



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

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Budget Speech delivered by Minister of Tourism, Mr Marthinus van Schalkwyk in the National Assembly

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Chairperson, South Africa consists of a tapestry of interwoven cultures, and the world's eyes have opened up like never before to the beauty, diversity of experiences and the endless possibilities our country has to offer. In 1993, South Africa received a mere 3,4 million foreign visitors. However, growing by 300% to 13,5 million visitors in 2012, 9,2 million of whom were tourists, South Africa is continuing to entrench its status as a major international tourist and business events destination. These results demonstrate the effectiveness of our economic diplomacy, underpinned by a sound foreign policy. They also indicate our systematic investment as the National Department of Tourism (NDT) in policy and strategy development and implementation.

We are driving double-digit growth, as we received 10,2% more tourists in 2012, when 9,2 million international tourists visited South African shores compared to the 8,3 million tourists who travelled to our country in 2011. South Africa's tourist growth rate in 2012 was more than double the rate of average global tourist growth, which the United Nations World Tourism Organisation estimated at about 4%.

A few years ago, we made the strategic decision to invest in the emerging markets on our continent, in South America and in Asia. The results in these markets were astounding. Arrivals from our continent have maintained the solid growth path to which we have become accustomed, with growth of 8,5%. In light of this, we will invest R218 million over a three-year period to grow our share of this market even further. We will also be opening offices in Nigeria, Angola and Kenya in this financial year, and will expand our footprint to Ghana, Tanzania and Uganda through a hub strategy.

From our BRICS partner countries (Brazil, Russia, India and China), we have also seen phenomenal growth. Particularly strong growth was recorded in 2012 from Asia, which was up 33,7% compared to the figures recorded in 2011, driven by growth from China and India. Central and South America recorded growth of 37% thanks to continued good tourism growth from Brazil. Brazil continued to show impressive growth rates, becoming a top ten overseas source market for arrivals for the first time, with almost a 45% increase compared to 2011. With the exceptional growth recorded from Brazil, we have decided to open a South African Tourism (SAT) office in Brazil this financial year. Added to this, we are currently negotiating a joint BRICS memorandum of understanding among tourism ministers.

This financial year will also see the roll-out of SAT's global e-marketing strategy, "Meet South Africa". This strategy will focus on the uniqueness and warmth of our people and the emotional benefits of a South African holiday, and we are confident that our strategies and marketing campaigns will yield great success for our destination. Furthermore, to strengthen the country's destination offering and enhance the overall visitor experience, we have embarked on a process to align the branding and service levels at the more than 240 visitor information centres (VICs) across our country.

Not only have we established ourselves as a leisure destination, but we have made great inroads as a business tourism destination as well. In the first year of the establishment of the National Convention Bureau, it has secured 87 new association meetings for the period 2013 to 2017, which will contribute more than R2,6 billion to the economy. In 2013 alone, the 38 secured association meetings will bring more than 57 000 delegates to South Africa, who will inject R680 million into our economy.

We are working hard to ensure that **travel and tourism becomes attainable for ordinary South Africans**. At any given time, three quarters of all tourists in South Africa are South Africans, with domestic tourists having contributed R101 billion to our economy in 2011. We are determined to promote and enhance domestic tourism and implement strategies to grow this sector, which is the lifeblood of our tourism industry. Last year, we developed and implemented our first ever Domestic Tourism Growth Strategy together with the “Vaya Mzansi” domestic tourism marketing campaign.

We are thinking innovatively of new ways to ensure that more South African families have access to the places that we have inherited as a nation. To truly deliver on the promise of tourism, we have to create the conditions that render the tourism experience and the treasures of our country accessible and affordable to a much greater share of our population. To this end, I can today announce that, in partnership with the Industrial Development Corporation (IDC), we have just commissioned an audit of underutilised state assets and properties that could be developed into tourist attractions and facilities. It is simply wrong to have state resources stand vacant while there is cropped-up demand in certain market segments. Pursuant to this, we have also commissioned a feasibility study for a pilot budget resort chain, which could in some or other way be de-risked through partnership approaches. The time has come to remove the final barriers to fully unlock our country’s tourism treasures and the intrinsic value of travel for all South Africans, thereby bolstering our contribution to job creation and poverty alleviation.

In implementing our Domestic Tourism Growth and Cultural and Heritage Tourism strategies, we will also be conducting an assessment of all our world heritage sites, which, as part of the rich heritage of our country, have been identified as products with intrinsic tourism value. From these assessments, it is envisaged that we will identify the various levels of intervention for each of the products and that, together with the Department of Arts and Culture, we will prioritise projects to be initiated from 2014 onwards. We have also developed marketing tools for these sites, which will be distributed at strategic areas, including ports of entry as well as missions and embassies throughout the world, using various languages and media.

The Department is also in its first year of implementing regional tourism support packages. We have compiled provincial profiles to better understand the status quo of tourism in the nine provinces. Strategic and critical areas for tourism development were identified for support. The support ranges from tourism infrastructure development and nodal and spatial development zones to skills development programmes, service excellence awareness and training, tourism routes development, rural tourism programmes, and strategic niche tourism market development.

Tourism is also a key sector of the economy, and is making a difference in the lives of ordinary South Africans. The role that tourism plays in our country should never be underestimated. In terms of the latest Tourism Satellite Account (TSA) released by Statistics South Africa, for the period ending December 2011, the direct tourism contribution to gross domestic product (GDP) went up by 5% to R84,3 billion in 2011. Direct employment in the sector as a percentage of overall employment in the country went up from 4,3% to 4,5% between 2010 and 2011. This was as a result of the increase of about 31000 in direct jobs in the sector from 2010, to a total direct employment rate of 598432 in 2011.

During the past financial year, the NDT again exceeded its Expanded Public Works

Programme (EPWP) target for full-time equivalent jobs. Training or skills development is of course critical for the tourism sector. Allow me to highlight some of our EPWP programmes. In the 2012/13 financial year, 500 young persons have graduated as chefs and 120 have already been placed with established hospitality institutes, such as hotels, bed-and-breakfast establishments and restaurants, as part of our Young Chefs training programme. Altogether 300 of the mentioned 500 have been enrolled for second-level training, which is equivalent to NQF level 5 (national diploma) and, owing to the success of the programme, another 500 young people have been enrolled for the first time in the programme for this financial year.

This sector is also a fertile breeding ground for entrepreneurs and small, medium and micro-sized enterprises (SMMEs). We will continue collaborating with the Tourism Enterprises Partnership (TEP). TEP was successful in achieving and exceeding its performance indicators over the past year. For 2012, TEP supported 5 003 jobs created by SMMEs, which delivered an increased turnover of R785 million. This raised TEP's overall contribution to job creation over the past ten years to more than 75 786 jobs and saw a turnover increase of over R6,4 billion. The Department will continue to fund TEP with R25 million to support SMME development in this financial year.

The Department has also developed the Tourism Accelerated Apprenticeship Programme (TAAP), which is to provide further education and training (FET) to tourism graduates through practical workplace training and exposure through skills development, and to familiarise the graduates with the operational side of the tourism and hospitality sector. In the 2013/14 financial year, the Department has been allocated R3 million to roll out the TAAP. As a result, 100 FET interns will be recruited and placed at various institutions across the country.

Transformation in our sector is critically important, because **tourism is everybody's business**. Every South African must derive benefit from the industry, and therefore, concerted efforts are made to promote transformation. Recognising that transformation is vital to ensure the sustainable growth and development of the tourism sector, the 2012 Tourism Bill was passed in this House. This legislation heralds the role of tourism as a major force for the economic transformation in our country. During the previous financial year, we established a BEE Charter Council to oversee efforts to ensure effective transformation in the sector. Going forward, the BEE Charter Council will closely monitor compliance with relevant legislation, and will drive initiatives to ensure that effective transformation of the sector leads to meaningful growth and equal distribution of the benefits that tourism brings.

In conclusion, as a tourism industry, we remain committed to working together to grow tourism in our country with the support of all South Africans, all of whom have the power to be important tourism ambassadors.

I would like to take a moment to thank our Deputy Minister, Ms Tokozile Xasa, for her commitment and support. Thank you also to the Director-General, Mr Kingsley Makhubela, and his capable team for bringing our Department this far in a very short period of time.

Furthermore, the unqualified report of the Auditor-General after the 2011/12 audit, which was the NDT's second audit as a stand-alone department, demonstrates administrative success in establishing a sound governance foundation, which will support the implementation of our mandate.

A special thank you to the board of SAT and the executive team under the leadership of the Chief Executive Officer, Mr Thulani Nzima, for their excellent work and the support rendered to the Department to achieve our targets.

In addition, I would like to express our gratitude towards the private sector for the constructive relationship we enjoy. Thank you to all our partners for engaging with us, and

for your commitment to our shared growth goals.

To the chairperson and members of our portfolio committee – we value and appreciate the good working relationship with Parliament. I thank you.

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