



**MINISTRY OF TOURISM  
REPUBLIC OF SOUTH AFRICA**

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**Speech delivered by the Deputy Minister of Tourism, Tokozile Xasa at the occasion of the Tourism Buddies Stakeholder Engagement at the Graduation – Eastern Cape**

**4 December 2015**

Dear colleagues in tourism

I am deeply honoured to be here today where we say thank you and honour you for your invaluable contribution to this amazing programme. It's great to be in this province – the home of legends and my home province.

As you know, over the past 20 years, tourism has experienced continued and steady growth in South Africa and has undergone such a diversification in our country to become one of the fastest growing economic sectors. Modern tourism's success depends on, and is closely linked to skills development. In fact, they share a symbiotic relationship. These dynamics have turned tourism into a key driver for socio-economic progress. It has subsequently been identified as one of the economic pillars.

The aim of the Department of Tourism and government is to safeguard the long-term prosperity of the tourism industry through sustainable development, giving special attention to training human resources in specifically tourism-orientated skills, which will ensure the professionalism of service performance. Tourism businesses are no longer competing purely against each other, but against other economic sectors. Supply will have to adapt to the needs of the consumer, and consolidate a competitive advantage.

President Jacob Zuma during his 2015 State of the Nation Address unveiled a Nine-Point Plan as part of a major push forward for the economy. Through the plan government intends to ignite growth and create jobs.

The National Development Plan (NDP) commits Government to a target of 5% GDP growth by 2019. The Nine-Point plan supports the implementation of the NDP and is intended to ignite and propel economic growth. Government must therefore ensure that, working together with all sectors of society various strategic areas of the plan are pursued in an integrated and coordinated way.

**The Nine-Point Plan consists of the following:**

- 1) Resolving the energy challenge;
- 2) Revitalising the agriculture and the agro-processing value chain;
- 3) Advancing beneficiation and adding value to our mineral wealth;
- 4) More effective implementation of a higher-impact Industrial Policy Action Plan;
- 5) Encouraging private sector investment;
- 6) Moderating workplace conflict;
- 7) Unlocking the potential of SMMEs, Co-ops, Township and Rural enterprises;
- 8) State reform, including boosting the role of state owned companies in broadband, water, sanitation and transport infrastructure; and,
- 9) Growing the Ocean Economy and Tourism.

The NDT's contribution is on activity number 9 (Oceans Economy) and activity 7 (Unlocking SMME, Co-Ops, Township and Rural Enterprises' Potential) on the 9 Point Plan from the SONA. As a result, NDT identified the following initiatives to contribute towards the Oceans Economy.

**OCEANS ECONOMY**

## **BLUE FLAG AMBASSADOR PROGRAMME**

- The Department of Tourism has been tasked to develop programmes that will respond to the Coastal and Marine Tourism / Ocean Economy.
- The department is exploring to implement various programmes, and chief among those is the Blue Flag Ambassador Programme which will be implemented through the EPWP framework.
- The programme is designed to raise environmental awareness and increase sound environmental practises among tourists, local population and beach management.
- The outcomes are a Safe, Clean and Healthy environment, improved tourism image which will attract a more steady flow of visitors, increased spending and a stimulated local economy, i.e. jobs.
- The department is in a process of entering into a partnership agreement with Wildlife Society of South Africa (WESSA) to implement the Blue Flag Ambassador Programme. The approval to enter into a partnership with WESSA has been granted.
- The Blue Flag Programme is a voluntary eco-label for beaches, marinas, whale-watching boats and boats in general and has become a symbol of quality around the world.

## **THE BLUE FLAG PROGRAMME PROJECT PLAN**

- In 2016/17, 2017/18, 18/19 the focus will be on the 50 existing Blue Flag beaches in South Africa:
  - KZN beaches 12;
  - EC beaches 10; and
  - WC beaches 28
- There will be 206 people who will be employed.
- Project Staff: The 6 people involved in the management of the Project (1 X Project Manager, 1 X Project Assistant, 2 X Project Administrators, 2 X Regional Coordinators)
- Ambassadors: The 200 people who will be employed from local communities who will carry out the monitoring, education, tourism and awareness on Blue Flag Beaches.
- The main fields that the Programme will cover includes the following.
  - Safety;
  - Environmental Management;
  - Environmental Education;
  - Tourism Training; and
  - Infrastructure maintenance.
- The following areas were further identified:
  - Revitalisation of beach front precincts;
  - Boat based whale watching;
  - Shark Cage diving; and
  - Recreational boats.

The department is currently arranging meetings with Coastal provinces and their coastal municipalities to discuss the Oceans Economy initiatives to synergise resources. On 09 December 2015 the department will meet with KZN and meetings with Northern, Eastern and Western Cape provinces are scheduled to take place in January 2016.

## **PROPOSED STAKEHOLDERS**

Local government/Metros, Local Communities, Tourism operators, Spatial planners, Land owners and DAFF, Industry and Environmental regulatory authorities, Tourism 3 spheres of government, Business owners, NGOs – WESSA, Trade and Industry, Research, International coastal expert, Funding and investor organisation – IDC, SEFA, Organised sports and recreational organisations, SAMSA, NSRI, SANRAL, PRASA, SANBI, Public Works, DEA, Transnet, Treasury, SETAs – CATHSSETA, and Higher Education Institutions.

## **THE DEPARTMENT'S ROLE IN DEVELOPING SMALL BUSINESSES IN THE TOURISM SECTOR.**

- 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.
- A country's economic competitiveness is fundamental in creating a hospitable business environment. That is, what natural and regulatory advantages does a country offer, and how well the economic actors within it are able to operate. Some factors are external and undisputable, such as geographical location and natural resources. Others are internal and subject to adjustment, such as the regulatory framework or the availability of adequate skills. Yet others may involve a combination of these two sets of factors, as, for example, the nature of historical trading relationships. The competitiveness of SMMEs is intimately linked to their operating environment and conditions created for the growth of enterprises in the country.

#### **DEPARTMENT OF TOURISM'S INTERVENTION IN TOURISM ENTERPRISE DEVELOPMENT**

- In line with the strategic priorities set out in the White Paper on the Development and Promotion of Tourism in South Africa (1996), the National Tourism Sector Strategy (2011) and the National Domestic Tourism Growth Strategy (2012), the department seeks to raise funding to provide support to tourism enterprise development, including emerging tourism SMMEs in both rural and urban spaces. The department is required to provide support to SMMEs and established businesses for economic development, thus ensuring that the department contributes to Outcome 4: Decent employment through inclusive economic growth and Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all.
- Previously and in the current financial year the department has entered into a partnership agreement with the Tourism Enterprise Partnerships (TEP) to ensure SMME support takes place to improve the performance and increase the profitability of SMMEs by focussing on skills, market access, product development, quality assurance and access to finance thereby actively supporting the creation of new jobs and maintenance of existing jobs.
- The department has contributed R25 Million per annum over a three year contract period with TEP, to provide support to SMME development and sustainability. In the current financial year the department has signed a one year contract with TEP to the amount of R13, 5 million, due to budget cuts and financial constraints nationally. In summary the department is committed to provide the much needed support to the development, growth and sustainability of tourism enterprises in South Africa.

#### **KEY AREAS OF SUPPORT**

Tourism Enterprise Partnership (TEP): facilitates the growth, development, and sustainability of small tourism businesses through:-

- Business Development Support;
- Market Access;
- Access to information;
- Access to Finance; and
- Skills Development.

Going forward, the department realises the importance that entrepreneurship plays in job creation and transformation and is establishing a dedicated programme within the department to drive enterprise

development in collaboration with the Department of Small Business Development. Through this programme the department intends to double the amount of SMMEs supported and improve awareness of opportunities in the tourism value chain that will strengthen the multiplier effect of this burgeoning sector. Key elements of this programme will be the establishment of a Tourism Business Incubator that will support young entrepreneurs to develop innovative ideas for tourism, a Development Fund to support the objectives of economic transformation and destination competitiveness. Through interventions the department aims to create an enabling environment for tourism SMMEs to create and sustain jobs as we increase the number of international arrivals and domestic trips.

As you can see, with your continued dedication and commitment, we are building the economy together and Moving South Africa Forward.

I thank you