



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

SPEECH BY THE DEPUTY MINISTER OF TOURISM, FISH MAHLALELA AT THE INDABA TOURISM INVESTMENT SEMINAR IN DURBAN

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Programme Director – DDG Shamillar Chettiar Mr Jerry Mabena - TBCSA Board Chair Mr Nomaxabiso Tyhutyhana - Relationship Manager Tourism Equity Fund Ms Hapiloe Sello - CEO SanParks Mr Simphiwe Ngwenya – Executive Director Maboneng Mr Lindokuhle Hlatshwayo – Senior Project Advisor Investment Community Ladies and Gentlemen Good Morning Programme Director, let me express my gratitude for an honour bestowed on me to address you on this third instalment of the Indaba Tourism Investment Seminar, on the sidelines of this Africa’s prestigious travel and tourism showpiece.

One of the main lessons we drew from our battle against Covid-19 was that we live in an interconnected global which created the need for Africa to be self-sufficient. These lessons enjoin us to explore new collaboration methods and to shift focus to intra-Africa tourism. This made us realize that collaboration and not competition is the way to go.

The Inaugural Indaba Tourism Investment Seminar was held in May 2018 and this is the first investment seminar since the advent of the Covid-19 pandemic and the travel restrictions that accompanied it.

This seminar is a continuation of the Department’s ongoing initiatives aimed at mobilising tourism investment for Investment Ready Projects in the Pipeline of Nationally Prioritised Tourism Investment Projects (both greenfield and brownfield projects).

The purpose of this platform is two-fold: firstly, to promote South Africa as a preferred destination for tourism investment by highlighting opportunity areas around major attractions, especially in underdeveloped areas with high tourism potential. Secondly, to promote specific tourism investment projects that matches potential investors with specific opportunities.

It is our hope that this Seminar will provide an opportunity for international and domestic investors to interact with a wider array of product owners, ourselves as public representatives, development finance institutions and senior government officials.

As I have alluded in various platforms, in the past these platforms focussed only on the demand aspect of our offering with no structured platform focussing on the supply side of the sector. It was our expectation that when you have the demand addressed the supply side of things will take care of itself.

However, it has become apparent that tour operators that sell a product or destination want to be assured that the supply available in a destination will be able to keep up with the demand.

Tour operators buying our products want to know what is the capacity of the OR Tambo International Airport, the Cape Town International Airport and the King Shaka International Airport, just to name the top three. They want to know what is the carrying capacity of Kruger National Park, the Table Mountain National Park, the Pilanesberg National Park, the Cradle of Humankind, the

Addo Elephant Park, the Golden Gate National Park, the iSimangaliso National Park as well as major attractions.

They also want to know if we have enough accommodation to accommodate the anticipated demand. They also want to know, if our broadband, roads and other amenities will be able to cope with the anticipated demand before they actively sell a destination.

This is the reason why, it is very strategic and a best practice to align the travel tradeshows with investment mobilisation efforts meant at outlining our supply capabilities.

This seminar has a duty to provide an update to stakeholders on the Department's tourism investment promotion and facilitation initiatives, that contributed to the Presidential target of attracting R1.2 trillion direct investment into the economy in five years (5 years starting in 2018). This target was reached and surpassed in April 2023 with tourism contributing significantly to the target.

The Department's R120 million investment to beautify and maintain SANParks' through the Infrastructure Maintenance Programme contributed to unlocking private sector investment in the park and surrounding areas.

Approximately R1 billion was injected by the private sector in and around the Kruger National Park in projects, amongst others, such as the Eastgate Airport (in Hoedspruit), Orpen Kruger Lodge, Skukuza Golf Club; the Kruger Shalati – the Train on the Bridge Hotel; the recently refurbished Hans Merensky Golf, Hotel & Resort; the Sleep Over Motel (a new budget hotel brand aimed at improving access to tourism attractions for budget conscious travellers), as well as a host of other investments including the Premier Hotel in Thohoyandou, which feeds off from traffic into the town of Thohoyandou as well as to the Kruger National Park.

These are some of the tourism projects that contributed to the President's initiative, namely: Steyn City and Growthpoint at R5 billion each, Legacy Group at R3 billion, ACSA at R13 billion and Akani a black-owned company at R1.2 billion.

At the 5th South Africa Investment Conference in April 2023, President Cyril Ramaphosa said "We are now setting a new target to mobilise approximately R2 trillion in new investments over another five-year period, between now and 2028."

Some of the high impact tourism projects in the pipeline that will assist the tourism sector to continue to contribute meaningfully in the investment target are the following: The Club Med South Africa in the iLembe District Municipality here in KwaZulu-Natal at about R2.3 billion investment, making South Africa a competitive destination, as Club Med is a global brand.

The God's Window Skywalk in the Ehlanzeni District Municipality in Mpumalanga Province at about half a billion rand.

In conclusion, state-owned companies including airports companies and protected areas are continuing to lead the way when it comes to investment with the private sector matching it if not surpassing government commitments, which is a very positive signal for the investment market and the tourism sector at large. Continuing to build confidence in tour operators selling our country as a preferred destination for tourists.

I thank you all