

In The News

News: Domestic tourism resilient in downturn - Business Day, Thursday, 23 July 2009

Reporting on a presentation on the latest tourism statistics by the Minister of Tourism Marthinus van Schalkwyk and SA Tourism Acting CEO Didi Moyle, Business Day reported that “a buoyant domestic tourism market continued to underpin the overall market last year, helping the sector to grow its contribution to the economy”. Despite the downturn, domestic tourism resulted in 13.9m South Africans spending R25.8bn on local travel last year. Tourism’s overall contribution rose to an estimated 8.5% of GDP from 8.1% the previous year and the total contribution to the economy rose 19% to R194.5bn providing employment for over one million people.

Relevance: During a time of economic austerity, South Africa must capitalise on opportunities it has to grow the economy and create jobs. Tourism is an area which, notwithstanding the fact that 2009 will be a tough year, presents opportunities for growth and job creation in the build up to the 2010 FIFA World Cup™ and beyond.

Contribution: The potential of tourism as a growth sector for South Africa was identified by business and government as a priority for the Business Trust 10 years ago. Over this period the Business Trust has worked in partnership with the Department of Tourism (formerly Environmental Affairs and Tourism). It developed South Africa’s ability to market the country successfully, train people and develop the capacity of enterprises (especially small and black owned enterprises) to respond to growing demand. The Business Trust corporate partners have contributed R100million for this work. National Government expenditure on tourism marketing and enterprise development amounts to almost R4bn (R3,8bn according to the national estimates of expenditure) since 2000 when the programme started.

Between 1999 and 2004 the Business Trust worked intensively with South African Tourism and the Tourism Sector Education and Training Authority to develop a marketing strategy and training programme. The work on marketing helped to lay the foundation for South Africa’s globally competitive tourism marketing campaign which, as the report in Business Day indicates, is built on the base of a substantial domestic tourism market. Foreign arrivals are set to double from 5,8million in 1999 to over 10 million for 2010

Since 2005 the concentration of Business Trust effort has been on the development of tourism enterprises by working with the Department of Tourism to establish the Tourism Enterprise Partnership (TEP), which is now an independent company under the direction of a board, chaired by Rick Menell a director of the Business Trust.

The Tourism Enterprise Partnership focuses on developing tourism products, like lodges, guest houses, and crafts. By clustering such products TEP has created an integrated tourism experience for visitors, in arrangements similar to the Midlands Meander. TEP also improves access to markets by facilitating corporate buying contracts for craft makers and getting local tourism companies linked to international tour operators.

Over the last ten years the programme, which has been described as the 'jewel in the crown' of enterprise support programmes in South Africa, has helped some 6,000 enterprises to undertake transactions to the value of R4,2bn. This has created 53,000 person years of work which is the equivalent to maintaining some 5,300 people in employment over a ten year period.



Vezokuhle ("showing the beauty") is a craft business based in Upington in the Northern Cape that employs eight women. TEP has assisted Vezokuhle with staff training, marketing materials and linking their products to local and international markets at Decorex in Johannesburg. "Up until then we had no orders. From the show we had enough orders to keep going. It was thanks to TEP that the future is now looking very positive". Vezokuhle now have clients in the UK and USA. Gerty hopes that with this growth she can give her employees a brighter future "I want to give the women a share in the business and to keep helping to give young women a future they can believe in".



The partnership between the Business Trust and the tourism authorities was built on the 1996 white paper on tourism which identified key tourism challenges and called for a partnership to meet them. Now the Minister of Tourism has initiated a process of policy review and started a process of wide consultation. The consultation process will build up to a draft strategy that will be launched for public comment in September during tourism month. During initial consultation in Gauteng the Minister indicated that the strategy development process and a planned review of tourism legislation including the white paper will be supported by a panel of experts appointed by the Minister.

The new tourism strategy should respond to shifting global conditions, build on substantial partnership experience, and focus on South Africa's international competitiveness as a value tourism destination.

Behind the data: Gerty Willemse, owner of Vezokuhle Textile Mosaics lives a long way from the policy makers in government and the corporations that fund the Business Trust. But their lives are linked. Without sound policy, clear strategy and capable institutions South Africa's ability to capitalise on the tourism opportunity would be severely limited. And without Gerty's ingenuity and determination the tourist experience would be much the poorer.

For more information on the Business Trust's Tourism Enterprise Partnership, please visit www.btrust.org.za