



**MINISTRY OF TOURISM  
REPUBLIC OF SOUTH AFRICA**

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**Tourism Budget Vote Speech by Minister Derek Hanekom in the National Council of Provinces: 12 June 2018**

Honourable Chairperson,

Honourable Members,

Deputy Minister Thabethe,

I am honoured to be back in this exciting portfolio. It's a special privilege to be here today with our partners in our provinces, where "We Do Tourism".

We have a beautiful country, with rich cultural diversity and spectacular natural attractions, giving us a solid foundation to grow tourism responsibly, sustainably, and inclusively.

With a total of 1.6 million people employed across its wide value chain, tourism is a beacon of hope for so many people in our country who are without jobs and incomes.

**Strategy**

Last year, over 10 million international tourists visited South Africa, and we can substantially grow the number of visitors to our country if we implement our revised National Tourism Sector Strategy. The strategy is anchored around five pillars, namely:

- Improving our tourism assets and infrastructure;
- Offering excellent service and creating memorable experiences;
- Marketing our destination effectively;
- Making it easier for tourists to come to our country;
- And, very importantly, transforming the industry.

Honourable Members, as you are well aware, there is massive untapped potential for tourism growth across our country, in all provinces. The quality of the 135 Hidden Gems, which were put on show at Africa's Travel Indaba, shows just how much value can be unlocked, and how our tourism offer can be diversified.

Increasingly, tourists are looking for authentic and unique cultural experiences. Enterprises that provide these immersive cultural experiences attract more tourists, and at the same time extend the geographic spread of tourism to remote rural areas, where jobs are so desperately needed.

**Destination Development**

Honourable Members, for us to remain competitive and increase our visitor numbers, we have to continuously improve our product offerings. Last year we developed a Destination Planning Manual. This year we will use the manual to develop tourism precinct plans, starting, as it happens, right

here in Khayelitsha.

The Department will also conduct master-planning exercises in areas where there is under-developed potential. These sessions will identify infrastructure needs, planning approvals, policy blockages and facilitate integration with other sectors.

Master development plans will be created for the area from Sutherland to Carnarvon, which includes the Square Kilometre Array; from Hondeklipbaai to Port Nolloth; from Port St Johns to Coffee Bay; and at the Orange River Mouth..

Destination enhancement projects include the construction of a new gate into the Kruger National Park at Shangoni and the Phalaborwa Wild Activity Hub, creating opportunities for jobs and small enterprises in areas where unemployment is very high.

Construction on the Dinosaur Interpretation Centre in the Free State and the Leopard Trail at the Baviaanskloof World Heritage Site will also start this year.

To make our tourist destinations and facilities more accessible to people living with disabilities, older people and young children, universal access facilities will be built at the Blyde River Canyon in Mpumalanga, the Hilltop Rest Camp at Hluhluwe Game Reserve in KwaZulu-Natal, the Gariep Dam Nature Reserve in the Free State, and the Dwesa Cwebe Nature Reserve in the Eastern Cape.

Interpretive signage will be installed at the Hluhluwe, Mkambati and Dwesa Cwebe Nature Reserves; the Tsitsikamma National Park; the Blyde River Canyon and at the Square Kilometre Array site. This will give visitors all the information they need to make their visits more meaningful and memorable.

The department is also creating a model to guide the development of budget resorts. Many of these resorts are owned by provinces or municipalities, and are in dire need of refurbishment and improved management. They provide opportunities for local entrepreneurs and can help us to grow domestic tourism by providing more affordable holiday options.

Many of our infrastructure development projects are carried out under the Working for Tourism programme, which creates jobs and offers young people an opportunity to develop skills and gain real workplace experience.

Community-led tourism enterprises are being developed at Witsieshoek in the Free State, Khula Village and eMazizini in KwaZulu-Natal, Rampampa in North West and Vilakazi Street in Gauteng.

Developing our assets requires investment from both the public and the private sectors.

We have established a dedicated unit to promote investment, and are developing a pipeline of investment projects. The department is also assisting provinces to package their investment opportunities.

Tourism investments worth R69 billion were made in South Africa last year. This represents over 8% of total investment in our country. Every investment in products, facilities and infrastructure makes our country an even more attractive destination, bringing more tourists, more jobs and more opportunity.

### **Visitor Experience**

Honourable Members, to continuously attract more tourists, the overall experience has to leave customers satisfied and wanting more. Creating memorable experiences requires the best of service at all the touch points of the traveller's journey. Deputy Minister Thabethe will tell you how our

training programmes are opening up new career opportunities, especially for youth and women, while also giving them the skills to offer excellent service to our tourists.

This year the department will implement service excellence standards at visitor information centres in St Lucia in KwaZulu-Natal, Port St Johns in the Eastern Cape, and at Pilanesberg in the North West. This follows the successful implementation of these standards at Manyane Game Reserve, Robben Island and Skukuza Camp in the Kruger National Park last year.

### **Marketing**

The next important pillar is marketing. South African Tourism has set itself the ambitious, but achievable target of an additional 4 million international tourist arrivals and one million additional domestic holiday trips by 2021.

The centrepiece of our marketing efforts, Africa's Travel Indaba, was a great success this year. Over 1700 buyers came to do business with more than 1200 exhibitors, representing tourism products from 22 African countries.

Domestic tourism remains the bedrock of successful tourism destinations, and we are working hard to unlock the potential of the domestic market.

The number of domestic holiday trips increased by about 30% last year, although the average spend and length of stay on these trips has decreased.

Affordability remains the biggest barrier to domestic travel. This presents an opportunity for entrepreneurs to develop products that suit the needs and pockets of all South Africans.

### **Removing barriers**

Honourable Members, one of the easiest ways we can increase tourist arrivals is by making it easier for people to travel to our country. While many countries are issuing visas on arrival, with online visa applications, in most cases travellers to South Africa have to apply in person for a visa, at high cost and considerable inconvenience.

It is encouraging that the Department of Home Affairs has announced its intention to introduce e-visas this financial year, and, in the interim, to accept valid visas from selected countries as valid for entry into South Africa.

We have also agreed to bring requirements for travelling minors in line with the practice in the USA, UK and other countries. This will boost family travel and prevent travellers from being turned away by airlines.

### **Transformation**

Honourable Members, we will do everything we can to ensure the continued growth of the tourism sector. But, growth on its own is not enough - we must ensure that it is inclusive growth, creating not only jobs, but real opportunities for new entrants and the expansion of black-owned businesses in the industry.

The Tourism B-BBEE Charter Council reported that less than 45% of enterprises in the accommodation, hospitality and travel sub-sectors have achieved the 30% target for ownership.

At the conference on the state of transformation in tourism organised by the department last year, delegates urged Government and the private sector to improve access to funding, procurement and markets.

The department has four incentive programmes to advance transformation. These are:

- The Market Access Support Programme, which helps small businesses exhibit at various local and international trade shows, like our own Indaba;
- The Tourism Grading Support Programme, assisting establishments to enjoy the benefits of being graded;
- The Green Tourism Incentive Programme, which promotes the conversion to clean and renewable energy and reduces operational costs; and
- The Tourism Transformation Fund, which was launched last month to help black businesses to start up or expand.

Funding remains a major challenge for new entrants and small businesses. The Fund, which combines own contribution with both grant and loan finance, will help black investors and communities to invest capital in tourism projects, giving rise to a new generation of youth, women and black-owned tourism enterprises.

The value of tourism, Honourable Members, goes far beyond its contribution to economic transformation – it offers life-changing experiences, forges new friendships and allows people to learn about each other, and embrace our wonderful diversity.

As we celebrate the Nelson Mandela Centenary this year, we are exploring new ways of telling the story of our liberation struggle. SA Tourism has created an app called “Madiba's Journey”, which showcases 100 attractions that have ties to Madiba’s life. I urge all of you to use this app - you will discover how digital technology is advancing tourism in our country.

In conclusion, I would like to express my appreciation to Deputy Minister Thabethe for her enthusiastic contribution; the Select Committee, under the sterling leadership of Honourable Edwin Makue; and our MECs for Tourism for the spirit in which provincial and national officials work together.

The work of the South African Tourism team, under the energetic leadership of CEO Sisa Ntshona, is greatly appreciated.

I also thank the outgoing Board Members of SA Tourism for their thoughtful guidance, and I wish the incoming Board, chaired by Monwabisi Fandeso, every success for the term ahead.

And finally, my sincere appreciation to the entire Department of Tourism, led by Director General Victor Tharage, for their passion and dedication.

I value the collaborative relationship we have established with leaders in the tourism industry. Together, we will constantly strive to grow tourism in a way that improves the quality of life of all South Africans.

Thank you.