

Speech by Honourable, Fish Mahlalela, Deputy Minister of Tourism at the launch of Tourism Technology Grassroots Innovation and Incubation Programme (TTGIIP), Hilton Hotel, Sandton

23 June 2022

Director-General of the Department of Tourism; Mr Victor Tharage
Acting CEO of Technology Innovation Agency; Mr Patrick Krappie,
Board Members of TIA
Deputy Director General; Department of Science and Innovation
Executives of Commerce and Development Finance banks,
Senior management from the three partner institutions,
Our emerging innovators and programme beneficiaries
Members of the media,
Ladies and gentleman.

We celebrate Youth Month with this very special platform today – a platform for growth and innovation, a platform for young people to excel, a platform to grow the economy as well as to grow minds and cultivate ideas. As we embrace the Fourth Industrial Revolution, we give expression to how the role of technology is advancing the growth of our young people and how we as a government can contribute to that.

Technology has become the powerful force of innovation for young people. It has opened doors, connected people from remote communities and urban areas like with the same interests, and provided new opportunities to women, vulnerable groups and especially to young people. To be tech-savvy has become synonymous with being young. Indeed, the time has come for government to adapt its modalities and embrace innovation. Especially as we are recovering from a nearcatastrophic world event.

As the COVID-19 pandemic brought the world to a standstill two years ago, it also all but decimated the tourism industry. Lives and livelihoods were affected and the tourism economy was greatly diminished. As the world faced an unprecedented global health, social and economic emergency with the COVID-19 pandemic, travel and tourism was among the most affected sectors since airplanes were grounded, hotels had closed and travel restrictions were put in place in virtually all countries around the world. The global and local travel and hospitality industry and large and small operators in the sector suffered major losses as a result of global efforts to contain the pandemic.

Steve Jobs once said: "Innovation is the ability to see change as an opportunity – not a threat". We as the Department of Tourism are implementing the economic and tourism recovery plans by rejuvenating and igniting demand for tourism services and our hope is in the innate power of the youth to awaken the catalytic power of the tourism industry.

As part of the recovery effort, we are launching the Tourism Technology Grassroots Innovation and Incubation Programme (TTGIIP) which is an initiative jointly developed between Departments of Tourism and Science and Innovation and their agency, Technology Innovation Agency.

The aim of this programme is to support a pipeline of young tourism-tech entrepreneurs who can develop disruptive technologies for the industry, as well as to facilitate the introduction of new concepts that will help boost, sustain and create more jobs in the tourism industry.

The TTGIIP programme aims to achieve these specific objectives by helping participants:

- To inspire innovation amongst enterprises in the travel and hospitality sector,
- To involve youth and women in tourism business operations,
- To facilitate commercialisation and market access funding in the travel and hospitality businesses, and
- Create new jobs and skills development.

This programme commences at a period as South Africa grapples with high youth unemployment (placed at over 60% by the recent Labour Force Survey by Statistic South Africa). As government, we believe that techbased innovation can greatly stimulate new services, entrepreneurial and job opportunities.

The TTGIIP's requires a multiple stakeholder implementation approach including government, industry, private sector and civil society. The main implementing partner is Technology Innovation Agency (TIA); an agency under the custodianship of the Department of Science and Innovation.

TIA has a national network of technology centres and partners that will provide critical infrastructure for incubation of small businesses in this sector. Among the advantages of this approach, includes the fact that it is an effective partnership optimising government resources, for example, utilisation of TIA's internal expertise that can be harnessed at no cost. A further advantage is that TIA has already worked in conjunction with the Innovation Hub and other Small Enterprise Development Agency (SEDA) technology incubators and, hence, some of the projects in their pipeline are tourism specific and stand to gain from this partnership. Incubates will be supported through business ideation, prototype development, market testing and commercialisation phases.

The TTGIIP is aimed at ensuring meaningful involvement of youth and women in the travel and hospitality industry operations by capitalising on their intellectual technology edge to change the traditional business systems and practices in a manner that empowers youth and women and facilitates their participation in business.

This programme will involve the development of an industry problem statement that seeks to challenge participants to develop innovative solutions. This is a competitive process which will require the participants to identify problems, develop a tech solution which they will pitch to a panel of judges. The ideas/solutions must be practical, realistic and show potential for commercial success, upscaling, job creation and attracted funding will be given priority. Chosen ideas will be put on a two-year development programme which includes, idea finalisation, prototype development, commercialization plan, venture capital and other investment financing attraction, market testing and eventual graduation into the market.

The TTGIIP programme model consists of:

Grant funding for the proposed innovation including the following support activities:

- Intellectual Property Support;
- Product & technical development expertise, design, infrastructure, hard/software materials and manufacturing;
- Business development support;
- Networking and market access activities; • Training, mentorship and incubation support; and
- Industry compliance and certification.

The Department of Tourism has budgeted an amount of R6 million over two years for this programme. According to the attached project proposal, TIA has committed to match the funding with an amount of up to R4 447 500.00 that will cover all programme administration, incubation services and project implementation costs. This will bring the total budget for the project in two years to R9 845, 000. A total of 20 incubates which are all youth, will be supported over the two years.

As the old adage goes, "Necessity is the mother of invention." We have to think differently to adapt to a new set of norms. We have become agile in our thinking and creative in reimagining a new normal. Not only to survive but to flourish.

However we are not building from scratch. We stand on the shoulders of those brave pioneers that have paved the way for us with their sacrifices. And the best way to honour our debt of thanks to them is to excel in what we do in building a better South Africa. So that we too can pave the way for generations to come.

This is well within the context of what President Oliver Tambo said, and I quote: "The children of any nation are its future. A country, a movement, a person that does not value its youth and children does not deserve its future..."

It is on that note that I have absolute pleasure today to welcome the new cohort of young entrepreneurs to the tourism family.

I thank you