

## FOR IMMEDIATE RELEASE

### MEDIA RELEASE FROM THE TOURISM BUSINESS COUNCIL OF SOUTH AFRICA (TBCSA)

#### Broader government support needed to double tourism jobs, says Tourism Business Council of SA.

**PRETORIA, 21 May 2018:** Tourism Minister Derek Hanekom's budget vote in parliament on 17<sup>th</sup> May hit all the right notes, but if South Africa wants to deliver on President Cyril Ramaphosa's challenge to the sector to double the number of people it employs, then the sector needs broader government support.

This is the view of Tourism Business Council of South Africa (TBCSA) CEO, Mmatšatši Ramawela, in reaction to the budget vote. The TBCSA is the umbrella business organization representing the country's travel and tourism private sector.

"While we welcome the budget, which seemed to hit all the right notes and is in-line with the department's National Tourism Sector Strategy, the industry, which includes government has its work cut out for it, if we want to double the tourism sector's contribution in terms of arrivals, jobs and GDP," says Ramawela.

"President Cyril Ramaphosa put a challenge to us in his State of the Nation Address, but the National Department of Tourism and the industry cannot do it alone. We need the full support of government from all levels, including key departments such as Home Affairs, Transport, Public Enterprises, Police, Labour; and Cooperative Governance and Traditional Affairs, just to mention the notable ones. Broader government collaboration is essential, together with the private sector to redouble our efforts and deliver on the directive, which comes from the highest office," she adds.

South Africa's tourism sector currently employs more than 700,000 people directly. The sector's total employment contribution, including jobs indirectly supported by the sector, comes to more than 1.6 million. Notably, business outlook on employment levels for the first six months of 2018 remains mixed as highlighted by the Council's Tourism Business Index (June to December 2017). A significant number of respondents in both the 'accommodation' and 'other tourism businesses' segments of the TBI expect employment levels in the sector to remain the same.

Travel and tourism's direct contribution to SA's GDP was R136.1 billion in 2017, according to the World Travel and Tourism Council (WTTC) Economic Impact Report. The WTTC report further states that the tourism sector's total contribution to SA's GDP last year was R412.5 billion, or 8,9% of the country's overall GDP.

Ramawela comments: "Certainly, one of the highlights from Minister Hanekom's budget speech is his commitment to address the critical issue of travel facilitation, particularly the regulations around unabridged birth certificates for minors of foreign tourists travelling to South Africa. The regulations have had a major impact on the industry and tourism growth figures. The negative effects are still being felt, so we are really happy to hear that the Tourism Minister is now working with Home Affairs Minister, Malusi Gigaba, to come up with a workable solution," she adds.

On this note, the TBCSA CEO also takes the opportunity to commend the Department of Home Affairs and Minister Gigaba on their plans to pilot e-permitting functionality which will allow visitors



to South Africa to apply for visas online; simplify visa requirements for Chinese and Indian visitors; and also to ease the entry of people with valid visas from countries with stringent criteria such as the United States of America and the United Kingdom. The mooted introduction of e-visas was also mentioned by Minister Hanekom and is welcomed.

The Department of Tourism saw a nominal increase in its budget, from R2.1 billion last year to R2.2 billion for the 2018/19 financial year. More than half of this budget, some R1.2 billion, will go towards SA Tourism's operations.

Ramawela comments: "While we understand that government funds are under pressure, we have to ask if this budget is sufficient to deliver on the ambitious growth expectations for the tourism sector. As the TBCSA, we believe that the budget is insufficient considering the tough competition from other destinations within and outside our continent. The department needs a bigger budget, however we recognise that money spent in other departments such as Transport and Public Enterprises including Provinces and Municipalities, also supports tourism."

She adds: "It is also important to note that the TBCSA, which administers the Tourism Marketing South Africa (TOMSA) levy, last year contributed a total of R157 million to SA Tourism's marketing efforts. It was great that for the first time during a Department of Tourism budget debate, TOMSA's contribution was recognised by the chairperson of Parliament's Portfolio Committee on Tourism, Ms Lusizo Makhubela-Mashele. We also welcome the chairperson's call for SA Tourism to work more closely with us to increase the TOMSA levy collection in the country."

On the tourism transformation front, the TBCSA welcomes Minister Hanekom's budget announcement on the introduction of the Tourism Transformation Fund. The initiative is a partnership with the National Empowerment Fund, to finance and support new and emerging black-owned tourism businesses. Application for funding is now open until August 2018.

Says Ramawela: "Considering the pace of transformation in the tourism sector, this initiative is long overdue. We commend the department on implementing this fund. While the new Tourism Transformation Fund only has an allocation of R120 million over the next three years, it is a start and we hope this will increase in the future."

Ramawela concludes: "While the tourism industry is happy with the general sentiments and programme of action cited in the Tourism Minister's budget speech to support and grow the sector, we believe that the key areas of safety and security as well as addressing the decline in domestic tourism needs attention. We face challenges on several fronts as a sector, chief amongst them been addressing the issues of crime against tourists. But the sector has huge opportunities as well. Doubling the number of jobs and contribution of the tourism sector to the economy is very attainable, but can only be achieved through collaboration and partnerships. We need "an all of government" approach and commitment for the tourism sector to thrive and achieve its full potential." /ENDS/

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**Editors Notes:**

*Tourism Business Council of South Africa (TBCSA) is the umbrella organisation for business in the travel and tourism industry. We are a non-profit, member-centric organisation representing the unified voice of business. We serve to unite and influence the diverse travel and tourism industry to contribute to a competitive, responsible and inclusive travel and tourism (and South African) economy.*

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