



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

**ADDRESS BY L N SISULU, MP, MINISTER OF TOURISM ON THE
OCCASION OF THE DEBATE ON THE TOURISM BUDGET VOTE
IN THE NATIONAL COUNCIL OF PROVINCES
CAPE TOWN, 26 MAY 2022**

Chairperson of the NCOP,
Chairperson and Members of the Select Committee responsible for Tourism,
Honourable Members of the NCOP,
Members of Executive Councils and SALGA,
Members of the SA Tourism Board

The industry has been through possibly the most difficult period of its time. But the most amazing thing about this industry is that we made it through all the hardship. Both in its orientation and in its mind-set it was able to carry itself through this drastic period. Its resilience is there for all to see, and I would like to be the first to congratulate the industry and I am grateful to the people of South Africa that kept it on its feet. This is not to undermine the fact that the greater tourism and hospitality sector is still reeling from the effects of the pandemic and the resultant restrictions occasioned by covid. We were no doubt the hardest hit industry and yet, the pandemic also taught us about the ability of our people to rise above their own circumstances and work together with government to navigate our way through this difficult period. Today as we give this Budget Vote to the NCOP, we remember all the people who passed away, many passed away under covid and the floods in KZN.

A great number of our industry has been badly affected and it is our intention to support them to get back on their feet. I want to thank particularly at this point those members of the industry who came together and volunteered their support and guided us through the trauma of covid. These various committees, calling themselves the war rooms, provided me with valuable insight into how we can find our way through our situation. Their magnanimity and generosity is a unique South African characteristic, and I am very proud of the support they gave, free of charge, to help us navigate the storm. I would like to thank also the South African Tourism board and the various entities reporting to it throughout this difficult period. They provided us with the immediate post trauma relief that made it possible for us to bounce back. To the board and its entities, my sincerest gratitude.

Chairperson, in the dawn of our freedom Tourism and South Africa are synonymous. From a meagre 3,9 million arrivals in 1994 we now have over 10,2 million international tourists visiting our shores in 2019. We have seen steady growth in tourism to South Africa, earning our place in the dynamic and competitive global tourism space.

In our speech in the National Assembly we spoke about the value of tourism in the South African economy. In 2019 the Travel and Tourism sector (direct and indirect) contributed R363.2BN (6.9% of the total economy) and over 1,4 million jobs which is 8.9% share to the country's total employment) in 2019. In 2020 the total was 987400 jobs which is 6.5 % of employment. This contribution is not negligible, Honourable Members. Travel and Tourism is an important driver for job creation across the world as globally, 1 in 10 Jobs (334 million jobs) are created in the industry.

Added on to the devastation to tourism brought on by covid, I need not remind Honourable members of the impact that global travel bans had on us. These

travel bans and ‘red lists’ have done a considerable amount of damage to the economy – costing jobs and livelihoods. In 2020, the sector saw massive declines in foreign arrivals and revenue which in turn led to losses in key tourism products and services, affecting gains made over the years to diversify South Africa’s tourism offering, with particularly painful losses to the SMME sector that negatively impact on our struggle for broad based economic transformation in this sector.

However, domestic travel contributed positively to demand in the COVID-19 period, driven by campaigns and pricing targeted for our domestic market. This was positive and helped create better understanding within the market and through this exposure propelled the market to diversify its offerings.

We have acted decisively to restore confidence in the greater tourism and hospitality sector to overcome the global challenges resulting from the Covid-19 pandemic and the South African tourism industry is already seeing improved traveller confidence.

During our participation at the 24th UNWTO General Assembly in Madrid, we successfully lobbied the World Tourism Organization (UNWTO) to back South Africa and other African states and called on the world to reopen their borders. The UNWTO General Assembly saw countries from all global regions expressing their solidarity with Southern African states, calling for the immediate lifting of travel bans and for freedom of international travel to be upheld.

I was pleased to hear the UNWTO announce that imposing blanket restrictions on travel was discriminatory, stigmatising, ineffective and contrary to World Health Organisation recommendations. This sort of support does wonders for tourism not just in South Africa, but in the SADC region as a whole.

Key interventions we spearheaded to get the sector moving again and re-ignite demand include:

- Championing the removal of “red listing” of South Africa through diplomatic efforts. Furthermore, through structured engagement with the Sector, tourism has been able to make a case for its readiness to operate safely and this has yielded good results;
- South Africa secured a seat at the UNWTO Executive Council which is the highest decision making body between the United Nations General Assembly and successfully lobbied the UNWTO to back African states and call on the world to reopen their borders;
- Sponsored a framework for the establishment of the Africa Tourism Unit for the African Union Commission in an effort to strengthen regional integration that was closely followed by a regional collaboration and synchronization of policy including the MOU signed with Kenya, here in South Africa during the Kenyan President’s visit;
- We held bilateral engagements with key Investors in the UAE and Gulf Cooperation Council Region who have shown interest to invest in tourism-mega projects; this was during a very successful international Expo in Dubai in which we participated;
- Supportive interventions led by the Ministry and SA Tourism to reconnect Destination South Africa through air service development working through multi-stakeholder public and private sector structures;

We see growing interest in investment in tourism demonstrated by investors from the gulf region when we engaged them during the Dubai Expo in December 2021. We also negotiated with Emirates during that period what we finally signed off during our attendance at the Arabian Travel Market two weeks ago and we hope that journalist Ferial Haffajee has grown up – in all the time she has known us she should know we are nowhere near what she has tried to imply that we had gone to

see the Guptas. We are glad that the President went to the Dubai Expo after our visit and there were no headlines that he was running after the Guptas – some of our journalists displaying amazing misogyny.

We are finalising deliberations on the Memorandum of Understanding with Qatar which will be hosting the World Cup this year to work together as we are a former successful host of the FIFA World Cup and further collaborate in other areas of importance for tourism growth. We are hoping to be a hub for those attending the Soccer World Cup. The Middle East is a critical market for South Africa so these collaborations will be very instrumental in ensuring ease of access to and from South Africa for travellers from this region and will assist us in elevating our trade efforts.

Chairperson, despite the hardship, we did have these successes.

We are encouraged by Airports Company South Africa (Acsa) announcement earlier this week that passenger numbers across all our airports are showing steady growth and recovery for international and domestic travel with a 48% recovery in passenger numbers for the financial year ending March 2022. This steady rebound is good for the aviation sector and very good for tourism.

South Africa's tourism sector refused to be paralysed by the obstacles thrown in its path. In the spirit of our people who have risen to the challenge of every obstacle, we have focused on the dream of a diverse, inclusive and transformed sector. With our partners, private and public, we spent these dark times imagining a brighter future, stabilising the sector and strategising for recovery in line with the Tourism Sector Recovery Plan together.

We set the tone for collective recovery of the sector after 19 months of travel restrictions when South Africa hosted the African Travel and Tourism Summit on

19-21 September 2021, which afforded the African tourism community and its global friends to craft a clear recovery pathway forward.

We have implemented projects to ensure that we protect and rejuvenate the supply and these include:

- publishing the Norms and Standards for Safe Operation in the Sector, as well as providing training within the sector on these;
- We implemented the tourism infrastructure maintenance programme in key tourism assets as well as finalizing the Baviaanskloof Interpretative Centre and Leopard Trail;
 - the Tourism Infrastructure Maintenance Programme refurbishes existing state-owned tourism assets such as precincts, protected areas, national and provincial parks, botanical gardens and heritage sites;
- We implemented initiatives to mobilise resources through investment promotion; and
- Our comprehensive sector skills development programme was rolled out to ensure that relevant skills are available as the sector recovers.

On World Tourism Day we celebrated the industry by hosting the first ever African Travel and Tourism Summit a world class interpretive centre in Claarens, a truly beautiful place. We went to the Northern Cape to have consultations about Credo Mutwa heritage and it's tourism prospects in a dignified and respectful manner, rather than commercial exploitation of the legendary heritage. We are now looking at all tourism assets of state entities to look at whether we can take over and revamp them. We can assist the Vaal community to revive that beautiful scenic picnic area

We have had the most magnificent entry into the new normal with the Launch of SA Tourism's Global Advocacy Programme the most vibrant advert 'Live Again' which captured our resilience, we were able to live again. The day after that we hosted Meetings Africa with almost every country on the continent displaying its tourism possibilities. Soon thereafter we concluded two successful trade shows beginning with Africa Travel Week at the convention centre in Cape Town. We just had the most spectacular Indaba that brought in international buyers from around the world and created much needed revenue for the industry the people of Natal that had just been battered by the floods. So indeed we live again after Covid. We live to get better every day.

Through our various campaigns focused on the domestic market to encourage South Africans to enjoy the beauty and heritage our home has to offer, the turnaround in the performance of the sector, although from a low-base, is apparent for all to see. Most sector performance indicators we are measuring showed an upturn in the year 2021. It is this glimmer of hope that strengthens our resolve to do even more, to plant more seeds that will see tourism growth beyond the 2019 levels.

The Constitution stipulates that the responsibility of tourism is shared between the three spheres of government to ensure that there are enough resources to facilitate tourism development. While much efforts have gone into capacitating the national and provincial tiers of government in terms of tourism development, the local sphere in some areas of the country still lags behind. This leads to uneven tourism development in the country.

The Department of Tourism leads coordination at national level whilst Provinces are responsible for coordination at a provincial level; and to provide support the establishment of district/local structures. Local Government must designate resources to enable proper coordination at that level.

The Tourism Sector Recovery Plan (TSRP) is a collaborative sector plan worked out jointly by all tourism players and adopted by Cabinet in April 2021 as part of the country's overall economic recovery from the pandemic and to ensure recovery of the tourism sector including economic growth and job creation.

We have thousands of SMMEs throughout our townships, rural areas and small dorpias offering authentic creative experiences throughout our tourism value chain. These SMMEs are crucial for our goal of inclusive sustainable tourism and help spread the benefits of tourism to communities outside the traditional tourism “hotspots”.

The Enterprise Development and Transformation Programme forms part of the key strategy aimed at introducing new players in the tourism economy and achieving the transformation objectives. It focuses on various subsectors in the tourism value chain, and has been implemented over a few years. It supports the growth of tourism enterprises in a manner that promotes inclusive participation and job creation that contributes to the competitiveness of tourism destinations.

We will monitor the implementation of the Norms and Standards for Safe Operation in the Tourism Sector across the value chain to enable safe travel and rebuild consumer confidence.

The Department currently has projects in various stages of development across all nine provinces, aimed at benefitting communities in areas with rich tourism potential. We have been deliberate in the identification of these projects, including those that are near major entrances to the Kruger National Park, in an effort to extend the benefits of these assets to communities living outside of the parks, e.g. Numbi Gate. The Dinosaur Interpretative Centre in Claarens currently under construction, will be a state-of-the art interpretive center. It will serve as an

iconic tourist attraction modelled on the narrative interpretation of the paleontological, archaeological, and geological evidence found at the Golden Gate Highlands National Park in the Free State Province. This addition will enhance and extend the heritage tourism offering of the Free State, as well as nearby tourism establishments and businesses.

The Department has in previous years completed several destination planning projects in support of and in collaboration with provinces and local municipalities. These include the Wild Coast masterplan, and 3 masterplans in the Northern Cape. These regions were selected as some of the most economically depressed in the country, as well as least serviced and least visited. We have also completed several precinct planning exercises in support of local municipalities, including Kleinsee, Khayelitsha, Carnarvon, Mdantsane, Galeshewe and Port St Johns. Subsequent to this, the Department has completed the following planning work: -

- Tourism concept development for clustered experiences within the completed masterplan areas. These concepts comprise more detailed technical planning, market analysis. The concepts seek to identify potential community based/owned products, as well as potentially privately-owned developments, including investment opportunities. Gaps in services and infrastructure are also identified for attention of the relevant tiers of government and entities. Concepts completed include for Magwa Tea Estate and Waterfalls, Orange River Mouth and Carnarvon/Karoo.
- As a contribution to implementation of the precincts plans completed, the Department has completed technical design work for the following: -
 - Amphitheatre – Mdantsane Township
 - Places of Remembrance - Galeshewe
 - Public seating/eating - Khayelitsha
 - Temporary market stalls – Vilakazi Street, Soweto

- Permanent points of sale and arts and craft workspaces – Galeshewe.

At the beginning of this administration, the estimates were that South Africa would attract 16.5 million arrivals by 2030, and if the status quo remained the same, a pre-Covid-19 national target was set of 21 million tourists by 2030. The pandemic significantly affected this projection and the revised post-Covid-19 projections now stand at 14.8 million arrivals by 2030.

We remain committed to our efforts to enhance regional and continental tourism cooperation aimed at increasing the tourism sector's contribution to inclusive economic growth. The election of South Africa to the United Nations World Tourism Organisation's Executive Council has positioned South Africa in the global system of tourism governance to enhance international response to the needs of South Africa, the continent and the developing countries in general. It will also intensify South Africa's cooperation with the global tourism sector to position tourism as a key driver for economic recovery from Covid-19 pandemic, job creation, poverty eradication and sustainable development.

The Department remains committed to the implementation of the apex priorities on mainstreaming gender, empowerment of youth and people living with disabilities. The department is a top performing institution on the employment of employees living with disabilities. While the national target for employing people living with disabilities is set at 2%, the department has achieved a 4.6 % representation.

There is now 50% women representation at Deputy Director-General and Chief Director level. The focus in 2022/2023 will be ring-fencing Directors positions to achieve 50% women representation at Senior Management Service in the Department.

We are targeting the youth for bursaries and internships and this is part of the 2 500-youth targeted for our skills programme, and we currently have 962 active learners enrolled in various skills development programmes. We hope to work with the Provinces to ensure that this target of 2 500 youth is fulfilled. Our Youth are desperately in need of jobs and opportunities in our economy.

Tourism has contributed R82.1 billion or 8.7% of total investment in South Africa in 2019. The investment in 2020 is expected to have attracted R54.4 billion in 2020, totalling 7% of total investment in South Africa. There have been notable tourism developments in the last few months. New hotels that have opened include the Intercontinental Hotel and Radisson Red in Rosebank, a Hotel Sky in Sandton and in Cape Town include the Rockefeller, Home Suites, the Royal Boutique, Kloof Street Hotel, the Old Bank Hotel and Hotel Sky.

Conclusion

I would like to express our profound gratitude to all those in the tourism and greater hospitality sector who kept their doors open and to ordinary South Africans who came out to support local tourism. That is true patriotism. Sadly the term of the current Board of South African Tourism is ending very soon and I would like to thank the Board Members for their magnanimous support throughout this turbulent time. The Board provided us in the ministry remarkable support and they held the industry together and we weathered the storm together. We are very grateful to Members of the Portfolio Committee and the Select Committee responsible for Tourism for their support and guidance that has carried us through this difficult time.

I thank you.