



MINISTRY
TOURISM
REPUBLIC OF SOUTH AFRICA

Remarks by Mr Fish Mahlalela Deputy Minister of Tourism at the showcasing of the Tourism Transformation Fund Project at Graskop, Mpumalanga Province

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Programme Director - Ms Dikato Mothae
Mr Mziwabantu Dayimani - Acting Chief Executive
Mr Oupa Pilane - Graskop Director
Mr Bernhard Meyer - Chief Director Tourism Incentive Programme
Esteemed Guests

Members of the Media

Let me express my profound appreciation to the organizers of this extraordinary event where we bring to life exceptional benefit of one of the funds earmarked at bringing inclusive economic growth to our society.

In order to realise the vision of our constitution, our country needs transformation that opens a path to inclusive economic growth and development. Growth without transformation would only reinforce the inequitable patterns of wealth inherited from the past.

Government's objective is not merely to transfer ownership of assets or opportunities to contract with the state: it is to change the structure of the economy. Broad-based transformation should promote growth, mobilise investment, create jobs and empower citizens.

It must create new resources to support social change, including assets and livelihoods for the majority, and strengthen South Africa's constitutional foundations.

The TTF has already approved a total of 23 transactions valued at R272.58 million. Six of the projects are operational, while a further six are under construction. Ten of the approved transactions are at various stages of development and are scheduled to commence construction in due course.

It is significant to note that all nine Provinces have a TTF projects spread across

Today we have stepped into the heart of adventure alongside the iconic Panorama Route, witnessing this captivating destination - Graskop Gorge Lift Company. This is a fully operational TTF project since its launch in December 2017, and has become one of the most prominent tourist attractions responsible for driving tourism development.

The Panorama route is famous for its natural beauty and world-renowned viewing attractions such as the God's Window and the Blyde River Canyon, among many others.

The main feature of this Project is the gorge lift which became the first of its kind on the African continent. The lift allows visitors to be transported 51m down to view the natural spectacles of the Gorge through its transparent glass on all sides and provides access to the Fromontane Forest below to explore a 600m circular walking trail.

It also offers visitors a unique experience with its elevated walkways and suspension bridge that allows them to explore the lush indigenous forest from above. The gorge is home to an impressive waterfall called the Lisbon Falls, which cascades down into the valley below, creating a picturesque and serene atmosphere.

Visitors can also enjoy various other activities here such as zip-lining, hiking trails, and guided tours that provide insight into the rich biodiversity and history of the area.

The NEF and TTF have already approved funding to the tune of nearly R39 million for this project.

The strategic objectives of the TTF are to facilitate transformation within the tourism sector by providing access to funding support through a combination of debt, equity and grant funding to black investors, develop the tourism sector by providing financial support to eligible projects with preference for projects that stimulate empowerment, destination development, job creation and tourism skills development;

Furthermore, reduce the debt burden of the prospective investor to finance their business and encourage the development of innovative, commercially viable and sustainable tourism projects.

Our government had identified economic transformation as a fundamental component of the process of turning the country into a non-racial, non-sexist, egalitarian, united and democratic South Africa.

It is viewed as the catalyst to address the country's socio-economic problems and their associated impact on different sectors and the economy at large.

Therefore, transformation of the South African economy through broad-based black economic empowerment (B-BBEE) is a fundamental principle addressed in key government policy documents such as the National Development Plan, New Growth Path, and the Industrial Policy Action Plan (IPAP) of the country.

The economic transformation through B-BBEE as a priority in the tourism sector is reflected in the Tourism Act, the National Tourism Sector Strategy and the Tourism B-BBEE Sector Code amended in 2015.

Even though, there has been some growth in the number of new black-owned small and micro enterprises entering the sector and also some progress made by existing large tourism players to transform, the overall pace and extent of transformation in the tourism sector has been slow.

All transformation efforts to date has not sufficiently changed the structure of the sector to facilitate equitable growth with sustained positive socio-economic impacts for the people of South Africa.

The Department saw a great need of strengthening its focus of the sector's transformation programmes beyond policy interventions and to consolidate state-resources through partnerships to create targeted interventions to facilitate more inclusive growth and economic transformation.

Hence, the collaboration of the department and the National Empowerment Fund (NEF) as strategic partners to create a dedicated capital investment funding mechanism to drive transformation in the tourism sector in a more direct and impactful manner that will not only assist small black-owned tourism enterprises to expand and grow, but also to catalyse the rise of a new generation of black owned youth, women and community-based tourism industrialists to take the sector to new heights.

The TTF provides a combination of grant funding, debt financing and equity contributions to facilitate capital investment in the tourism sector by prospective black entrepreneurs. The TTF is housed, managed and administered by the NEF.

While it will only focus on tourism-specific investment, it is also linked to all existing debt financing products of the NEF.

It is capitalized to the tune of R120 million in grant funding, with the balance of project funding to be made up of debt finance and equity contributions by the NEF or any other Development Finance Institutions (DFIs) as well as owner's contribution.

The grant-funding component is capped at 50% of the total funding required up to a maximum of R5 million per successful applicant. The balance is made up of debt finance and equity contributions by the NEF or any other DFIs as well as owner's contribution.

The focus of the TTF is on companies that are majority black owned, an Exempted Micro Enterprise (EME) or a Qualifying Small Enterprise (QSE) in terms of the Amended Tourism B-BBEE Sector Code. Any support will be dependent on the outcome of an assessment of the commercial viability of the proposed project.

The intention would then be not only on closing any gaps that prevent the project from accessing funding support, but once viability is proven, to also reduce financial gaps through grant funding with the view to unlock full investment in the project.

In conclusion, our hope is that others will be inspired by this project and by the impact partnerships like this can have on creating a more inclusive tourism economy in South Africa. We know that visitors (whether local or international) want authentic experiences that are both unique and sustainable.

Partnerships that can result in what we are seeing, show that when the private and public sectors work together, not only is a more inclusive tourism landscape possible, but South Africa's tourism offering becomes that much richer.

Let me once more express my words of gratitude to all our partners and wish them well for their future endeavours and for this partnership to grow in leaps and bounds.

I thank you all