



tourism

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Address by Minister Marthinus van Schalkwyk at pre-BRICS Summit cocktail function

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Speech delivered by Tourism Minister, Mr Marthinus van Schalkwyk, on the occasion of the pre-BRICS Summit cocktail function hosted by South African Tourism and Brand South Africa at the Hilton Hotel, Durban on 25 March 2013

Good evening ladies and gentlemen

I would like to extend a warm welcome to all of you, to Durban, host of the fifth annual BRICS summit, the first on African soil.

It is wonderful to see so many South African business and tourism industry leaders tonight and also a number of our international guests from the BRICS member countries. To our visitors, Durban boasts miles and miles of golden beaches, excellent surf and a melting pot of cultures. It has a flavour and pace quite unlike any other and I sincerely hope you will get a chance to experience some of what it has to offer during your stay.

This BRICS summit brings together the world's leading economies to discuss how we can build on each other's strengths in advancing mutually beneficial development, and how to restructure the global political, economic and financial landscape into one that is more equitable and balanced.

As this is the first BRICS summit in Africa, it is apt that we will also focus on ways of enhancing relations between BRICS members and the African continent. There are big issues to discuss – the establishment of a BRICS Development Bank and the launch of a BRICS Business Council to boost trade and investment.

But the BRICS summit is also very important for tourism growth. As the South African Minister responsible for Tourism, my intention is that we use this summit to broaden and intensify our cooperation on tourism issues. Together our countries, are home to 40% of the world's population, take up more than a quarter of its land mass and boast some of the world's most treasured culture and heritage sites.

Tourism is a sector that offers so much potential for all of us going forward and by cooperating with each other we can help ensure that we do this in a responsible, sustainable way.

Over the next 20 years, international tourist arrivals in emerging-economy destinations are expected to grow at double the pace (4%) of advanced-economy destinations (projected at 2%). As a result, arrivals in emerging economies will likely surpass those in advanced economies by 2015. Yes, that is correct: The crossing point at which inbound tourism to emerging-market destinations will exceed those to the advanced economies is 2015, a mere two years from now. We, as emerging markets, are thus on the verge of becoming the centre of the tourism universe.

Outbound tourism growth will also be from emerging market destinations – Asia, Latin America and Africa. GDP growth, travel propensity as well as expanded airlift render the emerging markets very attractive source markets.

The projected growth of emerging market destinations and the growth in emerging market travellers are both evident if one looks at the performance of the South African tourism industry. We grew at more than double the rate of global growth from January to November 2012, with a growth in arrivals of 10.5% - versus global growth of 4% in 2012. And while recovery in arrivals from traditional markets was strong, our growth continues to be fuelled by very impressive growth from emerging markets, the BRICS countries in particular.

Tourist arrivals from our BRICS (Brazil, Russia, India, China, South Africa) partner countries have grown a cumulative 20.8 percent since the beginning of 2010, at almost twice the growth from the rest of the world (at 10.5 %). In the period January 2010 to end November 2012, 748 740 people had visited South Africa from Brazil, the Russian Federation, India and China. From January 2012 up to the end of November 2012, BRICS arrivals to South Africa had grown an average of 39.2 %, whilst growth from all overseas markets had been 16 percent.

The United Kingdom, the United States and Germany remain our top three source markets and we continue to work hard to defend our position in these countries. But China has now become our fourth biggest source market, attracting 122 482 visitors from January to November 2012, a 58.3% growth compared to the same period in 2011. A total of 97 664 Indians visited South Africa during the same period, a 16.8% growth, making it our eighth biggest source market and Brazil is now our ninth, with 70 554 visitors from this country during the first eleven months of 2012, a growth of 51.7% when compared to 2011.

Emerging markets are key to the South African tourism industry's current success and its future growth. Over the last few years we have greatly increased our in-country marketing efforts in China, India and Brazil, which have no doubt helped fuel growth levels from these countries.

In China we have worked hard to put a number of successful joint marketing agreements in place to make South Africa a more accessible destination for the Chinese traveller. The opening up of a direct flight between Johannesburg and Beijing and efforts to improve the visa process have also gone a long way in boosting arrivals numbers from this market.

Our shared love of cricket has proven to be an excellent way to connect with the Indian traveller and we have used cricket personalities, particularly Jonty Rhodes, to introduce Indian tourists to our country. Just a month ago right here in Durban, we very successfully hosted the Travel Agents Federation of India (TAFI), which further showcased our country to the Indian market.

The World Cup was certainly an excellent catalyst for opening up South Africa to the Brazilian market. Since 2010 we have seriously upped our marketing efforts in Brazil, focusing on the authenticity of the destination and its ability to satisfy the Brazilian traveller's desire for first-world creature comforts.

Our Deputy Minister Tokozile Xasa has just returned from a visit to Russia to explore tourism links with South Africa and we will continue to monitor tourism potential from Russia.

Our intention is that this Summit takes our tourism efforts with the BRICS countries to the next level. It is an opportunity to find common ground, to find areas where all our tourism industries can gain and grow from working together. I am committed to using the next few days to take some important steps forward; to opening up our tourism industry to the BRICS countries and to finding out how best we can meet the needs of these important markets.

I hope all of you here will join me in this endeavor because for us in the tourism industry BRICS is far more than an acronym - it is a tangible vehicle for current and future growth.

Thank you.