especially those related to access, signage, and ease of general daily tasks. We have written a chapter in the good story that is South Africa while we continue to tackle the challenges that face the country.

I would like to conclude by calling on all to continue to grow this industry and work together to move South Africa forward.

Special appreciation goes to the Honourable Minister, for leadership and guidance, the Chairperson of the Portfolio Committee and Members, the Department, and SAT as well as the Industry. Lastly I want to thank my sister who is present here today and my family for the support they provide.

I thank you.