



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

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Tourism Budget Vote Speech delivered by Minister Derek Hanekom in the National Assembly

16 July 2014

Chairperson

Honourable Members

Who would not be touched by Alan Paton's famous quote from *Cry the Beloved Country*:

"There is a lovely road that runs from Ixopo into the hills. These hills are grass-covered and rolling, and they are lovely beyond any singing of it. The road climbs seven miles into them, to Carisbrooke; and from there, if there is no mist, you look down on one of the fairest valleys of Africa."

This is a moving description of but one corner of this most magnificent country of our birth; a country of almost unrivalled and diverse scenic beauty – home to the landscapes of iSimangaliso Wetland Park and uKhahlamba Drakensberg Park in KwaZulu-Natal, as well as the Cape Floral Region, including Table Mountain majestically towering above this parliamentary precinct. We are the world's third most biodiverse country, and these are only three of our eight unique world heritage sites.

We also boast world heritage sites narrating the story of where we come from – the Vredefort Dome in the Free State, which reveals geological secrets about the origins of life on earth; the Cradle of Humankind in Gauteng, where our symbolic umbilical cord lies buried, the place we all come from; the spectacular Richtersveld landscape, which is still home to the Nama pastoralists in the Northern Cape, and the ancient site of the advanced Mapungubwe civilisation, with the golden rhino and other artefacts dating back to the 14th century, in Limpopo.

There is also no other country in the world whose first democratically elected President has been immortalised through a day declared by the United Nations in honour of his legacy; a day on which the world is mobilised to fight poverty and promote peace and reconciliation. It is only here that we can walk in Tata Madiba's footsteps along the route of the Madiba Journey, a pilgrimage which includes a visit to Robben Island.

These sites belong to all of us and instil a shared pride that has the potential to further build our nation. They offer us the narrative of a common humanity in South Africa, on the continent, and in the world. The onus is now on us to do much more to ensure that this wonderful country of ours, with such scenic beauty, abundance of wildlife, rich history and cultural diversity, indeed belongs to and is enjoyed by all.

Our heritage landscape is slowly changing to reflect our African identity and our struggles against colonialism and apartheid. We boast vibrant music and dance, fine arts and crafts, film and photography, and fashion and design that shape and define us as a nation. Our museums and theatres, our festivals and events, and the abundance of sport and leisure activities make up an irresistible offering. Provided that all the correct building blocks are in place, there is no reason why the tourism sector should not continue to grow as it has been doing over the last 20 years.

Domestic tourism has grown, but – as stated in our National Tourism Sector Strategy – it must grow more, and we will endeavour to ensure that this happens inclusively and responsibly. The child of a mineworker must have the same opportunity as the child of a wealthy businessperson to visit our world heritage sites, to go to our national parks and botanical gardens, to attend theatre and concerts, and to visit museums and art galleries. We will not have successfully mined the potential of tourism until all South Africans speak with a single, proud voice about all that we have to offer, and for this story to be heard by different segments of the tourism market everywhere in the world.

I use the word “mine” deliberately. The tourism industry is the new gold, directly employing 617 000 people, or 4,6% of the total workforce in 2012.. This is far more than the number of people employed in the mining sector. If we add indirect employment, it exceeds 1.4 million people, roughly 10% of the total workforce. This represents an impressive annual growth rate of 4.7% over the past 20 years.

In addition, we have seen a number of developments over the last 20 years:

- The number of accommodation establishments has almost tripled, from just 7 721 to almost 20 000.
- Conference venues have almost doubled, from 1 250 to 2 598.
- The fleet of cars and coaches has more than doubled, whilst the number of airlines flying to South Africa has grown from 21 to 76.
- In 2012, according to Stats SA, tourism’s direct contribution to gross domestic product (GDP) was R93 billion, with a staggering annual average real growth rate of 7.3% over the past 20 years.
- International tourist arrivals to our shores grew to almost 10 million last year.

As impressive as these numbers are, some say we may have reached a plateau. If this is the case, it would follow that some bold and innovative new initiatives are needed that will have a positive impact on the entire tourism value chain.

Our strategies must be informed by excellent research and planning. We need institutional arrangements that operate effectively, including strengthening the coordination between national, provincial and local tourism authorities. For tourism to succeed, the attractions must be appealing and high-quality, and marketing must keep pace with our fast-changing technological world where the internet has become as important as the travel agent. Ease of mobility and safety for tourists are paramount.

Although our country with its warm hospitality is not difficult to sell, we will have to use all our creative energy and do all the right things to get a greater share of the international tourism market, and to extract the full value of inbound tourism as an earner of much-needed foreign exchange. This means understanding the factors that drive inbound tourists’ decisions, and ensuring that the excellent work done by SA Tourism and Brand SA translates into South Africa becoming one of the top 20 destinations by 2020, as envisaged in the National Tourism Sector Strategy. South Africa is competing with many other destinations. We need to do everything possible to ensure ease of access for tourists, including entry requirements, cost of entry, and the convenience and affordability of air travel. Promoting this amazing offering represents a key part of the mandate of South African Tourism, our destination marketing organisation, which receives the lion’s share of our 2014/15 budget allocation of R1,6 billion. SA Tourism has built a strong reputation for wisely investing our resources in identified markets where we know we will get a good return. Their global marketing campaigns literally reach billions of people all over the world, and are supported by consumer campaigns in targeted markets. This includes long-haul overseas markets, but very importantly, also our regional African and domestic markets.

Given the strong growth potential in Africa, we have ring-fenced nearly R300 million for SA Tourism to expand their marketing presence on the continent. This will include the opening of another four marketing offices across the continent over the next few years.

SA Tourism’s “Sho’t Left” marketing campaign for domestic tourists is already delivering results, and will be bolstered in the next financial year by another R100 million in secured ring-fenced investment. The positive brand awareness that SA Tourism has built also finds expression in how we have modernised INDABA, the

biggest trade show on the continent. We have positioned the SA National Conventions Bureau and the Meetings Africa trade platform to make sure that we and our partners on the continent get our fair share of the lucrative market for business tourism events.

Furthermore, we must make sure that we deliver the quality experiences that tourists expect. This forms a critical part of the work of the Tourism Grading Council of South Africa as well as the National Department of Tourism's ongoing efforts to advance service excellence and create a registration database for tour guides. For most countries, we are a long-haul destination. Therefore, we need to work extra hard to ensure that the long haul is worthwhile, and that every visitor to South Africa, whether for business or leisure, sport or conferencing, leaves with a good lasting impression and firm plans to return soon.

Notwithstanding our good brand, some new, innovative programmes are needed to sharpen our competitive edge. It is with this in mind that I invited various stakeholders to a consultative workshop last Friday. This followed various interactions with industry representatives over the last few weeks. My Department and our partners will now embark on an intensive exercise to design three new initiatives to enhance important components of the tourism value chain. These initiatives will create significant new work opportunities.

One of these initiatives is to finalise our tourism incentive programmes (the so called DTI subsidy). The plan is to incentivise the retrofitting of tourism attractions and accommodation for energy and water efficiency as well as universal accessibility. Not only will this keep operating costs down, but will contribute significantly to our drive for a green and low-carbon economy. Tourism destinations and tourists worldwide are responding positively to the call for responsible tourism. Many travellers make decisions based on fair trade, community benefits and sustainable development practices. There are already many inspiring examples of establishments recycling greywater and introducing energy saving measures. Retrofitting the entire industry, including accommodation and attractions, will create work for years to come, and will enable us to claim world-class sustainable development practices as a value-add for tourism.

It is well known that tourism works best if tourists know where to go and how to get there. We intend making our ports of entry more welcoming and tourist-friendly. This could include branded and staffed information centres equipped with touch-screen portals. We will link these information centres to similarly branded centres at our main tourism attractions around the country, so that we do more to encourage tourists to visit our hidden gems in all corners of our country.

Exploring also requires clear and attractive signage that works. We will cooperate with other departments and spheres of government to creatively overhaul tourism signage to become a more attractive reflection of our brand identity. Additionally, in the day and age where tourists travel with handheld devices and smartphones, and share their experiences in real time using geo-location tags, enhancing the digital or virtual signage of our attractions, roads and facilities represents another significant opportunity.

Our strategy takes into account the diversity of our attractions and experiences. Research shows that successful tourism destinations aggressively market their unique attractions to improve their competitiveness. Working with the industry, we will focus on our strongest tourism magnets; those attractions that not only provide the pull for inbound tourists, but should be on every South African's "must do" list as well. These iconic attractions include our national parks, botanical gardens, vibrant city precincts and, of course, our world heritage sites. A visit to some of these treasures must also become an entitlement for every child in our country – our challenge is to find new ways of ensuring access and affordability. Enhancing and marketing these iconic offerings require partnerships with industry, other government departments – particularly Arts and Culture, Sport and Recreation, Environmental Affairs, Basic Education and Brand SA – as well as with the provincial and local tourism authorities.

The National Tourism Sector Strategy identifies fragmentation in the system, in particular the fragmented funding of tourism development, as one of the challenges to be addressed. Therefore, to facilitate stronger coordination between the different funding vehicles for tourism, a National Tourism Development Funding Forum will be established, which will be chaired by the National Department. This will go hand in hand with

the finalisation of the new tourism incentive programme, the expansion and improvement of how we apply our EPWP funds to ensure sustainable outcomes, and the mobilisation of new interagency funding to benefit tourism.

We are at the start of a new political term of office. Our mandates are clear. The ANC-led government will honour the pledges made in our manifesto, and will use the National Development Plan as our guiding document and vision. We will do all we can to ensure that tourism contributes significantly to job creation, the elimination of poverty and substantial reduction of inequality.

Ultimately, growth in tourist arrivals is not an end in itself. The growth of our sector must be shared. We must maximise the economic potential of tourism for our country and all its people. As tourism happens in local communities, this is where tourism should deliver significant and meaningful economic benefits. When all is said and done, the tourism balance sheet must show that we are delivering on the promise of a better life for all South Africans; that tourism is a catalyst for rural development, job creation, the growth of SMMEs and the nurturing of new skills. In order to enhance our sector's contribution to inclusive growth, the Department of Tourism will continue to invest in skills training and entrepreneurship development, support the development of catalytic infrastructure in communities, and will shortly be publishing the revised BBBEE codes aimed at furthering our transformation objectives.

Chairperson, allow me to express a few words of appreciation. I'll start with my friend and predecessor, Marthinus van Schalkwyk. He was at the helm for no less than 10 years and it was under his watch that a solid foundation was laid, on which we will continue to build.

To Deputy Minister Thokozile Xasa, thank you for the warm welcome. I look forward to working closely with you to further build and transform this sector over the next few years.

Our Director-General, Kingsley Makhubela, and his management team have ensured that we have a well-managed department. I have no doubt that we will get another unqualified audit for the 2013/14 financial year. Upon my arrival in the Department, I have found a group of dedicated public servants, who are truly passionate about their work.

SA Tourism, under the leadership of a dedicated board and the CEO Mr Thulani Nzima, continue to do outstanding work in marketing our magnificent destination. It will be my pleasure to open our newest country office in Brazil in September.

Members of the Portfolio Committee and Chairperson Comrade Beatrice Ngcobo, I am looking forward to interacting with all of you, working on the premise that we all want what is best for our country.

In conclusion, Chairperson, Friday will be the first Mandela Day since we lost our beloved and esteemed Nelson Mandela. In his State of the Nation address, President Zuma called on all South Africans to roll up their sleeves and clean up our country. This should be a permanent campaign. A clean country is certainly more attractive to visitors. On Mandela Day this year, let us commit ourselves to seeing that every South African becomes an equal partner on this journey, the child of the mineworker and the child of the wealthy businessperson. Although most tourism attractions do open their doors from time to time, we can do much better than that.

In Nelson Mandela's own words:

"What counts in life is not the mere fact that we lived. It's what difference we had made in the lives of others that will determine the significance of the life we lead"

We need to work together to ensure that as many South African as possible are able to participate in and reap the benefits of this amazing sector.

Thank you.

