



Speech by Mr Fish Mahlalela, Deputy Minister of Tourism at the Inaugural Tourism Investment Forum Africa 2023 in Northern Cape

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Programme Director

Dr. Zamani Saul, Premier of the Northern Cape Province,

Mr. Abraham Vosloo, MEC for Finance, Economic Development and Tourism of the Northern Cape Province

Miller Matola: CEO Millvest Advisory in South Africa

The Diplomatic and Investment Community represented here

All Protocol Observed

It has been a great pleasure and honour for me to address you this morning at this Inaugural Tourism Investment Forum Africa.

Our Premier and distinguished guests the Northern Cape, particularly the town of Upington, has made history by hosting this inaugural event. This host Province, is one of the nine Provinces in our country which is the largest in terms of land size, smallest in terms of population and the western most Province of our country.

Let me extend our sincere appreciation to the organisers of this awesome event who could have simply chosen any other of our major cities, namely, Johannesburg, Cape Town and Durban, however, they deemed it fit to have chosen Upington which is in line with the Government objectives, as outlined in the Tourism White Paper of 1996, which encourages us to prioritise underdeveloped areas with high tourism potential for investment.

This will go a long way in promoting the Northern Cape as a MICE destination.

We all gathered here as we believe that it is only through linking our collective resources, and maximizing the synergy of our combined actions, that we will be able to discharge the socio-economic changes our society requires.

Inequality, unemployment and poverty will destroy the political gains we have made thus far. They remain scourges that blight the enjoyment of freedom for a large majority of our people. Our former President Mbeki regard them as a "weight on the conscience" of every one of us here today.

This underlines the urgency of our discussions here today, and the importance of the decisions we will reach.

This great Province is home to the Square Kilometre Array (SKA) and shares that honour with the state of Western Australia. A British Broadcasting Corporation (BBC) journalist once dubbed this one of the grandest scientific projects of the 21st Century.

It is worth noting that the SKA when completed will be the largest radio telescope in the world split between South Africa and Australia with headquarters in the United Kingdom. This is a classic case of North-South collaboration when you have two developed countries (United Kingdom and Australia) sharing infrastructure and expertise with a developing country (South Africa).

This SKA initiative does not only include the three countries mentioned it is also a true global initiative with a number of other countries involved. It seeks to resolve these enduring questions:

- The Dark Ages of Space
- The Einstein's theory of general relativity
- The large-scale structure of the universe
- The Dark Matter
- The Nature of Magnetic Fields.

It is against this background that both the Department of Tourism and the Department of Science and Innovation have collaborated on the National Astro-Tourism Strategy in order to find ways of taking advantage of travel and leisure opportunities that are unlocked by South Africa's hosting of the SKA.

Programme Director, the Astro-Tourism goes beyond the scientific endeavours that I alluded to earlier to cover such modest areas of interest to visitors such as star-gazing and there are advanced plans at both regional and continental level to develop astro-tourism strategies.

The continent needs to benefit from the opportunities brought about by astro-tourism due to its low levels of industrialisation – we therefore need to use our weakness as a strength to develop new industries working with institutions such as the Council for Scientific and Industrial Research and including development finance institutions and the private sector taking advantage of commercial opportunities that will be unlocked by these Government driven initiatives.

The Government has invested about R152 million or US\$7.9 million on the tourism aspects of, that is, astro-tourism and there is a huge funding gap of about R150 million that must be closed.

It is our hope that the initial government investment will further unlock about R18 billion in investment, which is just under a billion US dollars.

The South African National Astro-Tourism Strategy states that about, "50% of the world's population cannot see the beauty of the night sky but the African sky still remains at an advantage, by having the clearest and darkest night sky"; As stated earlier, our underdevelopment has become our competitive advantage.

By now you all quite aware that while we were trying to put initiatives in place to attract more tourists to our shores, the world was hit by the Covid-19 pandemic, which put the entire globe on the defensive.

At the height of the pandemic, we embarked on an extensive Infrastructure Maintenance Programme in state-owned attractions, which includes the Kgalagadi Transfrontier National Park (here in the Northern Cape) and Kruger National Park (our largest national park that straddles two provinces).

These efforts are aimed at protecting and rejuvenating the supply base of the tourism economy to ensure that when demand returns to the pre-pandemic levels, the supply side such as

Airports, roads, accommodation and amenities such as broadband and health infrastructure are able to keep up with the anticipated demand in line with the objectives of the Economic Reconstruction and Recovery Plan as well as the Tourism Sector Recovery Plan.

It is encouraging to note that the Private sector has come to the party in this regard. For instance, Country Hotels Group, one of the most prominent hospitality in this Province, increased its offerings with the opening of the Uppington Inn in 2021 – this was an acquisition that ensured that the town of Uppington does not lose its supply base.

In addition, the National Empowerment Fund, which manages the Department's Tourism Transformation Fund (TTF) provided a combination of grant and equity to two boutique hotels located in this Province.

My Premier, I am glad indeed to inform you that these two boutique hotels, which are located in the Capital City of this Province are black-women owned, which bodes well for transformation and women empowerment. This gave further confidence in the sustainability of the sector post-pandemic.

These private sector investment initiatives complement the interventions currently being made by the Government in ensuring that the major attractions are protected in order to support tourism growth, which will support the broader economy.

The Northern Cape Province was the beneficiary of the Tourism Business Incubator Programme which aims at providing mentorship, coaching and capacity training in order to ensure defiance of the dominant trend where the majority of small business normally falter.

Programme Director, this Tourism Investment Forum Africa should be seen as an introduction to the ecosystem because governments often put more emphasis on the demand side interventions such as the travel trade shows with less emphasis on platforms focussing on supply.

Some tour operators have already informed us that they will not invest in a market where they are not able to ascertain whether the supply will be able to keep up with the anticipated demand.

Many private sector stakeholders have indicated that they would invest more resources if some of the regulatory, financial and infrastructure barriers were addressed – these are issues such as long-term leases on state-owned land, which will unlock funding from the development finance institutions and commercial banks.

The security of tenure is non-negotiable in accommodation establishments, airports and other amenities that are capital-intensive in nature – with return on investment taking a minimum of at least eight years.

As indicated earlier on, the public sector interventions such as those at Kgalagadi National Park, the SKA Visitor Interpretation Centre as well as private sector initiatives, play a critical role in ensuring that supply is able to handle the anticipated demand stimulated by destination marketing efforts of South Africa Tourism, Provincial tourism promotion agencies, as well as municipal tourism promotion activities including work done at both regional and continental level to promote our continent as both a tourist and investment destination.

We have also noted insights coming from tour operators and tourists themselves on the appetite for cross-border experiences as they do not just want to visit one country but at least two countries when visiting the region.

This might have been informed by the fact that the region is located far away from major source markets for tourists. The initiative by the governments of Zambia and Zimbabwe in introducing a uniVISA in the Kavango Zambezi Transfrontier Conservation Area which is a welcoming response to this market demand.

We stand firmly behind the Southern Africa Development Community (SADC) as they work on a unified visa system for the region as part of the SADC Tourism Programme 2020-2030 which bodes well for both travel and investment within the region.

As I conclude, the Tourism White Paper (1996) recognised the critical role played by the tourism sector in the broader economy, when it stated boldly that “Tourism provides enormous potential to create linkages with other sectors and dynamize other sectors of the economy – agriculture, manufacturing and services.

Tourism generates demand and production in other sectors of the South African economy.” Therefore, we hope that niche tourism subsectors such as Astro-Tourism will help unlock tourism’s full potential.

Tourism is not an end in itself but a means to a prosperous and sustainable future.

On behalf of the South African Government, I would like to once again wish you all fruitful deliberations throughout the course of this event.

I thank you.