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SPEECH BY MINISTER OF TOURISM, PATRICIA DE LILLE, MP

DATE: 25 JANUARY 2024

NOTE TO EDITORS: The following speech was delivered by Minister of Tourism, Patricia de Lille at the inaugural Township and Village Tourism Expo hosted by the SA Township and Village Tourism Organisation (SATOVITO) at the Cradle of Humankind, Morapeng today. Read more below...

Your excellencies, Ambassadors, Consul generals and representatives from the various embassies present here today from:

- The New Zealand and Mauritius High Commissions
- The Embassies of Ukraine, the Republic of Azerbaijan, Zimbabwe,
- The Republics of Guinea, Libya, Indonesia, Equatorial Guinea, Turkey and Ethiopia

West Rand Mayor, Councillor Thabiso Bovungana

SATOVITO Chairman, Thulani Nzima

Chairman of the National House of Traditional and Khoisan leaders, Kgosi Thabo Milton Seatlholo

Acting CEO of SA Tourism, Nombulelo Guliwe

Our host, CEO of the Cradle of Humankind, Matthew Sathekge

Gauteng Tourism CEO, Sthembiso Dlamini

SANTACO representatives

Community members, businesses, members of the media

Ladies and gentlemen

Good morning, molweni, dumelang

It is my great honour to be with you all today at this integral and long overdue Township and Village Tourism Expo.

When I think of our villages, towns, dorps and townships, I think about the unique cultures, sounds, the energy, the eclectic mix of people and experiences.

I think of the traditions and the true heartbeat of our country – the people.

Let me congratulate SATOVITO for putting this together. I am extremely excited to see what we have on offer and to engage you all on how we take this part of the sector to new heights.

I firmly believe that township and village tourism has so much to offer and so much untapped potential and we must place more focus on this area to showcase our hidden gems and the true magic of our villages and townships.

I came across a very apt description in this expo brochure and I can't agree more with these words which says: "Townships and villages are not only repositories of history and tradition but also vibrant hubs of cultural expression and communal life". END QUOTE

So again, my sincere gratitude to each and every person involved in putting this important event together.

SATOVITO was one of the first sector bodies I engaged when I came to the department last year and I was immediately impressed and grateful for the work that the organization does.

I made a commitment to work closely with you and I am here today to reaffirm that commitment because I want to see more energy and focus put on township and village tourism.

Every time I explore a new part of this beautiful country, I am struck by our many diverse offerings, in that no two places are the same.

I have found only warm, kind and committed people in tourism in every part of this country and I look forward to exploring even more hidden gems this year and pushing harder with all partners to take the entire tourism sector to the next level.

This expo aims to shine the light more prominently on tourism products in our villages and townships where people from disadvantaged backgrounds are breaking through barriers to stake their claim in the tourism sector.

We are here to showcase the vibrant spirit and unique experiences that townships and rural areas have to offer.

I am also pleased to see an often forgotten element at events at this expo - Community Engagement.

I want to commend the organisers for its objectives to foster strong community engagement by involving local residents, community leaders, and stakeholders in the planning and execution of the expo.

Promoting township and village tourism is an integral part of diversifying our tourism offerings so that we can grow the economy, the sector and the number of jobs created by this sector.

I am therefore pleased that the South African National Convention Bureau has provided financial support to this Expo and that SA Tourism has also supported it through marketing it at global events such as World Travel Market London.

I have often said that we must place more emphasis township and village tourism, especially in the annual Sho't Left campaign and later today there will be workshop on this annual campaign by SA Tourism.

My message today to SATOVITO and everyone here today is that the Department of Tourism and our entity, SA Tourism are here as a key partner.

We want to help you achieve your vision to develop townships and villages into smart residential and business hubs that foster job creation, social cohesion and market indigenous tourism experiences.

We are your partner to transform the tourism industry & expand the value chain to be more inclusive and attract tourism investment to townships and villages.

We need to showcase our culture, history, indigenous cultures and people to visitors from all over the world because I am certain that those are the experiences that will leave them with memories they will treasure forever and stories that will captivate them for years to come.

We need to do better at marketing our history and cultures and show more people places like what is known as “Nobel Street” where we showcase Vilikazi Street in Soweto as being the homes of two Nobel Peace Laureates, our dear Tata Madiba and Archbishop Desmond Tutu.

This history has helped to transform the area around Vilikazi street into a thriving business community but there are many more spaces and places like these all over South Africa which we can showcase.

We just need to tap into the history and culture and market it to show the world the greatness and deep history of our townships and villages.

One of the key missions for SATOVITO is to create more economic opportunities for residents and businesses in our townships and villages.

In this regard, I want to share a few key opportunities for funding offered by the Department of Tourism which I want SATOVITO to market more to stakeholders and I want to encourage more businesses in our villages and townships to apply for funding from these programmes.

DEPARTMENT OF TOURISM INCENTIVE PROGRAMMES

The Tourism Incentive Programme is a package of support programmes aimed at stimulating the growth, development and transformation of the South African Tourism sector.

Through these incentives, the department aims to transform and achieve accelerated growth in the tourism sector.

This in turn contributes to the achievement of the department’s objectives to stimulate enterprise growth, job creation, revenue growth and an enhanced visitor experience.

The Department’s incentives include:

The recently relaunched Tourism Equity Fund (TEF) where the revised TEF was approved by Cabinet for implementation in September 2023.

Applications for the R1.2billion TEF opened on 6 November 2023 and is administered and implemented by the Small Enterprise Finance Agency (sefa) on behalf of the Department.

With the TEF, the Department aims to stimulate more inclusive participation and transformation in the tourism sector in line with the targets of the Tourism B-BBEE Sector Codes, and address some of the funding challenges faced by tourism enterprises.

The TEF offers a combination of grant funding, debt at concessionary rates and senior debt through sefa and other recognised commercial financial institutions prospective applicants for start-ups, acquisitions, expansion and development projects in the Accommodation-, Hospitality, Travel- and related services-subsectors.

The maximum grant receivable is limited to 35% of the required funding capped at R20 million per transaction.

I encourage businesses here today to find more information on sefa's website and sefa will be presenting and sharing more information on the TEF here today.

The second programme which businesses can apply for funding to is the Green Tourism Incentive Programme (GTIP).

The 9th application window for GTIP funding opens today until 31 March 2024 and for this financial year, the Department has set aside just under R200million to support tourism businesses to go green by installing water and energy saving measures at their businesses.

The development of GTIP was informed by escalating electricity prices, the intensifying pressure on the national energy grid and negative impacts of load-shedding as well as water scarcity and drought conditions which negatively impact the tourism sector.

The GTIP was established to encourage private sector tourism enterprises to move towards the installation of solutions for the sustainable management and usage of electricity and water resources.

The GTIP not only reduces pressure on the national electricity grid and water resources of the country, but also ensure an uninterrupted visitor experience for tourists, and also reduce input costs, and facilitate increased competitiveness and operational sustainability.

The GTIP offers partial grant funding support of between 50% to 90% up to R1 million on the cost of retrofitting tourism facilities with energy and water efficiency equipment and systems based on the outcome of a resource efficiency audit.

The programme is administered through the Industrial Development Corporation (IDC) and all applications need to be submitted to the IDC during defined application windows.

More information on how to apply for this funding can be found on the department's and the IDC's website and I want to implore and encourage businesses especially in villages and townships to apply for this funding.

Tourism businesses can go green and off the grid by installing solutions like rainwater harvesting systems or PV panels and ensure that load shedding does not interrupt your business operations or your guest's experience.

The GTIP has so far supported more than 173 tourism businesses with green retrofitting with a grant value of over R109million disbursed by the department to these successful applicants.

Some notable examples of GTIP beneficiaries located in rural, township and village areas include:

Qabuleka Bed and Breakfast in Nongoma, KwaZulu-Natal;

Tshiberry Bed and Breakfast in Phokeng Village, and Thaba Legae Guest Lodge in North West; and Great 7 Guest House in Butterworth, and Fort Hook Guest House in Sterkspruit, Eastern Cape.

Another form of support provided by the Department is through the Tourism Transformation Fund (TTF).

The TTF is a collaborative initiative by the Department of Tourism and the National Empowerment Fund (NEF) to address the generally slow pace and extent of transformation in the tourism sector.

The TTF is administered and implemented by the NEF on behalf of the Department and offers a combination of debt finance and grant funding for smaller new and expansion tourism development projects with majority black shareholding.

Loans for tourism projects that are approved by the NEF will then be considered for a grant funding portion of 50% of the loan amount up to a maximum of R5 million.

More information and application forms for NEF loans and TTF grant support is available on the NEF website.

For the last financial year, under the TTF, just over R11,6million was disbursed to TTF beneficiaries.

Some notable examples of TTF beneficiaries located in rural, township and village areas include:

The Limakatso Boutique Hotel and entertainment centre in Aliwal North in the Eastern Cape; and

The Royal Tonga Safari Lodge in Tembe, northern KwaZulu-Natal.

Another form of support provided by the Department is one that I am most excited about and where I want to see more funding disbursed under this programme to establishments in townships and villages is the Market Access Support Programme (MASP).

This programme offers funding for businesses to travel to and exhibit at national and international tourism trade shows so that they can expose their offerings to more buyers, unlock market potential, grow their customer base and drive sales.

The market domination by larger players and various cost barriers make it difficult for smaller enterprises to participate at tourism exhibitions and roadshows as primary trading platforms.

To address the cost barriers associated with exhibition/ roadshow participation, the Department introduced the MASP.

The MASP offers partial financial support as a contribution towards exhibition cost, return economy airfare/ road trip, accommodation cost, ground transport to qualifying small tourism enterprises to participate and exhibit at selected international and local tourism trade shows.

The introduction of MASP is based on the rationale that improved market access not only drives higher revenue and export earnings, but that increased tourist numbers informs enterprise growth and expansion, which in turn leads to greater job creation.

Applications for MASP support are accepted based on specific Calls for Applications published by the Department a number of months in advance of a specified trade platform taking place.

These Calls for Applications are published on the Department's website and social media platforms and also distributed through provincial tourism authorities and recognized industry associations.

More information, the MASP programme guidelines and application forms are available on the Department's website.

In the last financial and current financial year, the department has provided financial support for SMEs to attend Meetings Africa, WTM Africa and Africa's Travel Indaba.

Total funding under MASP in 2022/23 to businesses to attend trade shows amounted to R6.5million to support to 55 beneficiaries.

Some notable examples of MASP beneficiaries in 2022/23 located in rural, township and village areas include:

Jericho Hotel and Conferences, Know Your Africa Adventures and Vhafamadi Bed and Breakfast in Vhembe District, Limpopo;

Dakari Bed and Breakfast, Mathendlo Tours and Safaris, Tinyiko Kruger Lodge, and Bonita Place Guest Lodge in Ehlanzeni, Mpumalanga

Biweda Nguni Lodge, Imbube Nature Tours and Theo Tours in uMkhanyakude District, KwaZulu-Natal; and

Kibiti Tours and Faces Guest House in Thabo Mofutshanyana District in the Free State and Tlari Travel in Soweto, Gauteng.

Finally, the Department also supports businesses with funding towards their grading costs with the Tourism Grading Council.

The incentive is to stimulate an increase in conformity to quality standards, reduce the cost burden on small and medium enterprises and enhance the overall visitor experience and improve destination competitiveness.

The Tourism Grading Support Programme offers discounts of either 80% or 90% on grading assessment fees for accommodation and meeting venues that apply for star grading by the Tourism Grading Council of South Africa.

In the previous financial year, a total of 3 719 graded establishments across the country benefited from discounts totaling R15.9million on their grading assessment fees.

TOURISM SAFETY

Another key area of work for the Department has been to enhance tourism safety as this is one of the key barriers to attracting more visitors.

Last year we revived the National Tourism Safety Forum and held three meetings.

We held our last meeting in Mpumalanga last year where we also deployed the 2 300 Tourism Monitors across the country.

The Department of Tourism invested R174million in the Tourism Monitors deployment for this financial year.

SATOVITO has been a key partner on the tourism safety initiatives and I look forward to continuing to work with you to enhance tourism safety in our villages and townships.

The Tourism Monitors Programme is part of the broader government intervention that involves training, mentorship and deployment of unemployed youth in tourism attractions and sites. This is to supplement the safety and security work by the SA Police and initiatives by the private sector such as the Tourism Angels and the Secura Traveller App.

We deployed 100 monitors to Gauteng, 220 to Mpumalanga, 100 in the North West, 150 in the Free State, 100 in Limpopo, 150 in the Eastern Cape, 250 in the Western Cape, 70 in the Northern Cape and 200 in KwaZulu-Natal.

A further 130 tourism monitors were deployed to SANBI sites, 200 to iSimangaliso, 135 to various airports, 150 to Ezemvelo:150 and 250 to SANParks sites across the country.

I also want to take this time to congratulate SATOVITO and the SA National Taxi Council (SANTACO) for the ground-breaking agreement they will announce today. You are two important partners taking a stand and forging ahead with actions to address crime against tourists.

I look forward to seeing how this partnership will help address crime and how we can partner with you to ensure that our measures improve tourism safety.

Ladies in gentlemen, in closing I want to briefly highlight some enterprise development programmes the Department of Tourism offers but encourage you to visit our website for more information on all these programmes and the application processes.

We want to see more emerging businesses apply for these opportunities so that you can become bigger players in this important sector for our economy.

When your business grows, our communities thrive and as we say “nothing about us, without us” so I want to see more SATOVITO members becoming beneficiaries of these programmes in the years to come.

Our Enterprise Development and Transformation Unit has been established as new structure to provide business development and market access support in order to improve the sustainability and job creation potential of tourism SMMEs.

The small business sector plays a critical growth role in the South economy yet it continues to face serious impediments to growth.

The Enterprise Development programme includes the Tour Operators incubator programme where we have had 44 beneficiaries worth an investment of R5.8million by the Department.

These tour operators received various types of business support interventions including showcasing at trade exhibitions. We also provided support to community based projects, tech incubators and overall business management training to various types of tourism SMEs.

So to all our partners here today, let me say thank you again for the wonderful work you are doing to provide vibrant and authentic experiences to our visitors. Let us keep up the good work and work even harder this year to take tourism to new heights.

I wish you all a successful expo and may you establish new connections to grow your businesses and its contribution to the economy.

Thank you and God Bless

ENDS

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