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MEDIA STATEMENT: MINISTER DE LILLE REFLECTS ON PROGRESS IN THE TOURISM DEPARTMENT AFTER 100 DAYS IN OFFICE

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This past week, marked 100 days since being appointed as the Minister of Tourism and we have made great strides in many areas but our work will continue escalate with more urgency to take actions that will enhance and grow the tourism sector even more.

When I took office on 7 March 2023, the busy summer tourism season was coming to an end. The period between December and March, is a busy one for the country's tourism sector as visitors flock to our shores looking for sun, sea and everything in between.

South Africa has an abundance of diverse tourism offerings from beautiful landscapes, to vibrant cosmopolitan and cultural experiences and many thrills for those travellers seeking adventure. South Africa has it all but we are committed to doing more to grow the tourism numbers and the sector even more to make a greater contribution to the country's Economic Reconstruction and Recovery Plan.

TOURISM STATS

The latest tourism figures from StatsSA reveal that our tourism sector is on a rapid path to recovery and although we are not yet at pre-COVID travel numbers, we are edging closer but that requires work.

Between January and December 2022, we saw nearly 5.7 million visitors gracing our shores, including 4 million from Africa. This was a significant 152.6% increase from 2021.

For the latest Statistics: Quarter 1: January to March 2023, international arrivals to South Africa amounted to 2.1 million visitors, a 102.5% increase compared to the same period in 2022.

While still 21.5% lower than 2019 levels, we're gaining ground rapidly. The African continent led the way again with 1.6 million arrivals, followed by Europe's 387 000 and the Americas' 104 000 visitors.

From a domestic perspective, we have seen an incredible resilience with Q1 2023 performance surpassing pre-pandemic levels and those of Q1 2022.

Foreign Spend and Tourism Impact in the first quarter of 2023, foreign direct spend soared to an astounding R25.3 billion, marking a 143.9% increase compared to Q1 of 2022.

The overall foreign spend figure for quarter 1 this year is close to the R25.6 billion spent between January and March 2019 and showcases the industry's unwavering resilience.

SA TOURISM – GOVERNANCE AND OVERSIGHT

Before I report on the progress with key priorities, I believe it is imperative to recap on the governance matters and recent developments at SA Tourism, the main entity of the Department of Tourism.

One of the key matters of contention related to the Department was the proposed R1billion Tottenham Hotspur Football Club (FC) sponsorship deal with SA Tourism.

On 24 March 2023, I updated the media and the public on the SA Tourism and Tottenham Hotspur FC sponsorship proposal and requested a response on this matter from the previous SA Tourism Board by Wednesday 29 March 2023.

In early March, I sought and obtained legal advice regarding the Tottenham matter. In terms of that advice, there were three reasons why the Tottenham sponsorship was deemed unlawful and invalid. I requested a response from the previous SA Tourism Board as to why the proposed deal with Tottenham Hotspur FC was not unlawful and invalid.

I received a response from the then SA Tourism Board Chairperson regarding the proposed sponsorship deal. In a letter from the then SA Tourism Board Chairperson, based on the advice I have given to the board and which I had publicly stated, that the deal should not proceed, the previous SA Tourism Board agreed not to proceed with the proposal. The proposal was therefore stopped in late March.

Subsequently, after receiving reports on numerous serious allegations and governance concerns about the previous SA Tourism Board, on 6 April 2023, I wrote a letter to the then chairperson of the Board, Dr Thozamile Botha asking for representations on why I should not dissolve the Board in terms of my powers under the Tourism Act.

In my letter, I requested the then SA Tourism Board Chairperson to respond to me in writing by 18 April 2023. I asked why the issues raised in my letter do not constitute good cause for me to dissolve the Board in terms of section 16 (3) of the Tourism Act.

Instead, 7th and 13th April 2023, 8 of the 11 precious SA Tourism Board Members, including the Chairperson resigned, without making representations on why I should not dissolve the board. The remaining three members of the previous Board could not form a quorum and the Board was therefore no longer functional.

I then dissolved the board in terms of the Tourism Act and this was gazetted on 21 April 2023.

On 21 April 2023, I announced the appointment of three persons to manage the affairs of SA Tourism Board and gazetted the appointment of three persons.

The appointment of the three persons was done in line with the Section 16 (3) (b) of the Tourism Act which states: “If the Board is dissolved in terms of paragraph (a) the Minister may defer the reconstitution of the Board and, in the notice by which the Minister has so dissolved the Board or by any subsequent notice in the Gazette, appoint one or more persons, on such conditions as the Minister may deem necessary, to manage the affairs of the Board until the appointment of the new Board.”

The status of the SA Tourism Board is that an advert and call for nominations for members to serve on a full SA Tourism Board is now open until 6 July 2023 and interested parties are encouraged to apply. Details can be found on the Department of Tourism’s website.

We foresee the appointment of a full and new SA Tourism Board to be completed by October this year after the recruitment and all due processes have been followed and completed.

In the meantime, together with the department and the interim board, we are working to bring greater stability and efficiency to SA Tourism with our goal remaining to grow inclusive tourism in South Africa.

PRIORITIES

In April, I signed a new performance agreement with President Cyril Ramaphosa which contains key priorities to recover and grow the tourism sector.

TOUR OPERATOR LICENCES

My first priority in my performance agreement is to address the tour operator licences backlog and in this regard, I met with the Minister of Transport, Sindisiwe Chikunga as tour operator licences are granted by her department.

Our task is to reduce red tape and improve the turn-around time for processing tour operator licence applications and renewals.

By 12 April 2023, the tour operator licence backlog stood at 418, this was down from the initial backlog over 1 000 licence applications last year.

In early May, I met with Minister Chikunga and we agreed the Minister of Transport would write to all MECs for Transport and Safety for a moratorium on enforcement of tour operator permits where tour operator licence applications and renewals are pending. The enforcement of the moratorium is still pending.

e-VISAS

The second priority is to improve access to South Africa for visitors by collaborating with the Department of Home Affairs to improve ease of travel through the implementation of the e-visa system and digitising of passenger processing at ports of entry.

In early March, I met with Minister of Home Affairs, Dr Aaron Motsoaledi regarding the challenges with processing visas and Minister Motsoaledi undertook to increase the visa adjudication capacity and to enhance the e-visa system.

Capacity was increased with an additional 18 people deployed to the e-visa hub. Minister Motsoaledi indicated that this increased capacity would allow the e-visa hub to process up to 300 e-visas a day.

South Africa initially rolled out the e-visa system to 14 countries and visitors from an additional 20 countries can now apply for e-visas.

South Africa also has visa waivers for most countries across the world including SADC countries where no visa is required for periods of between 30 and 90 days.

TOURISM EQUITY FUND (TEF)

Priority number 3 is to implement The Tourism Equity Fund (TEF) which was stalled due to a court matter.

The target is to have the TEF fully disbursed by March 2024 and to develop and implement mechanisms to unlock the implementation of the TEF to ensure black ownership within the confines of the law and support Small to Medium Enterprises in the tourism sector.

In March, I met with Senior Counsel regarding the matter and proposed that we settle the matter.

In April, the respondents accepted the settlement and withdrew the litigation matter and the court case was settled 26 April 2023, thereby unblocking the TEF.

The revised implementation plan is currently being finalised by the department and the Small Enterprise Finance Agency (SEFA) within the confines of existing and applicable legislation.

The drafting of the improved TEF application criteria is being finalised in consultation with the MECs for Tourism and the Tourism Business Council of South Africa (TBCSA).

We are now finalising the concept and criteria for applications to the Tourism Equity Fund within the existing BBBEE legislation and the Tourism BBBEE Codes. This will unblock R1.42billion in funding to facilitate accelerated sector transformation.

It is anticipated that the revised TEF concept and implementation process will be tabled to Cabinet for approval in July 2023.

Parallel to the development of the criteria, the Department and SEFA are working on a draft Fund Management Agreement which will be aligned to the Concept Document. This will also be supported by a clear service level agreement with SEFA.

TOURISM INFRASTRUCTURE DEVELOPMENT

The fourth priority is to create enabling conditions for a visitor experience through infrastructure development. The target is maintenance and upgrade of tourism infrastructure.

In May, I met with the Development Bank of South Africa (DBSA), who are the implementing agents of the tourism infrastructure projects, to review the poor performance on projects.

We are reviewing and aligning the Memorandum of Agreement (MoA) between the Department and the DBSA to improve implementation on the infrastructure maintenance and upgrade projects.

I have also called on the team at Infrastructure South Africa (ISA) to provide support on these projects in terms of contract management and providing additional support with professionals in the built environment at ISA.

I will hold monthly meetings with the DBSA for oversight purposes to discuss project progress and expectations for accelerated project delivery.

The department's current 2023/24 Annual Performance Plan has 25 infrastructure maintenance projects in five provinces. Twenty-three of these projects commenced implementation in the 2022/23 financial year while 2 projects commenced in the 2023/24 financial year.

All 25 maintenance projects are to be completed in this current financial year (2023/24).

In the current Annual Performance Plan there are also 29 community based projects. Construction has started on 20 projects.

Contractors have been appointed for 2 community based projects and 5 projects are currently at procurement stage.

Construction of these projects is expected to commence in this financial year.

Two other community based projects are currently in planning with contractor procurement to start in this financial year.

In terms of heritage sites, I have met with the Minister of Arts and Culture, Zizi Kodkwa and senior officials from his department to enhance the working relationship and collaboration between the two departments on maintenance of heritage sites. We have signed a Memorandum of Agreement between the two departments for maintenance of heritage sites.

TOURISM SAFETY

In terms of creating enabling conditions for improved visitor experience, tourism safety is a key area of work.

I am clear that government and the private sector need to work together on solutions and actions that will make South Africa safer for tourists and locals alike.

In this regard, I have met with the National Tourism Safety Forum in May to discuss implementation of the 2018 National Tourism Safety Strategy.

The Tourism Safety Forum includes the National Department of Tourism, MECs of tourism, the police, the National Prosecuting Authority, the Tourism Business Council of South Africa (TBCSA) and may other tourism associations representing the private sector.

We agreed that it is now time to implement the actions which are outlined in the National Tourism Safety Strategy which was adopted by all parties in 2018. The implementation of this was delayed during the pandemic but it is now time to get back on track and expedite the implementation of actions that will enhance safety and our visitors' experience.

We are also finalising discussions on partnerships with the private sector on the use of technologies and apps to enhance safety for local and international tourists. We will be launching the Secura Tourist Safety App, an initiative by the private sector in July.

We have obtained a list of 59 hotspot areas identified by provinces and the industry and together with other government departments, provinces and the private sector, we will be implementing the National Tourism Safety Strategy.

This includes the training and deployment of 2 215 Tourism Safety Monitors to be deployed by the Department of Tourism to tourist hotspot areas and work with the SA police to enhance safety measures.

We have also requested provincial governments to supplement the programme to allow the deployment of more Tourism Monitors.

INCREASING THE VOLUME AND VALUE OF DOMESTIC AND INTERNATIONAL TOURISM

Increasing the number of visitor to South Africa is another key area work and this involves developing and implementing a brand strategy to promote South Africa as a preferred destination.

Our target is to increase visitor numbers and spend above pre-COVID levels by 31 March 2024.

In this regard, SA Tourism, whose role is to market South Africa as a top tourist destination, has done a number of strategic activations this year already including in New York in April 2023 with Freedom Day celebrations in New York, days after South African jazz legend, Hugh Masekela was inducted into Lincoln Centre Jazz Hall of Fame.

The activation included numerous activities and meetings with stakeholders in New York to increase South Africa's brand awareness and attractiveness in New York.

We also held another successful Africa Travel Indaba in Durban in May, Africa's biggest tourism trade show with more than 8 600 delegates attending, more than 1 000 exhibitors and more than 1 700 travel buyers where buyers and travel businesses networked, showcased projects, and signed partnerships and deals. More than 22 African countries were represented at the Africa Travel Indaba this year.

The Department of Tourism funded the participation and exhibition space of 122 SMEs from across the country to showcase their tourism offerings and businesses at the 2023 Africa Travel Indaba.

The Department of Tourism also funded the participation of 30 SMEs at World Travel Market Africa in April held in Cape Town which saw travel buyers and investors from all over the world attend the trade show.

SA Tourism also participated in Arabian Travel Market in May in Dubai to showcase South Africa's tourism industry at this global trade platform. Nineteen South African exhibitors participated including SMEs from Limpopo, the Free State, Gauteng, the Eastern Cape and Mpumalanga attend the Arabian Travel Market to market their tourism businesses at this global trade show.

In terms of global and domestic destination brand campaigns, plans are underway to conclude key campaigns for key source markets including west, central and east Africa.

TOURISM SECTOR MASTER PLAN

The final priority is the conversion of the Tourism Sector Recovery Plan, adopted by Cabinet in March 2021, to the Tourism Sector Master Plan.

The alignment of the Tourism Sector Recovery Plan to a forward looking Tourism Master Plan has commenced.

The Department's policy is finalising the first draft of the Master Plan. It is anticipated that the Master Plan will serve before Cabinet in August 2023 to seek approval for public consultation.

Additional work started since I moved to this portfolio:

Improving Air Access:

I have identified the need for a National Tourism Airlift Capacity coordinating mechanism to be established in the department to enhance relations and collaboration with partners such as SA Tourism, the Airports Company of South Africa (ACSA) and provincial air access structures.

The aim of this national airlift structure will be for all partners to work together to increase air access to ensure adequate airlift for various tourism markets.

Branding and Communication

I have also identified a need for a strategic, coherent and consistent messaging for all partners and stakeholders in the tourism sector to ensure that we market the country and speak to the world with one voice and one clear message: that we are open for business and ready to welcome travellers from all over the world.

I will be meeting with key tourism partners including the Tourism Business Council of South Africa (TBCSA) and the Southern African Tourism Services Association (SATSA) and BrandSA later this month to work on a revised and more strategic marketing and communication plan and campaign.

CONCLUSION

The first three months in the portfolio have been busy, exciting and rewarding and I am encouraged by the passion and commitment of all stakeholders. I will continue working with all stakeholders to take tourism to the next level and again my ethos is urgency and implementation.

Together with the department, local and provincial tourism departments and associations and the private sector, I am committed to working with everyone to see tourism truly take its place as a significant economic sector and contributor to economic growth and job creation.

I will undertake a number of site visits to strategic sites to demonstrate progress or to assist in unblocking projects which are not moving fast enough.

We will continue updating the media and the public regularly on the above priorities and other matters we are working on to advance and grow inclusive tourism in South Africa.

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