



**MINISTRY OF TOURISM  
REPUBLIC OF SOUTH AFRICA**

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**Speech by the Deputy Minister of Tourism, Tokozile Xasa, at the launch of the Greater Edendale Tourism Emerging Businesses and Homestay Programme – Pietermaritzburg**

**21 November 2015**

Ladies and gentlemen,

There is a quote that goes...”If you try to put social and cultural development ahead of economic development, it doesn't work. You have to do it all together - Aga Khan IV” And what I am seeing here today reflects that sentiment. It therefore gives me great pleasure in being able to launch the Edendale tourism emerging businesses programme. And I commend you for this as it reflects your willingness to work with all spheres of government to further economic empowerment.

Developing a strong and growing SMME community is a priority of the National Development Plan's (NDP) vision. SMMEs are expected to be central to South Africa's job creation efforts and economic development, in line with national priorities and international trends. SMMEs have, in fact, been a central focus of government's growth strategies. Small business and entrepreneurship are key elements of South Africa's economic strategies. To this end, significant resources have been committed to drive their development. These include programmes for SMME support by the Department of Small Business Development, Small Enterprise Finance Agency (SEFA) and many others.

Research has shown that it takes a minimum of three years for an enterprise to gain the confidence and trust of the market which are crucial business growth and sustainability factors. If during this period the enterprise fails to provide a quality service and experience, brand and reputational damage can result in the enterprise taking longer to successfully enter the market. The key to small business sustainability lies in a holistic approach which is a combination of information, business support, skills development for the entrepreneur and staff, access to financial support and access to the tourism value chain (Market Access). Access to business services such as professional and operational assistance, marketing, training and quality assurance are indispensable for the growth and sustainability of any business, especially for small tourism businesses. South Africa needs not just more SMMEs, but more sustainable, growing SMMEs.

The department entered into 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 and market access, and access to finance thereby actively supporting the creation of new jobs and maintenance of existing jobs.

Look at what has been achieved to date. During the 2014/15 financial year, the department supported 466 rural enterprises, 35 enterprises supported with mentorship, 282 enterprises supported with market access, 1363 Historically Disadvantaged Enterprises supported, 1203 SMMEs trained on customer service and business skills and 2701 full-time equivalent (FTE) jobs were created by SMMEs through the support of this partnership.

In the 2015/16 financial year, the department is supporting one hundred (100) rural tourism SMMEs through the Tourism Enterprise Partnership (TEP). The focus is on skills, mentorship, and access to information, market access, training and quality assurance. The department will contribute R13.5 million towards the partnership.

I am also pleased to launch the Gilda Express Homestay programme today. The name Gilda is a township word for sleeping over and you have had hosting homes in the past years before officially embarking in this programme. Thank you for responding to the call. During Tourism Indaba held in May 2015 Malaysian delegates invited South Africa to participate on the Homestay programme. The purpose of the invitation was to create an opportunity for South African delegates to embark on a study tour to learn about the successful homestay community based tourism programme.

In return the department extended the invitation to all nine provinces to participate on the study tour. KZN, Eastern Cape and North West responded to the invitation and joined the study tour to Malaysia from the 15 -21 August 2015. The study tour created opportunities for South Africa (SA) to gather information that will assist in processes for developing the framework for South Africa Homestay Programme. The framework will be aligned to the NTSS and Rural Tourism strategies.

These strategies highlight the importance of developing and growing the supply of diversified tourism products which amongst others should include rural tourism and community based tourism products.

Another important area is to build partnership for product development, tourism marketing, human resource development, tourism infrastructure, tourism research and fostering a national stewardship in order to create high quality visitor experiences and strengthening local economies.

In the South African situation it is important that homestay initiatives incorporate programmes such as Service Excellence and Responsible tourism to ensure accessibility, relevancy and adherence to Service Excellence and Responsible tourism standards. There should be linkages such as variety of activities with a mix of tourist attractions in order to diversify the tourist experience in South Africa.

The department strongly believes that the implementation of homestay programme will ensure that rural communities benefit from the programme and increase domestic tourism revenue which is in line with the objectives of the Domestic Tourism Strategy.

South Africa is a developing country and the focus in rural tourism, this homestay model can be used as one of the vehicles for achieving rural development and township tourism which in turn forms an integral part of social tourism. However to date, this is still an exploratory exercise as we are in the process of doing baseline research on this initiative.

In conclusion, I would like to say that I am delighted to be part of this initiative today. Your commitment and dedication to economic empowerment makes me so proud. What I see here today inspires me and reinforces the concept that Together we can move South Africa forward. Thank you KZN!

“Profit isn’t and shouldn’t be the mission of business. The mission of business is to help people. To help your customers, your co-workers, your employees, and your partners. Success is not a number — it’s not X dollars or Y customers — it’s a measurement of VALUE.”  
— Fran Tarkenton