

National Tourism Sector Strategy



tourism

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REPUBLIC OF SOUTH AFRICA



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Marthinus
van Schalkwyk
Minister of Tourism, South Africa

FOREWORD

MINISTER OF TOURISM

The South African government has recognised the tourism sector's potential to bring about economic growth and employment creation. This is evident from the creation of a standalone National Department of Tourism and the strengthening of the tourism portfolio. It is further supported by tourism's positioning as one of the six corepillars of growth in the country's New Growth Path framework. Moreover, the Industrial Policy Action Plan(IPAP2) has identified the sector as one of the areas expected to contribute to the development of rural areas and the culture industries, among others.

In his 2011 State of the Nation address, President Jacob Zuma declared 2011 "the year of job creation". Through this strategic plan, our Department's National Tourism Sector Strategy (NTSS), the tourism sector is committed to creating a total of 225 000 additional jobs by the year 2020. Informed by current trends, the NTSS further seeks to increase tourism's total direct and indirect contribution to the economy from R189,4 billion (7,9%) in 2009, to R318,16 billion in 2015, and R499 billion in 2020.

Last year, South Africa recorded an exceptional 15,1% increase in tourist arrivals to the country. We saw more than 8 million tourists arriving on our shores compared to just over 7 million in 2009. Figures from the United Nations World Tourism Organisation (UNWTO) show that global tourism arrivals were estimated to grow by 6,7% in 2010, which means that South Africa outperformed the global market by

more than 8%. However, there remains significant room for further growth in the sector.

The current industry performance is encouraging, although it does not mean that we should be complacent and rest on our laurels. South Africa's tourism resources have much greater potential than we can imagine. We recognise, though, that we will only be able to fulfil that potential if we adopt a coordinated strategic approach. I am satisfied that we have achieved the first step in that direction, with this NTSS setting out our collective vision.

This collective vision, namely to make South Africa one of the top 20 global tourism destination by 2020, will carry the tourism sector into the future. It aims to inspire and accelerate the responsible growth of tourism for the next ten years. The strategy is premised on three themes, which define the new way of doing things for our sector. These themes are to grow the tourism economy, to enhance visitor experiences, and to strive for sustainability and good governance.

I believe that this NTSS, which is the result of a collective, sector-wide consultation effort, places South African tourism firmly on a new and ambitious growth trajectory for the future. We recognise the vital role that tourism must play in growing the economy and creating decent jobs. In this respect, the tourism sector as a whole is determined to optimise its contribution.

The successful implementation of this strategy will require multi-level partnerships between the public and private sector, civil society and citizens. I acknowledge with appreciation the constructive and cooperative relationships we have already built in this regard with all parties involved.

I believe that tourism in this country will go from strength to strength, continuing to provide visitors with unique and pleasantly unforgettable experiences, and consistently facilitating more job creation and economic growth. This, however, will require a shift in the way we do things, in line with the new strategic approach.

I would like to thank the many people who have contributed to this strategy. Our thanks to the panel of 32 experts from across all stakeholder groups in the sector, chaired by Mr Robert Gumede, for the pivotal role they played in guiding the development of the NTSS, and for their commitment to the process. I would also like to express our appreciation for the more than 37 000 inputs received from individuals, government departments, research and educational institutions and organisations. We are grateful for your commitment and dedication to walk this path with our Department.

Marthinus van Schalkwyk
Minister of Tourism, South Africa



Thokozile Xasa, MP

Deputy Minister of Tourism,
South Africa

MESSAGE

DEPUTY MINISTER OF TOURISM

During 2010, the shape of the global economy and the South African political landscape altered dramatically. It was during this period that the newly established National Department of Tourism saw its first year of operation. In a bold move to promote accelerated growth of the tourism sector, the National Department of Tourism (NDT) initiated a consultative process to develop a focused National Tourism Sector Strategy, following the sector's structural positioning within the public domain and in Cabinet. The strategy was developed, taking into account previous interventions, achievements and challenges and sets out the choices that have been made based on the understanding of the sector and national priorities.

The document put before you is distinct from many others in that it does grapple with issues of wealth, jobs, ownership, community beneficiation, transformation, rural tourism development, stimulating domestic tourism, accelerated job creation and creating a better society where all have an equal chance of success. The NTSS does not only assume that an increase in tourist's arrivals will ensure that the benefits of tourism will eventually be spread across our communities. The document goes further to outline practical mechanisms to address the issue of beneficiation.

In the immediate and long term, there is a need to deal with the reality that the sector remains largely untransformed in respect of a range of broad-based black economic empowerment factors, including ownership and management.

Our success and that of the sector will be determined by how the strategy will assist in responding to the need for transformation in the tourism sector. The tourism sector has much to gain from transforming itself and the benefits of this transformation are also able to be spread across the country. The drive towards increasing economic participation, especially by the historically marginalized, as evident in the document is highly courageous. More encouraging is the fact that the document sets bold new benchmarks for the sector through the unprecedented focus on the facilitation of support for rural tourism development, small medium and macro-enterprises (SMME's) access to markets and funding.

There is in particular, also a need to engage communities in the tourism sector. Community engagement is crucial to the success of a tourism destination. If local communities understand the benefits of tourism, and believe they have a role to play in it, the destination will flourish. All government efforts and that of sectors should be directed at changing the lives of communities, which is provided for in the strategy document.

The work that has been undertaken, as evident in the NTSS document, puts into practice the notion of responsible tourism. In practice, we need to encourage tourism that ensures the accrual of real benefits to local communities and enabling them to enjoy a better quality of life through increased socio-economic benefits. In essence, whilst we

are keen to achieve tourism growth, we will continue caring and ensure that the economic and social benefits of tourism spreads through to the grass-roots level – after all tourism is for us all-the entire society.

The future of tourism in South Africa depends on our collective ability to ensure that its growth is managed in such a way that it addresses national objectives. Job creation, rural tourism development and community beneficiation are an absolute necessity if South Africa is to sustain current growth levels and remain an international competitor. More emphasis should also be placed on the impact of HIV and AIDS on the workforce, which is substantial and places a cost on the industry. This will be address in the sector’s approach to decent work imperative.

The tourism sector is one of the largest sources of employment in the country and has a very high usage rate of unskilled labour. The NTSS provides direction in tackling the challenge of providing decent work in tourism much more seriously. Work is currently underway within the NDT, in partnership with other departments and agencies to look critically into this area.

Lastly, tourism should be seen as establishing contact between tourist and host, between different cultures, people and places. By breaking down the divisions between people, local communities need to be meaningfully involved to realize

its benefits. Tourism growth cannot be sustained alongside abject poverty and other social challenges.

While we are not immune to the effects of the global economic crisis, I am happy that the strategy placed before us does pay attention to issues of vulnerable workers, women, youth and people with disabilities. Our hopes are high that indeed this document will bolster our efforts in driving and growing tourism in a way that leads to socio-economic development.

I am most delighted with the attention and priority given to the need for effective partnerships with stakeholders, as well as other spheres and sector departments. This encapsulates government’s vision of, **“Working together we can do more”**.

Thokozile Xasa, MP
Deputy Minister of Tourism, South Africa



Ambassador LM
Makhubela
Director General: Department
of Tourism

INTRODUCTION

DIRECTOR GENERAL OF THE DEPARTMENT OF TOURISM

It is my pleasure to outline priorities of the National Tourism Sector Strategy (NTSS), a blueprint for the tourism sector. This document is a culmination of various consultative sessions, bilateral meetings with stakeholder groups and selected individuals. In the main, the NTSS should contribute towards creating conditions for sustainable tourism growth and development for South Africa, in line with the Tourism Act, 1993 (Act No 72 of 1993) as amended, and the White Paper on the Development and Promotion of Tourism in South Africa (Tourism White Paper of 1996).

The NTSS must be seen as a contribution towards achieving growth targets as contained in the New Growth Path and other government prescripts and hence much effort was channelled towards ensuring greater alignment with the New Growth Path. The focus of the NTSS will be on facilitating the growth of the tourism sector by providing support to the public and private sectors, and the broader community.

To ensure the continued growth of the sector, the NTSS's key priorities include: creating a conducive environment for sustainable growth. The strategy put a renewed focus in marketing and brand management, stimulating regional and domestic tourism, development of business and events tourism, niche product and rural tourism development, responsible tourism development, increasing investment in the tourism sector, transformation of the sector, promoting decent work, improving service excellence, addressing community beneficiation and effective cooperative partnerships.

Feedback received from public consultations seems to point to a general agreement that the backbone of any tourism industry is its domestic component. This has been evident when one observes trends in other successful foreign destinations like China for example. Approximately 14.6 million adult South Africans undertook about 30 million domestic trips in 2009, and tourist volumes in South Africa are derived from domestic

tourist, making it by far the biggest segment of the industry. It is also less volatile than the foreign tourism market and offers the industry and the country's economy a steady income stream. It will therefore be important for the sector to invest in domestic tourism development. The NTSS aims to increase the number of domestic trips from 30.3 million in 2009 to 40 million by 2015 and 54 million in 2020. The development of a Domestic Tourism Strategy will be an immediate focus which will be factored as a priority area within the Strategic Plan of the Department.

Business and events tourism are highlighted as growth areas within the NTSS. Work is already being undertaken within the department to establish a National Conventions Bureau (NCB) to grow the demand for the destination further and attract more business events to South Africa. The National Conventions Bureau (NCB) will ensure a coordinated strategy on how best to attract major business events. The department also recognises the significance of national events as a source of domestic tourism and will put in place mechanisms to prioritise this market. These mechanisms will include amongst others, packaging, easy access to information about local events through information systems and awareness, partnerships with booking facilities operators, broadcasters and other relevant stakeholders. It is the view of the department that the bureau will work with similar structures at a provincial and local level.

Furthermore, focus will go towards ensuring competitiveness of the tourism industry by expanding the product base. The highest priority will be placed on the implementation of interventions to facilitate, guide and support the development of authentic, quality and value for money tourism products to increase the competitiveness of the tourism sector in South Africa. This will include amongst other things the development and implementation of the Product Development Strategy, the Niche Tourism Strategies including Cultural and Heritage Tourism.

The development and improvement of public and private tourism infrastructure is critical for sustainable growth. This would require partnerships in mobilizing necessary resources, and attracting investment to grow the sector. Efforts will be channeled towards streamlining funding mechanisms to avoid duplication and wastage.

The strategy calls on the department and other stakeholders to promote sustainable and responsible tourism to make South Africa a tourism destination of choice. The Department will further work with other government institutions such as the Office of Consumer Protection to ensure that proper mechanisms are in place to provide good customer care and to improve service levels in the tourism sector.

Higher on government priorities is employment creation. Efforts will be channeled towards working with all relevant stakeholders to increase job and entrepreneurial opportunities and encourage the meaningful participation of previously disadvantaged communities and individuals in tourism. The focus will be on facilitating the growth of the tourism industry by providing support to public and private sectors, and the broader community on their initiatives to create new jobs and sustain existing jobs by tapping into broader and recently announced government initiatives on job creation. The NDT will also lead in promoting industry transformation as well as the participation and growth of small medium and micro enterprises.

The NTSS also highlights the issue of seasonality and geographic spread as challenges that make it difficult to spread the benefits of tourism. The department will focus on ensuring the geographic spread of tourism with more emphasis towards supporting tourism growth in rural areas, in particular with more involvement of rural communities. There will therefore be a sustained effort in promoting informed investment in the development of rural tourism products that respond to market needs.

Lack of policy coherence, clarity of roles and responsibilities amongst spheres and the capacity of local government to deliver on the tourism mandate has been identified as a challenge and will receive attention. The department has begun a process to review all existing legislation to ensure that the tourism mandate is well defined, to clarify roles and responsibilities to ensure the most effective and efficient use of limited resources. Local government support is crucial and engagements with the Department of Cooperative Governance and Traditional Affairs (COGTA) and the South African Local Government Association (SALGA) will be prioritized to unlock this area of work.

Like any other strategy, the NTSS is vulnerable to external shocks like global exchange rates, and other disasters. To mitigate against such eventualities the NTSS calls for the development of a Tourism Crisis Management Framework, which has been prioritised in the NDT strategic plan.

In conclusion, the implementation of the NTSS requires that there be a review in how we all do things, how we relate as sectors and spheres. Clearly, delivery on all these obligations will require strong partnerships in both public and private sectors. Most importantly, the accelerated implementation of the NTSS will require appropriate structuring and resourcing of the sector. To this end the department will be reviewing its structure, to respond to the strategic priority areas as contained in the NTSS. It is our hope that this process will filter to all other spheres, particularly the local government sphere. It is only when we work together that we can ensure that tourism bring new hope for people and communities, that our challenges can be turned into collective opportunities if we work together.

Ambassador LM Makhubela
Director General: Department of Tourism

DEFINITIONS AND TERMINOLOGY

The definitions used to describe a tourist or tourism is often inconsistent which leads to confusion. The differences between the terms that are most often inconsistent are shown in the tables below followed by a comprehensive list of official definitions used in the tourism industry as formulated by Statistics South Africa, based on definitions used by the United Nations World Tourism Organisation (UNWTO).

Table 1: Tourist vs Visitor vs Traveller

Tourist	Visitor (currently referred to as 'arrivals' in SA)	Traveller
A person who travel to and stay in a place outside his/her usual environment for more than twenty-four (24) hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited (UNTWO definition).	Any person travelling to a place other than that of his/her usual environment for less than 12 months, and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited (STATS SA).	Any person on a trip between two or more countries or between two or more localities within his/her country of residence.
Exclude same day visitors and people travelling for work purposes i.e. includes only overnight visitors.	Includes same day and overnight visitors but exclude people travelling for work purposes.	Includes all visitors (same day & overnight) and people travelling for work purposes.

Source: Statistics South Africa and Grant Thornton

Table 2: Purpose of Visit

Leisure	Business	Medical	Religious
<p>Holiday: A trip which is undertaken where the purpose is any kind of leisure activity. This may, for example, include golf or bird watching, cultural exploration, fun, adventure or relaxation, partaking in non professional sports activities or as a spectator at a sports event and visits to health spas.</p> <p>Visiting friends and relatives (VFR): A trip which is undertaken to see, socialize with, or to spend time with relatives and/or friends. The person need not have stayed at the relative's house. The purpose of visit includes weddings and funerals or other family event.</p> <p>Shopping: A trip which is undertaken to shop for goods that will be used by the tourist him/herself.</p>	<p>Trading: A trip undertaken to shop for goods that will be resold ie wholesale.</p> <p>Business Travel: A trip which is undertaken with the purpose being to conduct commercial or formal transactions or activities that are related to your job e.g. visiting a client, signing deals, negotiating a contract (including import/export), partaking in professional sports activities etc.</p> <p>Business Tourism: A trip which is undertaken with the purpose of attending a conference, meeting, exhibition, event or as part of an incentive (MICE).</p>	<p>Medical Treatment: A trip which is undertaken for medical treatment and includes elective surgery.</p>	<p>Religious: A trip which is undertaken for religious meetings or pilgrimages.</p>
<p>Leisure trips includes trips for the purpose of holiday, visiting friends and relatives and shopping.</p>	<p>Business trips includes trips for the purpose of trading, business travel and business tourism.</p>	<p>Medical trips includes trips for the purpose of medical treatment.</p>	<p>Religious trips include trips for the purpose of religious meetings or pilgrimages.</p>

Source: SA Tourism

The definitions used below are sourced from STATS SA, “Concepts and Definitions for Statistics South Africa 2007” and SA Tourism, “Tourism definitions used in South Africa May 2008”, unless stated otherwise.

Table 3

Black	With reference to people, black is a generic term which means Africans, Coloureds and Indians (Black Economic Empowerment Act 2004).
Country of Residence	If a person resides (or intends to reside) for more than one year in a given country and has there his/her centre of economic interest (e.g. his/her major source of income), he/she is considered as a resident of this country.
Decent work	The concept emphasizes the promotion of opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. (Report of the ILO Director General: Decent Work, 87th session of the International Labour Conference, Geneva, June 1999).
Domestic Tourism	The tourism of resident visitors within the economic territory of the country of reference (STATS SA).
Domestic tourist	A resident visitor who visits within the economic territory of the country of reference (STATS SA).
Domestic Visitor	A visitor whose country of residence is the country visited. They may be nationals of this country or foreigners (STATS SA).
Employment	An activity in which a person performs work for pay, profit or family gains. Such a person can be self-employed, an employer, an employee or a working family member (STATS SA).
Evaluation	Evaluation is a time-bound and periodic exercise that seeks to provide credible and useful information to answer specific questions to guide decision making by staff, managers and policy makers (Policy Framework for the Government-Wide M&E).
Foreign Traveller	A person who resides outside of South Africa and visits the country temporarily (STATS SA).
Foreign Visitor	A visitor who is a resident of another country (STATS SA).
Integrated Development Plan	The South African system of Integrated Development Planning (IDP) is a process by which municipalities prepare 5-year strategic plans that are reviewed annually in consultation with communities and stakeholders. These plans seek to promote integration by balancing social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation, and by coordinating actions across sectors and spheres of government. www.buildnet.co.za .
Inbound Tourism	Tourism of non-resident visitors within the economic territory of the country of reference (STATS SA).
Inbound Tourist	A non-resident visitor who visits within the economic territory of the country of residence (STATS SA) South Africa.
Inbound Visitor	A visitor who resides outside South Africa (STATS SA). A visitors who resides outside the country of reference (STATSSA).
Infrastructure	Physical structures used for the delivery of services (e.g. power lines, pipes (water & sewage), roads, rail, airports, harbours, telecommunications and assets such as trucks and equipment to unblock sewerage, paypoint offices and computers).

Government-owned tourism infrastructure	Attractions, museums, heritage sites, nature reserves, resorts, etc. (state-owned assets either at national, provincial or local government level) that are important for tourism.
Gross Domestic Product	The total value of goods and services produced within the geographic boundaries of a country for a specified period of time (STATS SA).
International Tourist	An international visitor who stays at least one night in collective or private accommodation in the country visited (STATS SA).
International Traveller	Any person on a trip between two or more localities in different countries (STATS SA).
International Visitor	Any person who travels to a country other than that in which he/she has his/her residence but outside his/her usual environment for a period that is less than 12 months and whose main purpose of visit is other than the exercise of an activity remunerated from within the country visited.
Monitoring	Monitoring involves collecting, analysing and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors, in a way that supports effective management (Policy Framework for the Government-Wide M&E).
National Tourism	The combination of inbound tourism and outbound tourism.
National Planning Commission	A commission that contributes towards government's long term plans through the production of high quality, evidence based research. For this reason, the commission is essentially of an expert nature, broadly representative of the range of expertise and opinions of South Africans. (www.info.gov.za).
Outbound Tourism	The tourism of resident visitors outside the economic territory of the country of reference (STATS SA).
Outbound Visitor	A visitor who resides within South Africa (STATS SA) A Visitors who reside within the country of reference (STATS SA).
Outbound tourist	A resident visitor who visits outside the economic territory of South Africa (STATS SA). A resident visitor who visits outside the country of reference(STATS SA)
Overseas Traveller (tourism and migration)	A foreign traveller visiting South Africa excluding travellers from mainland Africa and from 'unspecified' countries (STATS SA).
Responsible tourism	Tourism that promotes responsibility to the environment through its sustainable use, responsibility to involve local communities in the tourism industry, responsibility for the safety and security of visitors and responsible government employees, employers, unions and local communities. (Tourism White Paper 1996).
Routes	An initiative to bring together a variety of activities and attractions under a unified theme and thus stimulate entrepreneurial opportunity through the development of ancillary products and services. (Grefe, 1994).
Rural areas	Sparsely populated areas in which people farm or depend on natural resources, including villages and small towns that are dispersed throughout these areas. In addition they include large settlements in the former homelands, created by apartheid removals, which depend for their survival on migratory labour and remittances. (Rural Development Framework, 2009).
Same-Day Visitor	A visitor who visits a place for less than one night (STATS SA).

Social Tourism	The "Bureau International du Tourisme Social (BITS)" defines it as "all of the relationships and phenomena resulting from participation in tourism, and in particular from the participation of social strata with modest incomes. This participation is made possible, or facilitated, by measures of a well-defined social nature. To carry out these activities, BITS works on the basis of the principles defined and adopted in the Montreal Declaration of September 1996".
Tourist	A visitor who stay at least one night in the place visited(STATS SA).
Tourism	The activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited (STATS SA).
Tourism Gross Domestic Product	The gross domestic product generated in the economy by the tourism industries and other industries in response to tourism internal consumption (STATS SA).
Tourism Gross Fixed Capital Formation	Is the sum of the gross fixed capital formation in specific tourism fixed produced assets by all economic productive activities and the gross fixed capital formation of tourism industries in non-specific tourism fixed assets (STATS SA).
Tourism Industry	All establishments whose principal productive activity is a tourism characteristic activity, i.e. the sum of all tourism characteristic activities(STATS SA), e.g. accommodation establishments, tour operators, travel agencies. In respect of GDP contribution, the tourism industry accounts for the DIRECT impact.
Tourism economy	Comprised of the tourism sector (indirect) and the tourism industry (direct).
Tourism Satellite Account (TSA)	A statistical instrument used to calculate the size of the tourism sector's contribution to the economy of a country.
Tourism Sector	Consists of a set of institutional units whose principal economic activity is a tourism characteristic activity, (STATS SA) e.g. transport, retail, laundry, security, etc. It is the sum of the value added generated by all industries in response to tourism consumption. In respect of GDP contribution, the tourism sector accounts for the INDIRECT impact.
Tourist Accommodation	Any facility that regularly (or occasionally) provides 'paid' or 'unpaid' overnight accommodation for tourists. (STATS SA).
Trip	A journey undertaken by one or more members of the household for at least one night away from home, where a person did not receive any remuneration (did not make any profit) at that destination. It is important to note that a trip must be complete. That means a trip is only applicable when a person returns to his/her place of residence (STATS SA). (see also leisure trip, holiday trip, visiting friends and relatives trip, shopping trip, business trip, trading trip, business travel, business tourism, medical treatment trip and religious trip).
Usual Environment	To be outside the 'usual environment' the person should travel more than 40 kilometres from his/her place of residence (one way) AND the place should NOT be visited more than once a week. This includes place of work and place of study. Leisure and recreational trips are included irrespective of frequency.

ABBREVIATIONS AND ACRONYMS

AID	Agency for International Development	NCB	National conventions bureau
ANC	African National Congress	NDT	National Department of Tourism
BBBEE	Broad-based black economic empowerment	NEDLAC	National Economic Development and Labour Council
BEE	Black economic empowerment	NGO	Non-governmental organisation
BITS	Bureau International du Tourisme Social	NTSS	National Tourism Sector Strategy
COGTA	Cooperative Governance and Traditional Affairs (Department of)	PATII	Priority area for tourism infrastructure investment
CSI	Corporate social investment	PCO	Professional conference organiser
DBSA	Development Bank of Southern Africa	PIC	Public Investment Corporation
dti	Department of Trade and Industry	PPP	public-private partnership
FDI	Foreign direct investment	SAA	South African Airways
GCS	Global Competitiveness Study	SADC	Southern African Development Community
GDP	Gross domestic product	SALGA	South African Local Government Association
COGTA	Cooperative Governance and Traditional Affairs	SAPS	South African Police Service
IDC	Industrial Development Corporation	SAT	South African Tourism
IDP	Integrated Development Plan	SDI	spatial development initiative
IMC	International Marketing Council	SMMEs	small, medium and micro-enterprises
IPAP2	Industrial Policy Action Plan	Stats SA	Statistics South Africa
LTB	Local tourism bureau	TBCSA	Tourism Business Council of South Africa
MEC	Member of Executive Council	TFCA	Transfrontier conservation area
MICE	Meetings Incentives Conference and Events	TFDS	Total foreign direct spend
MINMEC	Intergovernmental tourism forum of National Minister and Members of Executive Councils (MECs) for Tourism	THETA	Tourism, Hospitality and Sports Education and Training Authority
MIPTECH	Interprovincial tourism technical committee of provincial and national officials	TSA	Tourism Satellite Account
MOU	Memorandum of understanding	UNWTO	United Nations World Tourism Organisation
MTSF	Medium-term Strategic Framework	VFR	Visiting friends and relatives
		WEF	World Economic Forum
		WTTC	World Travel and Tourism Council

OVERVIEW

BACKGROUND

The tourism industry in South Africa has grown considerably since the country's first democratic elections in 1994. The number of foreign tourist arrivals increased from just more than 3 million in 1993 to over 9,9 million in 2009. The African continent is the largest source of foreign tourist arrivals, and the region contributed an additional 414 294 tourist arrivals in 2009 – a growth of 5,6% since 2008.

The sector is labour-intensive with the capacity to create jobs, with about 599 412 people estimated to be directly employed by the tourism industry. It is also important to recognise that tourism plays a role in strategically creating and/or strengthening international relations, and has become a significant contributor to national accounts.

Tourism is identified as a priority economic sector in, among others, the African National Congress (ANC) 2009 election manifesto, Cabinet's New Growth Plan, the Industrial Policy Action Plan, and the national government's Medium-term Strategic Framework (MTSF).

However, although the hosting of the 2010 World Cup has boosted the tourism industry in South Africa by attracting visitors, expanding tourism and other infrastructure, and showcasing the South African destination to the world, research indicates that there are still numerous opportunities for tourism growth in the country that are not being fully exploited.

This has led the new National Department of Tourism, under the direction of the Minister of Tourism, to initiate and manage an inclusive process to draft a National Tourism Sector Strategy to inspire and accelerate the responsible growth of the tourism industry from 2010 to 2020.

SUMMARY OF PROCESS

The strategy was compiled through a comprehensive consultative process, including ministerial roadshows, specific strategy stakeholder workshops, a web-based survey, a report compiled by a carefully selected panel of experts, and both intergovernmental and Cabinet consultation.

STRATEGIC FRAMEWORK

The strategy was compiled with due consideration to the global and domestic tourism context as well as South Africa's current competitiveness.

Global context

Although one of the largest industries in the world, tourism was hard hit by the global financial crisis. A recovering trend has started to emerge in the last quarter of 2009 though, which is expected to slow down again in the course of

2011 when, analysts believe, it will stabilise and resume the long-term average growth rate of around 4% per year.

Despite the current difficulties facing the tourism industry as a result of the global economic situation, the industry remains resilient. Previous crises, such as the 9/11 terrorist attacks in the United States in 2001, the disease outbreaks in Asia in 2003 and the tsunami in Thailand in 2004, all resulted in very small declines in global tourist arrivals.

However, the industry worldwide continues to be affected by, among others, the following factors:

- Global exchange rate volatility, oil prices and fuel hedging costs, which affect airline profits and tourist volumes alike.
- The policy response to climate change, particularly the absence of a multilaterally agreed regime for managing international aviation emissions, and the imposition of discriminatory, unilateral taxes, which are adding significantly to the cost of travel for already-weak leisure travellers from Europe.
- Changes in technology, such as the Internet, online bookings, social networking, blogs and travel advisory services, which have all resulted in major changes in the way the tourism industry does business.
- Travel and tourism's place on the green growth agenda, and the need for a shift to a low-carbon value chain in the tourism sector.
- Changing demographics and lifestyles, and more price-conscious consumers.

South African context

Although South Africa has come a long way since its first democratic elections in April 1994, persistent socio-economic inequalities remain. In addition, the tourism sector is also faced with its own challenges.

These include the following:

- Fragmentation of tourism planning across the three spheres of government and within the local government tourism sector, and a lack of branding and marketing alignment between provinces and cities.
- A lack of compliance with the tourism black economic empowerment (BEE) charter and scorecard.
- Weak systems for tourism skills development, and inadequate budgets for domestic tourism.
- An inadequate database of the tourism supply-side, with an associated lack of reliable market information.
- A lack of incentives for tourism product diversification, new investment and enterprise development.

However, the picture is not all bleak. The South African tourism scene has also grown significantly in the last 15 years, with an increasing number of hotels in key locations, such as Cape Town, Johannesburg, Pretoria and Durban; a growing number of travellers, and, in recent years, robust growth in occupancy rates and average room rates.

As far as tourism customers are concerned, the overseas market showed a slight decline in recent years, probably due to the global financial crisis. The domestic market also did not escape the credit crunch unscathed and decreased by some 8% in 2009, with 3 million fewer trips taken compared to 2008. Market research indicates that more South Africans travelled, but that they took fewer trips. However, the African market increased tremendously, securing a total growth in tourist volumes for the South African industry.

The total growth in volume also brought an increase in total foreign direct spend (TFDS), driven largely by African land markets, Asia and the Australasia regions.

The recently hosted Soccer World Cup as well as the success of the 2009 Confederations Cup contributed to South Africa's economic recovery, and government's enhanced spending on infrastructure upgrades is expected to continue until 2014. Publicity and improved awareness as a result of the Soccer World Cup are expected to boost the South African tourism industry in 2011 and 2012, by which time the economic situation is expected to have stabilised.

Global competitiveness

South Africa's tourism competitiveness has been rated by South African Tourism's Global Competitiveness Study (GCS) (2010) and the World Economic Forum's (WEF) Travel and Tourism Competitiveness Report (2009).

According to the SAT GCS, South Africa shows high growth in tourism's gross domestic product (GDP) contribution, at 13%, but the industry's dependence on foreign visitor arrivals renders it vulnerable. Compared to key competitors, job creation by the South African industry still has much room for improvement. South Africa has the most favourable repeat visitor rate for foreign arrivals of all benchmarked countries, but spending per trip for the domestic market lags behind the rest. Also, the South African government's overall spending on travel and tourism has witnessed high growth, particularly between 2002 and 2008. As many of our competitors have launched new value-oriented products in response to the global financial crisis and changing consumer needs, South Africa will have to come up with innovative, unique product offerings to remain competitive.

According to the WEF Travel and Tourism Competitiveness Report, South Africa's strongest areas include its natural sites and cultural resources, attractive price competitiveness, good air transport infrastructure, and favourable policy rules and regulations. Weaknesses include safety and security, access to health services, ticket taxes and airport charges, and a lack of qualified labour.

STRATEGY OVERVIEW

The guiding principles for the National Tourism Sector Strategy are as follows:

VISION

To be a top 20 tourism destination in the world by 2020

MISSION

Significantly growing a sustainable tourism economy in South Africa, with domestic, regional and international components, based on innovation, service excellence, meaningful participation and partnerships

VALUES

The strategy is premised on the values of mutual trust; accountability; respect for our culture and heritage; responsible tourism; transparency and integrity; service excellence; upholding the values of our Constitution; a commitment to transformation, and flexibility and adapting to change.

STRATEGIC OBJECTIVES, TARGETS, CLUSTERS AND THRUSTS

STRATEGIC OBJECTIVES AND TARGETS

THEME 1: Tourism growth and the economy

(i) To grow the tourism sector's absolute contribution to the economy

As far as tourism's total (direct and indirect) contribution to GDP is concerned, the aim will be to push up this contribution from the 2009 baseline of R189,4 billion to R499 billion in 2020. An increase of some 5 000 000 foreign tourist arrivals and 3 400 000 domestic tourists will be pursued. The target for direct and indirect employment by the sector will be to provide approximately 177 000 more job opportunities by 2020 within the sector and another 48 000 directly linked to government programmes, making it a total of 225 000 jobs by the year 2020. Also by 2020, the Department and stakeholders will aim to attract R35 billion more in public sector/government investment in tourism infrastructure and R1 billion more in foreign direct investment (FDI) in the sector, as well as to increase private-sector capital formation for tourism-related products. A memorandum of understanding (MOU) between the industry and the Department of Rural Development and Land Reform and other agencies should be signed by April 2012 to address issues of land ownership and tourism investment.

(ii) To provide excellent people development and decent work within the tourism sector

The tourism industry needs to be a provider of decent work, and must be seen as such. To this end, an MOU will be entered into between the industry and the departments of Labour and Education as well as other relevant entities to define the concept of 'decent work', including fair treatment, decent wages and career progression, and design a plan to ensure that decent work is provided across the industry. This MOU should be signed by April 2012. By 2020, the aim will be to achieve 90% compliance with the MOU among tourism enterprises.

(iii) To increase domestic tourism's contribution to the tourism economy

Research has shown that domestic tourism tends to be the main sustainability factor for most successful destinations. Therefore, by 2020, the National Tourism Sector Strategy aims to increase the domestic tourism GDP to 60% of tourism's overall contribution to GDP, compared to the 2009 baseline of 52%. Further targets are to ascertain and improve both upper and middle-class residents' perceptions of local holiday-making; to increase the number of first-time domestic holiday travellers as well as the number of leisure travellers from the black market, and to provide more affordable and accessible tourism experiences for the domestic market. The 2020 target is to facilitate 5 million more domestic holiday trips than the 2009 baseline.

(iv) To contribute to the regional tourism economy

The African market is one of the key markets to sustain regional tourism development. Therefore, to increase regional awareness of South African tourism, the Department and its partners will work towards setting up five marketing offices in key African markets by 2020, and will push for the implementation of more regional tourism programmes, such as transfrontier conservation areas (TFCAs).

THEME 2: An enhanced visitor experience

(v) To deliver a world-class visitor experience

The aim will be to deliver tourist experiences that equal or surpass the expectations of foreign and domestic tourists alike. To ensure this, a national visitor satisfaction index will be set up for foreigners and locals, and service issues hampering domestic tourism will be tracked and addressed.

(vi) To entrench a tourism culture among South Africans

With the National Tourism Sector Strategy, the Department and its partners want to build a culture of embracing tourism among South Africans. A marked increase in residents' awareness of tourism and its value for our country, as well as in the levels of community participation in the tourism sector, will therefore be pursued.

(vii) To position South Africa as a globally recognised tourism destination brand

By leveraging the 2010 Soccer World Cup publicity and successes, lasting positive images will be created to showcase South Africa as a distinctive brand to potential tourists. It is hoped that this will bring about an increase in South African tourism brand awareness and, consequently, growth in tourism sales for our country.

THEME 3: Sustainability and good governance

(viii) To achieve transformation within the tourism sector

Transformation is vital to ensure the sustainable growth and development of the tourism industry. With the National Tourism Sector Strategy, the Department therefore envisages an increase in tourism companies with broad-based black economic empowerment (BBBEE) ratings; an improvement in the number of companies reaching the tourism charter targets, with regard to which the Department will pursue a 5% improvement per year over six years, and an increase in the number of black-owned tourism businesses by 2020.

(ix) To address the issue of geographic, seasonal and rural spread

In order to achieve a more equal distribution of tourists across the country, the Department and tourist

stakeholders will push to increase the share of bed nights spent in least visited provinces from 3,8% in 2009 to 10% in 2020, and nights spent in mid-level visited provinces from 22,7% in 2009 to 35% in 2020. As far as rural spread is concerned, more people will be encouraged to visit and spend bed nights in rural areas by, among others, enhancing the supply of rural tourism products that attract customers and earn revenue. As for seasonality, the strategy aims to decrease the seasonality index of all foreign arrivals from the 2009 baseline of 1,13% to 0,5% by 2020, and to facilitate a 10% and 5% increase in bed nights spent in low season by foreign and domestic visitors respectively.

(x) To promote 'responsible tourism' practices within the sector

Responsible tourism aims to maximise economic, social and environmental benefits and minimise costs to destinations. Therefore, over the next couple of years, the Department will work towards increasing the number of tourism programmes and projects that are led by and benefiting communities, as well as increasing those tourism businesses adhering to 'responsible tourism' standards and practices.

(xi) To unlock tourism economic development at a local government level

As tourism is integrated across all spheres of government, the local government sphere also plays an important role in growing and developing the sector.

It is therefore important that the various stakeholders in the local governance of tourism incorporate the National Tourism Sector Strategy's targets into local Integrated Development Plans (IDPs) and economic development plans, and that support for local government programmes and capacity is ensured.

STRATEGIC CLUSTERS AND THRUSTS

Through the consultative process to compile the National Tourism Sector Strategy, the following strategic clusters and thrusts have been identified to address the objectives and goals for the tourism sector. Each strategic thrust is accompanied by an action plan, containing a problem statement or strategic gap and high-level actions:

CLUSTER 1: Policy, strategy, regulations, governance, and monitoring and evaluation

(i) Research, information and knowledge management

STRATEGIC GAP:

- No national research framework to guide tourism-related research conducted in the country, resulting in irrelevant and duplicated research efforts

- No proper database of tourism businesses operating in South Africa
- No ready access to relevant market intelligence to inform businesses' investment decisions
- Lacking or misapplied research and knowledge management tools

Actions:

To address the above, it is proposed that the capacity of the research and knowledge management of Tourism be enhanced to coordinate and guide tourism-related research through a strategic framework that meets the needs of all major stakeholders in tourism, and provide academic institutions and others with relevant research topics. A database of all tourism assets is also to be set up, and tourism businesses in South Africa will be encouraged to register to enable improved data collection on supply in the sector. National tourism and tourism-related research should be stored and continuously managed in a to-be-finalised e-library, possibly consolidating existing e-databases to eliminate cost duplication.

To capture the most accurate information on passenger movements, electronic and other means, such as specially designed departure forms, will be used. A national web-based and/or cellular phone-

based system is further proposed for visitors to complete visitor satisfaction forms.

Finally, industry competitiveness and performance should be continuously benchmarked and tracked, among others through a tourism index.

(ii) Policy and legislative framework

STRATEGIC GAP:

- Current Tourism Act of 1993 does not support the implementation of the Tourism White Paper of 1996 as broader policy framework, and predates the Constitution of the Republic
- Policy misalignment between spheres of government
- Poor integration of tourism with other sectoral policies

Actions:

By identifying current policy and legislative impediments; embarking on an awareness campaign on tourism policies and legislation, and conducting periodic policy and regulatory reviews, a legislative and regulatory environment conducive to tourism development and promotion will be created. The required frameworks and strategies also need to be formalised to ensure tourism resilience.

(iii) Collaborative partnerships

STRATEGIC GAP:

- A lack of communication and collaboration among different sub-sectors, spheres and entities
- Mostly strained or dysfunctional relations between public and private sector at provincial and local level
- Ad hoc and fragmented relations between public and private sectors and communities

Actions:

The tourism sector needs structured collaboration and interaction between the public and private sector at all levels – possibly a replication of the Tourism Business Council of South Africa (TBCSA) at provincial and city level, and single tourism forums at town or local level. Through an envisaged intergovernmental and stakeholder engagement framework, all appropriate roles and responsibilities are to be clearly spelled out for all tiers of government, and communication between the different sub-sectors of the industry will be facilitated.

(iv) Prioritising tourism at national, provincial and local government level

STRATEGIC GAP:

- Tourism is not filtering down as a priority to all government departments and levels
- Lacking coordination between Department of Tourism, and other departments with an impact on tourism

Actions:

It is crucial that the profile of the tourism sector is raised within Parliament and Cabinet, including the National Assembly and the National Council of Provinces. Other forums, such as the newly established National Planning Commission in the Presidency, the MINMEC [the intergovernmental tourism forum of the National Minister of Tourism and Members of Executive Councils (MECs) for Tourism], the MIPTECH (the interprovincial tourism technical committee of provincial and national officials) and the South African Local Government Association (SALGA), shall also be utilised for this purpose. Sound bilateral relations will also be built and maintained between the Ministry of Tourism and other ministries with an impact on tourism.

CLUSTER 2.1: Tourism growth and development – demand

(i) Marketing and brand management

STRATEGIC GAP:

- International brand alignment has not been implemented widely enough
- Failure to stay abreast of great technological advances may render South African Tourism's current marketing efforts less effective
- Little attention to niche tourism marketing
- Failure to expand targeted markets geographically and by economic level
- Sole focus on traditional, existing markets, losing sight of tourism growth opportunities presented by emerging economies

Actions:

In order to address the above problems, South African Tourism's current marketing campaigns in core, investment, tactical and watchlist markets should be built onto and finetuned. The effectiveness of more specific marketing platforms, such as the Indaba, will be assessed in order to promote growth. Also, a marketing strategy shall be developed

specifically targeted at the African market. South African Tourism should continue developing new markets and marketing strategies in partnership with the Department and the sector.

It is further proposed that the current destination-marketing scenario across South Africa be reviewed to ensure that the various destinations within the country do not compete, but complement one another in the international arena. The implementation and communication of the South African tourism destination brand will receive priority attention, inter alia working with the International Marketing Council (IMC).

Finally, to keep at the forefront of technology, the latest electronic and online/cellular phone systems will be utilised to disseminate information.

(ii) Domestic tourism

STRATEGIC GAP:

- Lack of travel culture among most South Africans, and preference of some to travel overseas or on the continent instead of locally
- Lacking marketing, product development, distribution, information provision and social tourism programmes aimed at domestic tourism development
- Existing tourism products do not meet needs and requirements of particular market segments

Actions:

The Department needs to develop a domestic tourism growth strategy to promote tourism growth; broaden marketing strategies also to target the lower and higher end of the market; improve geographic spread and reduce seasonality; make domestic travel more affordable; create a holiday culture, especially among previously disadvantaged groups, and expand the range of products and services as well as access to travel information.

Through such strategy, domestic leisure tourism shall be marketed to all major local markets, including those not targeted by the Sho't Left campaign, such as school tours, township tourism, sports tours, etc. Especially low-income South Africans must be encouraged and supported to travel domestically for leisure purposes. This could be achieved by revising the affordability of tourism packages, developing partnerships with banks, churches and the like, and possibly setting up a fund to which one could contribute as a recognised corporate social investment (CSI).

(iii) Regional tourism

STRATEGIC GAP:

- Tourism industry's poor understanding of opportunities provided by source markets on the African continent

- High visa fees and inconvenient flight schedules
- No measures to maximise visitation and spending by those African tourists who visit South Africa solely for shopping purposes
- Effort and red tape involved in travelling across the sub-region

Actions:

Africa is the main source of foreign arrivals for South Africa. Therefore, this market needs to be nurtured and catered for to expand its impact on our tourism industry. This could be achieved through market research to understand the needs and requirements of travellers from neighbouring countries, and to identify the various issues inhibiting growth from these markets, such as high visa fees and poor flight frequency.

As many African visitors to our country travel here mainly for shopping purposes, their particular needs should be met, for example by providing them with adequate storage facilities for their goods prior to departure. To this end, a working group with the Department of Trade and Industry (dti), the tourism industry and the retail sector may prove valuable.

It is further proposed that South African companies working on the continent be approached to conduct joint marketing campaigns among the African market.

Also, as travel across Southern Africa is surprisingly difficult due to lacking cooperation and partnerships with industry and government counterparts – not only across our borders but within the Southern African Development Community (SADC) as well – conditions should be created to promote “Destination Southern Africa”, facilitating transport and accommodation packages that make travel across the sub-region hassle-free.

(iv) Business and events tourism

STRATEGIC GAP:

- No coordinated effort at national level to attract international events

Actions:

The National Tourism Sector Strategy envisages the establishment of a National Convention Bureau (NCB), which will be responsible for business events, bid coordination and support, and the development and roll-out of a significant business tourism and events strategy. This will prevent different cities or regions within the country from competing with one another to secure events business in a manner that effectively limits South Africa's chances to attract more events as a country. This will be done through proper coordination and development of norms and standards.

Another proposal is the investigation and implementation of a bidding fund that may be used to support bids for events of national importance. The establishment of the fund should be preceded by careful benchmarking against international monetary bid support.

Finally, the accreditation of professional conference organisers (PCOs) should also be strengthened in collaboration with the industry to ensure their credibility and accessibility to all.

CLUSTER 2.2: Tourism growth and development – supply

(i) Relevant capacity building

STRATEGIC GAP:

- Sector is neither attracting nor retaining quality people of all skills levels
- THETA (the Tourism, Hospitality and Sports Education and Training Authority) is largely perceived as ineffective
- Matriculants perceive the sector as an unattractive career choice
- Poor skills levels of supervisors and managers in the sector

- Few dedicated tourism staff members and limited tourism experience, knowledge and budgets in local governments

Actions:

The already established human resource development strategy is to be finetuned, managed and implemented, and formal training must be promoted in collaboration with associations in order to improve the quality of people working in the industry and ensure an increased intake of tourism graduates. If the extent of tourism as a school subject is broadened, for example by expanding it to more schools, including junior schools, and incorporating it into Life Skills Orientation curricula, matriculants would also develop a better perception of a career in the tourism industry. An apprentice process, with formal development over a number of years, might also attract more interest in tourism as a profession.

In order to improve THETA's effectiveness, a THETA turnaround strategy is needed that is sector-driven and addresses people development together with the Department of Higher Education as well as the sector.

As local governments influence tourism products in how they manage their socio-economic environments and deliver services to their communities, SALGA, National Treasury and the Department of Cooperative Governance and Traditional Affairs (COGTA) must be engaged to develop a comprehensive framework for

tourism activity at local level. When it comes to local infrastructure development planning, tourism should be incorporated as an important criterion, particularly in rural and peri-urban areas.

(ii) Niche-product development and rural tourism

STRATEGIC GAP:

- No coordination from national level to ensure alignment between national marketing promises and actual product development
- Many rural areas with tourism potential are not being developed
- Poor quality, management and maintenance of cultural and heritage attractions

Actions:

After the existing and potential tourism experiences available in South Africa have been identified and spatial development initiatives (SDIs), priority areas for tourism infrastructure investment (PATIs) and provincial plans have been reviewed, a spatial tourism product and experience strategy should be developed for niche markets. Such strategy will guide provinces, municipalities and the private sector in terms of product and experience development; tapping new areas with tourism potential, and meeting

domestic and foreign market needs. It will also look at accommodation, tourism activities and attractions that could be combined to create satisfying tourist experiences.

(iii) Product information

STRATEGIC GAP:

- Uncoordinated and inconsistent tourism information provision
- Fragmented information distribution via the web, call centres and push technology
- No overarching national framework offering hassle-free, seamless access to travel information

Actions:

It is evident that the South African tourism industry needs a national structure for tourism information provision that covers all South African tourism products/experiences in all gateways, provinces and major cities, as well as relevant information provision in municipalities (where appropriate). This structure should be developed and implemented, based on a central electronic database, and could entail different levels of accredited, uniformly branded information centres in different formats.

It is further proposed that accredited qualifications and training be developed for tourism information officials, providing them with standardised training, and equipping them with knowledge on the entire country and not just their own area.

(iv) Responsible tourism

STRATEGIC GAP:

- Tourism industry is under threat due to travel's high carbon emissions and people's propensity to avoid travel because of it
- Possible negative perceptions of environmentally conscious travellers if the South African tourism sector is not seen as actively minimising environmental damage

Actions:

South Africa's natural environment is one of its greatest tourism resources, and, therefore, the tourism industry should be actively involved in conserving and protecting it.

To this end, the sector must develop and implement a programme to set, adhere to and measure attainment of 'responsible tourism' standards. This programme will be based on proper research and will also promote

awareness of 'responsible tourism' measures among tourism businesses. Other components of the programme may include training and funding specifically aimed at green tourism issues and products; a voluntary accord in the tourism industry to reduce its carbon footprint; the implementation of environmentally responsible practices in the tourism transport sector, and the encouragement of 'green buildings' and energy-efficiency conversions in the hospitality sector.

Once the industry has firmly established its 'responsible tourism' practices, these should be promoted regionally and internationally.

(v) Investment promotion

STRATEGIC GAP:

- High percentage of failure among small tourism entrepreneurs due to bad planning and market analysis, insufficient business experience, a lack of support structures, and insufficient personal equity to fund their businesses
- Tourism industry is regarded as a risky and unattractive investment option
- Incentives difficult to access

- Cumbersome procedures, such as environmental impact assessments and rezoning
- Insufficient investment promotion at a national level

Actions:

In order to rationalise, simplify and improve the systems of entrepreneurial support to new tourism small, medium and micro-enterprise (SMME) investors, a one-stop shop system should be considered that will be coordinated nationally, with accredited 'shops' in each province to provide support to businesses throughout their life cycle.

To assist in tourism development, a tourism development fund may be established, possibly centralising all currently available funds, such as those within dti, the Development Bank of Southern Africa (DBSA) and other donor funding, into one entity. The aim is to harmonise the funding mechanisms that are already available. As for rural tourism development, intergovernmental programmes should be initiated, including bilateral engagements with the Department of Rural Development and Land Reform to accelerate the settlement of outstanding land claims.

Through consultation, the Department should determine the reasons for the low success rate of public-private partnerships (PPPs) in the tourism industry, and develop an alternative approach. All

investment support and enterprise development, including the Public Investment Corporation (PIC), the PPP unit, the Industrial Development Corporation (IDC), DBSA and dti, should be streamlined, and financing institutions must be engaged to improve tourism businesses' access to finance.

A further measure to accommodate tourism businesses would be to implement a plan to simplify the regulatory requirements applicable to such businesses, reducing or eliminating red tape. The communications authorities should also be approached to facilitate access to broadband internet and quality cellphone and other communications technology for the tourism industry, particularly in rural areas.

(vi) Quality assurance

STRATEGIC GAP:

- Current quality assurance programme for tourism accommodation and conference facilities excludes other aspects of the sector
- Costs to implement quality-assurance measures, particularly 'responsible tourism' measures, prevent previously disadvantaged groups from entering the sector
- Operational challenges in implementing the tourism grading scheme, particularly the inconsistencies

in the application of grading criteria as well as the issue of assessors being chosen by the establishment wishing to be graded

- Lack of understanding of universal access, resulting in very few establishments having been graded as universally accessible

Actions:

In line with the KPMG review of the current grading scheme, various measures need to be instituted, including the appointment of full-time, in-house grading and master assessors; regular training and refresher courses for assessors; the implementation of mystery-guest visits in addition to grading assessments; the establishment of an effective customer feedback element, and increasing the number of quality-assured black businesses. The grading system or other form of quality assurance should also be expanded to other sub-sectors of the tourism industry, including restaurants, tour operators, transport operators and tourist attractions.

Moreover, South Africans and visitors need to be made aware of the grading scheme, with careful explanations of the different types of accommodation and what to expect at differently graded facilities. In addition, universal accessibility (making tourism accessible to travellers with special needs, such as the elderly, people with disabilities, and children) should be more actively pursued in new projects by implementing incentives.

CLUSTER 3: People development

(i) Transformation

STRATEGIC GAP:

- Very slow rate of transformation in tourism industry, with few black entrants in the market, and big and small business still largely dominated by white people

Actions:

To accelerate and encourage transformation in the tourism sector, strategies and programmes need to be developed and implemented to promote businesses having a BBBEE scorecard, and to encourage those businesses to improve their scores and reach the tourism charter targets. Actions that could contribute to this include the development of an updated database of qualified black people, particularly black women, in management positions; facilitating partnerships with hotel groups and other establishments to support community-based tourism; promoting diversity in tour operators' packages and excursions, and developing an enforceable memorandum of agreement ensuring that all government departments procure from BEE-compliant tourism service providers only.

It is further proposed that programmes be developed to attract more black entrepreneurs to enter the tourism

sector and own and operate SMMEs throughout the sector. To this end, it may prove helpful to consider a formalised national mentorship programme, matching up mentors and black SMME owners; the promotion of leisure or lifestyle entrepreneurship among the black community; agreements with the travel trade to incorporate black emerging entrepreneurs in their itineraries and service provider networks, and the inclusion of black-owned SMMEs in marketing campaigns.

Finally, the required sector skills should be produced at all levels through the development of a people development plan, particularly developing the required capacity in designated groups.

(ii) Decent work

STRATEGIC GAP:

- The tourism industry is not considered a good employer or good career choice

Actions:

The sector must demonstrate that it is indeed a provider of decent work. To achieve this, the Department of Tourism will engage the Department of Labour and other relevant organisations to encourage and ensure that tourism businesses comply with the principle of providing decent work. This engagement will entail numerous actions, including reviewing the existing regulatory

framework to define what is generally meant by 'decent work'; determining the current status of 'decent work' provision in the various tourism sub-sectors; developing a framework for decent work in tourism; examining the gap between the current actual work scenario and the ideal 'decent work' scenario, and jointly devising a clear plan of action to move from the current to the ideal.

Based on this, an MOU is then to be entered into between the tourism industry, the Department of Labour, labour unions, tourism sector associations, the National Economic Development and Labour Council (NEDLAC), the Department of Tourism and other relevant ministries, outlining a 'decent work' code of conduct with which tourism industry businesses must comply.

(iii) Service excellence

STRATEGIC GAP:

- Extremely inconsistent service levels across the tourism value chain and across the country
- No real culture of complaining about poor service

Actions:

Service is important throughout the tourism value chain, including all service contact points (e.g. immigration, transport, accommodation and financial institutions). In order to improve local tourism service

levels, research has to be conducted to develop objective benchmarks for understanding which service levels and gaps need to be addressed, and to monitor service improvement.

However, service is rooted in attitude. Therefore, sustainable behavioural changes are essential to create a service culture in the industry. These could be facilitated by educating all major frontline job categories in the industry on appropriate behaviour and customer care, for example through revising the SA/Welcome Host programmes as well as relaunching another single campaign to that effect. THETA should also ensure that sufficient accredited trainers are available throughout the country to deliver service training programmes.

Apart from educating employees in the sector, consumers also need to be made aware of world-class service standards and their right not to accept poor service. This could be achieved through introducing Service Excellence Month, a service excellence newsletter, reality-television series and talk shows, as well as national service excellence awards for individuals employed in the tourism industry.

Once the desired improvement in service levels has been obtained, service standards must be measured and monitored on an ongoing basis, for example by issuing a mark of quality, having an annual customer satisfaction survey, and introducing a web-based self-assessment tool for service excellence.

(iv) Community beneficiation

STRATEGIC GAP:

- Growth of tourism industry has yielded no real benefits for rural communities
- Communities' natural and cultural resources are taken advantage of, without benefits accruing to communities themselves
- Unrealistic expectations are created among communities about potential benefits of tourism
- Communities' limited understanding of tourism and its value
- Supply-based public-sector programmes in support of community tourism lose sight of demand, and therefore fail

Actions:

As local governments are essentially the link with the people, their capacity for, and understanding of, tourism – particularly community-based tourism issues – need to be improved to enable them to provide realistic assistance to communities to maximise potential tourism opportunities. Through specific community campaigns, using stories about tourism and tourism businesses and successful and unsuccessful community projects, communities

also need to be made aware of tourism in order to eliminate unrealistic expectations.

It is further proposed that destinations and areas be identified where communities could become beneficiaries of tourism projects, and that they be assisted in developing appropriate tourism products. In this regard, community participation in a domestic-market resort group could be a possibility.

In order to develop sustainable funding models for community-based tourism projects, certain minimum criteria for such projects could be developed as well as funding criteria for entrepreneurial projects that benefit more people in the local community than just the entrepreneur and his/her immediate family.

CLUSTER 4: Enablers of growth

(i) General tourism awareness among South Africans

STRATEGIC GAP:

- Many South Africans' limited exposure to, and understanding of, tourism
- Limited understanding of the impact of tourism benefits on people's lives
- Harm done to country's image by those South Africans with limited understanding of tourism's value

- Limited tourism awareness in economic sectors hampers tourism businesses' ability to obtain funding
- Limited tourism awareness in government hampers tourism promotion in government decision making

Actions:

Tourism is an activity that everyone (above the lowest economic levels) could enjoy and participate in for an improved quality of life. This, however, needs to be brought home to all South Africans to enable the tourism sector to flourish. To improve general tourism awareness, an advertising campaign is to be developed and rolled out across all media, both to encourage leisure travel in this country, and demonstrate the economic benefits derived from tourism activity. To this end, sponsors and other funding sources, such as the Agency for International Development (AID), could be approached, and the public broadcaster, social media and advertising agencies may be utilised. The Sho't Left campaign also needs to continue.

Ideally, tourism awareness should be raised at an early age, and, therefore, tourism should continue to be developed as a school subject. In addition, a school-trip/tour programme and industry-employee holiday exchange programme may be considered to afford

learners and industry employees the opportunity to experience holiday-making in our country.

(ii) Safety and security

STRATEGIC GAP:

- Strong international perceptions of South Africa as an unsafe destination
- Media tend to focus on negative stories only, ignoring the many positives
- Lack of awareness of the role that the South African Police Service (SAPS) and judicial system could play in either promoting or harming the country's image by the way in which they deliver safety and security-related services

Actions:

Incorrect perceptions cause potential visitors to decide against visiting South Africa, resulting in significantly lower numbers of foreign visitors to our country. Therefore, it is vital that a major campaign be developed and implemented to improve perceptions of safety and security in our foreign source markets through concerted public relations management and information provision. Such a campaign could include identifying and using high-profile tourism safety ambassadors for South Africa; engaging South

Africans abroad to improve the messages that they spread about their home country, and implementing safety as a tourism grading element.

The tourism safety and security strategy also needs to be finetuned and implemented, with ongoing monitoring.

(iii) International and regional airlift

STRATEGIC GAP:

- Lacking international airlift between South Africa and key source markets is prohibiting/deterring tourists from visiting South Africa
- No open-skies policy
- Being commercialised, South African Airways (SAA) is not always promoting national or tourism sector interests

Actions:

To achieve the optimal international and regional airlift arrangement, South Africa's tourism access needs have to be considered, taking account of our core, investment, tactical, watchlist and new markets as well as South Africa's current and potential trade links. This exercise should entail thorough research, including a review of SAA and other carriers serving

the country; benchmarking against other national airlift strategies; projections of air route capacities under different scenarios, and the like.

To maximise airline industry support for South African tourism development, a regular forum needs to be established for discussion and direct communication between internationally operating airlines to ensure maximum collaboration.

(iv) Ground transportation

STRATEGIC GAP:

- Limited public or tourism transport available
- Bus and rail networks are not always connected to airports
- Tourism transport operations are partly regulated by the Department of Transport and partly by the Department of Tourism
- Provincial ground transport regulations cause duplication

Actions:

The limited public and tourism transport available not only makes it difficult for independent tourists to get around, but also prevents South Africans without

cars from travelling. It is therefore vital for the tourism sector also to contribute to an efficient, intermodal transport system in South Africa that will allow domestic and international tourists to move about easily – to, from and within destinations.

More specifically, the sector should identify key tourism routes and destinations, and ensure that there is ground transport available where relevant, as well as appropriate tourism signage to cater for self-drive tourists. The tourism sector must also push for the improvement of the tourism transport licensing system to make it efficient, consistent, and nationally and provincially integrated.

(v) Domestic airlift

STRATEGIC GAP:

- Vastness of our country necessitates air travel between local destinations
- Domestic air travel is expensive and not frequent enough outside the Johannesburg/Cape Town/Durban triangle
- High flight costs limit the improvement of geographical spread of visitors, and hampers leisure and business tourism to many destinations

Actions:

In order to solve the issues above, the tourism sector must contribute to the action plan for the development and expansion of domestic airlift in South Africa. The plan should include issues of routes, frequencies, pricing, airports, volume levels, marketing, government support and the like. A tourism task team may also be established to investigate the particular domestic air lift issues in the country.

STRATEGY RISK FACTORS

National strategies are particularly susceptible to risks, some of which can be controlled and some not. The following risks factors have been identified for this National Tourism Sector Strategy:

- Global currency exchange rates
- Global economic downturn
- Macro-economic policy, causing a tighter fiscal environment
- International or national terrorism (including cyber-terrorism)
- Natural disasters and climate change
- A breakdown in the multilateral approach to global governance matters, such as the unilateral imposition of carbon taxes for air travel
- Political unrest/civic strife
- Overdependence on foreign tourists instead of diversifying tourism markets and products
- Crime
- Incidents of intolerance, such as xenophobic attacks
- Outbreak and spread of infectious or communicable diseases
- A lack of acceptance and support of the National Tourism Sector Strategy by key partners, resulting in incoherence with other policies
- A lack of an integrated organisational structure (national/provinces and local government)
- Poor stakeholder relations and management

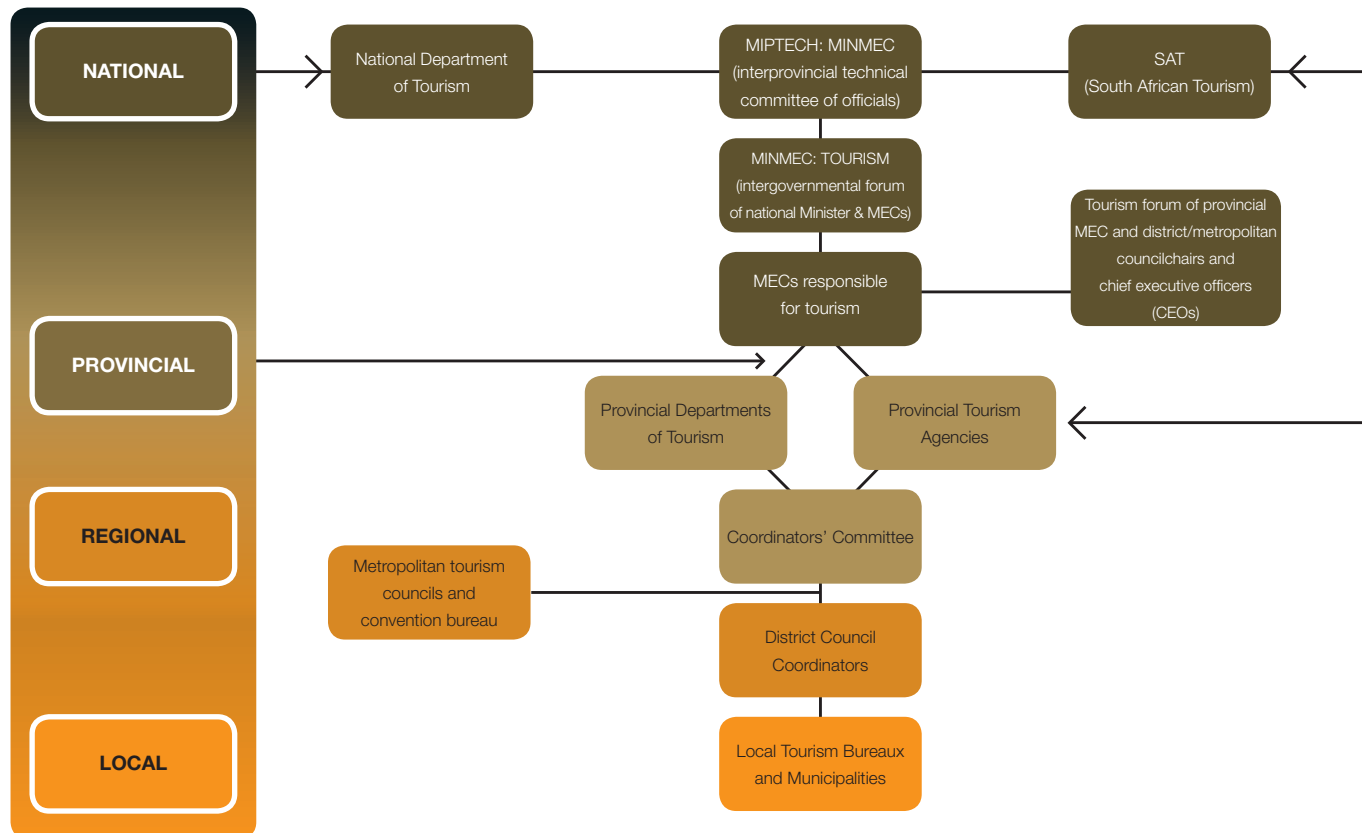
It is essential that we collect good background information and set up a well-coordinated, credible and consistent tourism crises management framework to ensure that, should any of the above risks materialise, South Africa is able to respond efficiently.

INSTITUTIONAL ARRANGEMENTS, STRUCTURE AND ENGAGEMENT FRAMEWORK

INSTITUTIONAL STRUCTURE FOR TOURISM IN SOUTH AFRICA

The institutional tourism structures at national, provincial, regional, metro and local government level are set out below:

Proposed Institutional Structure for Tourism in South Africa



KEY ROLE PLAYERS IN THE IMPLEMENTATION OF THE NTSS:

Implementation - Structural Arrangement



ARRANGEMENTS AT NATIONAL LEVEL

The key structures at the national level are:

MINMEC	The intergovernmental tourism forum of the National Minister of Tourism and the provincial MECs for Tourism that discusses and agrees on national tourism policy matters.
MIPTECH	The interprovincial technical committee on tourism is an intergovernmental forum of national and provincial tourism officials, SALGA, heads of government of provincial tourism departments, and CEOs of tourism authorities, that coordinate provincial and national tourism affairs in preparation for and support of the MINMEC.
National Department of Tourism	The Department is responsible for national tourism policy, regulation and development.
South African Tourism	South African Tourism is responsible for international and domestic marketing of South Africa as well as for information management in consultation with provincial tourism authorities.

ARRANGEMENTS AT PROVINCIAL LEVEL

The following are the key entities at provincial level:

MEC tourism forum	It is vital that tourism be acknowledged and managed as a priority at provincial level. To this end, it is proposed that the provincial MECs for Tourism should establish an MEC tourism forum, where they can meet with the chairpersons of the district and metropolitan councils and voluntary regional tourism associations on a biannual basis to discuss the tourism strategy for the province. The MEC tourism forum should be informed by the provincial coordinators' committee comprising officials of the provincial tourism authorities and the district/metropolitan tourism coordinators. It should meet regularly to discuss and agree on cooperative tourism programmes and strategies.
Provincial tourism authorities	Provincial tourism authorities should align their international tourism marketing efforts with those of South African Tourism to ensure synergy.

ARRANGEMENTS AT REGIONAL LEVEL

The regional tourism function should focus on the following two structures:

Voluntary regional tourism associations	The tourism industry and local tourism bureau (LTB) in an area may decide to form a voluntary regional tourism association, but such body should operate independently of government statutes or finance. There should be no obligation to establish such an association.
Tourism coordinating committee	Provincial tourism authorities should align their international tourism marketing efforts with those of South African Tourism to ensure synergy.

ARRANGEMENTS AT METRO LEVEL

As the gateways to the provinces, the tourism bodies for the metro councils require special attention, and the following is proposed:

Tourism and conventions bureau	A single tourism and conventions bureau should be established for each metropolitan area. In addition to the functions of a tourism coordinator (similar functions to LTB), such bureau should have a strong events and conventions management focus, and should arrange and bid for major tourism meetings, events and conventions. Existing LTBs in metropolitan areas should be amalgamated into, and fulfil the role of, information offices of the bureaux, depending on their location.
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ARRANGEMENTS AT LOCAL LEVEL

The following proposals are made in relation to arrangements at the local level:

LTB	<p>Tourism-specific functions should be carried out by an LTB, which should:</p> <ul style="list-style-type: none"> • be established by the local authority (town or district council) and private businesses in a local area, as a legal entity that represents these parties; • be jointly funded by the local authority and private-sector/industry members in the area, as well as from own revenue, including marketing commissions; • include a significant number of persons who represent previously disadvantaged constituencies; and • be accredited to the provincial tourism authority if it meets the requirements.
Local authorities	<p>The local authority's line function departments should be responsible for all integrated development matters, including the development of tourist attractions, the provision of public amenities and infrastructure in support of tourism, and the general maintenance of the environment. These should be part of the development plan of the local authority, who should consult the LTB in the planning and implementing phases.</p>

BROADER STAKEHOLDER COORDINATION ARRANGEMENTS

Government Forum	<p>An expanded MIPTTECH which includes national departments and entities whose mandate has a direct impact on tourism development and promotion, such as Department of Transport, Department of Home Affairs, Statistics south Africa, Airports Company of South Africa etc. The forum will drive government's implementation of the NTSS.</p>
Business Forum	<p>This is a Forum for business in the tourism sector, both big and small, to drive private sector's contribution to the implementation of the national strategy.</p>
Knowledge Group	<p>This refers to academia and others, whose primary responsibility is research and knowledge management aimed at development and promotion of tourism. They will work towards harmonisation of the national tourism research agenda with the NTSS.</p>
Communications Forum	<p>This will comprise of tourism communicators from government and private sector as well as the media. The aim is to create a programmatic approach towards the implementation of the strategy.</p>

Labour, Non-governmental organisations and Community-based organisations

This is aimed at facilitating social dialogue within the tourism sector and the focus is in ensuring participation of Labour, Non-governmental organisations and Community-based organisations.

NB: For a more complete explanation of the various institutional structures' roles and responsibilities, please consult the full National Tourism Sector Strategy.

INTERGOVERNMENTAL AND STAKEHOLDER ENGAGEMENT FRAMEWORK

The Department of Tourism, working with all stakeholders, shall develop an intergovernmental and stakeholder engagement framework, which will provide for the establishment of a delivery forum consisting of various stakeholders with specified roles and responsibilities.

NATIONAL DEPARTMENT OF TOURISM STRUCTURE

The Department of Tourism's current structure was developed in the process of setting up the new stand-alone Department, after the Tourism and Environment portfolios had been separated. The final structure of the Department will be determined by the best configuration to deliver on the priorities set out in the National Tourism Sector Strategy. Especially during the implementation of action plans, the activities of key branches in the Department and the different programmes must be carefully coordinated to avoid overlaps and duplications, and maximise collaboration.

MONITORING, EVALUATION AND REPORTING MECHANISMS

The successful implementation of the National Tourism Sector Strategy will only be possible through proper monitoring and evaluation, for which the Department of Tourism is ultimately responsible. The Department has therefore established a Monitoring and Evaluation Unit, whose role, among others, will be to monitor the implementation of the strategy together with all stakeholders.

Through the delivery forum mentioned above, this unit will collate progress reports on the achievement of targets identified in the strategy and other documents. This will enable the Department to publish an annual report on progress against the main targets, on each strategic thrust and other related programmes. In some instances, the Department shall conduct survey to monitor progress on the implementation. These will be published through the State of Tourism Report.