

CONTRIBUTING TOWARDS THE GROWTH OF SA TOURISM SECTOR

Is tourism our panacea for radical economic transformation and Vision 2030? asks Tourism Minister Tokozile Xasa



The Department of Tourism's plans for the year ahead show just how much the tourism sector has to offer to millions of South Africans. Tourism Minister Tokozile Xasa's Budget Vote speech in parliament last week detailed how the department's plans are developing tourism to be economically beneficial, environmentally friendly, socially equitable and responsible.

Her speech, and that of Deputy Minister Elizabeth Thabathe, centred on Radical Economic Transformation through inclusive tourism growth and development.

Xasa believes that partnerships with industry, communities and other state parties can contribute significantly to transformative growth of the tourism sector.

State procurement of travel and related goods and services should be used to achieve the set target of 30% black ownership in the Tourism Sector Broad Based Economic Empowerment (B-BBEE) Codes.

Minister Xasa reiterated President Jacob Zuma's

remarks at Africa's Travel Indaba that, in this era of the fourth Industrial Revolution which may threaten traditional jobs, "tourism's labour absorption capacity presents a great weapon against unemployment".

The minister welcomed the phenomenal growth in inbound tourist arrival figures, at 13% for 2016 compared to 2015.

She called on all South Africans to promote further growth by joining the new tourism Campaign called "I do Tourism".

With her experience in Small Business Development, the deputy minister indicated the department will build on the existing SMME support initiatives such as the hidden gems programme, incubators at strategic nodes and market access support to grow the number of players in the medium size enterprises category.

KEY ANNOUNCEMENTS

● A Tourism Transformation Fund has been established in partnership with the National Empowerment Fund. The

Highlights of 2016 Tourism Performance

Here are selected indicators with preliminary (still to be audited) figures from last year's performance highlights:

Performance Indicator	Actual Performance	Percentage Increase
Foreign Tourist Arrivals	Over 10 million	Up by about 13%
Foreign Direct Spend	About R75 billion	Up by about 11%
Foreign Tourists visiting more than one province	15%	Up by 17% (geographic spread)
Income from Accommodation	R20,3 billion	Up by 12%
Income from food and beverage sector	R55,2 billion	Up by 7,4%
Direct contribution to GDP	R127 billion estimated	Up by an estimated 7%
Direct contribution to Employment	716,500	Up by an estimated 2%
Domestic holiday trips	24,3 million	Down 0.7%

fund is capitalised to the tune of R120 million during the current financial year, with the view to grow this to R360 million over the medium-term.

● The National Treasury has supported the establishment of a bidding fund for business events. This fund is allocated R90 millions over the medium-term period.

● The department has collaborated with the Industrial Development Co-operation to provide energy retro-fitting support for small operators to reduce their operating costs and green the destination. R30 million has been made available by the Department and will form part of the grant funding.

● Launch of the 5 in 5 strategy which aims to bring four million additional inbound tourists and one million domestic holiday trips in the next five years.

● Implementation of Marine and Coastal Tourism as part of the 9-Point Plan's Oceans Economy Phakisa using an integrated approach to include sectors such as agriculture, fisheries, creative

arts, and environmental management etc.

● Development of precincts targeted at township and rural tourism. A model framework will be developed based on the Vilakazi Street precinct and replicated across other viable areas.

● Supporting the creation of sustainable budget holiday resorts that are in the hands of various organs of state to expand the tourism product base for the diverse domestic and continental tourism market.

● Rebranding the Tourism Indaba as "Africa's Travel Indaba" to emphasise its role as a travel trade platform for Africa's products and services, and confirming that it will take place at the Inkosi Albert Luthuli International Convention Centre in Durban for the next five years.

POLICY DEVELOPMENT FOR 2017/18 FINANCIAL YEAR

Minister Xasa announced the new transformation plan, highlighting its key elements as follows:

● Maximising empowerment of black people

through concessions for state owned facilities;

● Partnerships to bring in black operators as management companies for state owned facilities;

● Partnership with industry to scale up enterprise and supplier development;

● Effective use of state procurement in partnership with National Treasury and other sister Departments to empower black suppliers of tourism products, services and operations;

● Strengthen market access for black owned enterprises in government driven tourism marketing initiatives;

● Enhance mechanisms for access to funding for new initiatives and expansion projects; and

● Explore black industrialist opportunities in the tourism value chain.

The department will be looking closely into the impact of the sharing economy and disruptive technologies (such as AirBnB) in the hospitality sector. The Department will also be amending the Tourism Act, to address inter alia guiding and quality assurance

Long-term plan (National Tourism Sector Strategy – NTSS)

The Minister outlined the long-term plans for the sector in the revised NTSS, which is currently undergoing public consultations. The strategy is based on five pillars which are effective marketing, facilitating ease of access, visitor experience, destination management and broad based benefits. The forecasted performance for 2026 is as follows:

Performance Indicator	2015 performance	2026 Target	Percentage Increase
Direct contribution to Gross Domestic Product (GDP)	R118 bn	R302 bn	156%
Direct and indirect contribution to Gross Domestic Product (GDP)	R375,5 bn	R941 bn	151%
Number of Direct Jobs	702,824	1,000,000	42%
Direct and indirect Jobs	1,551,200	2,260,380	46%
Increase in tourism export earnings	R115 bn	R359 bn	212%
Increase in capital investment in tourism	R64 bn	R148.7 bn	132%

Key targets for 2017/18 financial year

The Department has set the following targets for the 2017/18 financial year.

Performance Indicator/area	Target
Number of enterprises supported through mentorship, market access, incubation, coaching etc. aimed at enterprise sustainability and growth.	400
Number of youth trainees in the Food Safety Programme.	500
Number of youth trainees in the Tourism and Hospitality programme (Tourism Buddies)	2 000
Number of trainees in the sommeliers' programme	300
Number of trainee Chefs in the programme	577
Number of data and information officers placed at local level per municipality across the country	2
Number of Black Women Managers enrolled into a specialised tourism Executive Development Programme	20
Number of youth fulltime equivalent jobs created	3 347 jobs

Some of the product and destination development work includes partnerships with SANParks to develop youth accommodation facilities at the Mapungubwe World Heritage site, a mini precinct at the Big Tree in Tsitsikamma National Park, a wild activity hub at the Kruger National Park Phalaborwa gate, and the enhancement of the Letlamoreng Cultural hub in the North West.

frameworks that require attention.

THE BUDGET

The department's budget is R2.11 billion, of which R1.1bn is allocated for tourism marketing, and the remaining R1 billion goes largely to destination development, human capital development,

enterprise development support, the Transformation Fund and other incentives.

The Chairperson of the Portfolio Committee on Tourism, Hon. Beatrice Ngcobo commended the Department and South African Tourism on their clean audit awards by the Auditor General and for

receiving the best National Department and best Director-General Batho Pele Awards during 2016, under the leadership of Director General, Victor Tharage.

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