

SPEECH DELIVERED BY MARTHINUS VAN SCHALKWYK, MINISTER OF ENVIRONMENTAL AFFAIRS & TOURISM, AT THE 7TH ANNUAL TOURISM CONFERENCE AT EMPERORS PALACE, GAUTENG, ON 3 November 2008

TOURISM IN SOUTH AFRICA – ASTONISHING SUCCESS –

LET US NOW FOCUS ON SERVICE EXCELLENCE

Introduction

The history of our country contains a multitude of diverse stories and lessons and so also the journey of our tourism industry. Our industry has been enriched by the hard work and contributions of role-players ranging from government institutions and organised business to the informal trader or local guide interacting with a tourist. The diversity of our people, history and experiences have brought a treasure trove of variety to the tourism industry and no doubt contributed to our success.

If we consider that in 1994 fewer than 600,000 tourists visited South Africa and in 2007 we received more than 9 million foreign visitors, the success has been astonishing. I believe this success was made possible by the essence of who we as South Africans are, as our rich identity reflects in our tourism offering.

Growth and Achievements

Our outstanding performance in terms of attracting visitors to our shores is underscored by the fact that tourism continues to make a growing contribution to our economy. The contribution of tourism to South Africa's gross domestic product (GDP) is estimated to have increased from R137,6 billion in 2006 to R159,6 billion in 2007. The number of jobs created directly and indirectly in the economy through tourism increased by 5% from 896,900 in 2006 to 941,000 in 2007.

I am proud to announce the latest available arrival figures that show a total of almost 5,5 million foreign arrivals (5,495,904) in the first seven months of this year, compared to just over 5,1 million (5,100,268) in 2007. This is an increase of 7,8% year on year.

If we examine the figures for January to July of this year in more detail, we see that the growth in arrivals from our traditional markets remains strong, boosted by very positive increases in arrivals from our new markets. North America recorded an increase of 11.7% compared to the first seven months of 2007. The figures for Europe show growth of 7.3%, with France still recovering strongly and recording an increase of 16,8%. Arrivals from Australasia grew by 10,9% and Asia showed an increase of 6,5%.

We are not only performing well in terms of tourism growth, but are also reaching milestones and achievements in terms of the development of the industry. The final Gazetting of the Tourism Charter, which will serve as a Code of Good Practice for the industry, is imminent. The Tourism Human Resources Development Strategy, which aims to encourage industry players to compete on the basis of excellence in human resources, was launched recently. In October we held the inaugural Tourism Careers Expo, which attracted 17,000 visitors over three days and at the event the Tourism Enterprise Programme was institutionalized with the appointment of a CEO and Board to oversee its activities.

The Tourism Satellite Account (TSA), which will help us better measure the economic influence of tourism, has been finalised and will be launched at the Tourism Indaba 2009.

We are also working closely with South African Tourism (SAT), the Department of Home Affairs (DHA) and Stats SA on an initiative to further improve the process of capturing the total number of tourists as per the World Tourism Organisation (UNWTO) approved definition of a tourist. This will assist in understanding exactly how many tourists come to South Africa compared to same day visitors and improve the measurement of the impact of tourism on the economy.

Future of our industry and challenges

If we look back at the successes achieved in the last year, I can say with confidence that the foundation has been laid for the implementation of our strategic policy direction for the future.

Our vision for the future of tourism in South Africa is threefold: firstly, that it is valued as one of the leading economic contributors to a sustainable South African economy; secondly that it is a dynamic, innovative and highly respected sector that offers a positive and memorable experience exceeding consumer expectations; and thirdly that tourism dynamically contributes to the improvement of the quality of life of every South African.

In order to be able to achieve this vision, we also need to recognise and acknowledge the challenges that the tourism sector is faced with.

On a global scale, these include the possibility of an economic recession in some of our key markets, the impacts of climate change on worldwide travel patterns, exchange rate fluctuations and restricted aviation capacity. Locally, the challenges include

the availability of appropriately qualified staff, limited transformation, constrained domestic air capacity and transport links and the limited involvement of local government in tourism planning.

We would like to facilitate better planning by making sure that local authorities take into account of the needs of the industry in the provision of infrastructure. To this end and in order to foster a constructive relationship between stakeholders I would like to announce that we will be hosting the Local Government Tourism Indaba in January 2009.

Another key factor that has to be addressed in order to boost visitor numbers is South Africa's accessibility, an issue that was also raised at last years conference. We aim to foster the expansion of and competition on air routes and encourage the development of year-round activity-based and special interest tourism products.

In terms of the progress made with the implementation of our Airlift Strategy, a planning committee was set up to oversee the implementation of the strategy and prepare for the Bilateral Air Service Negotiations. Fourteen mandates were approved for 2008, which resulted in the following frequency increases:

- **The UK from 56 in 2008 to 63 in 2009 and to 70 by 2010;**
- **France from 10 in 2008 to 14 in 2009;**
- **Brazil from 14 in 2008 to 21 in 2009 and 28 by 2010;**
- **India from 14 in 2007 to 21 in 2009 and 28 by 2010;**
- **Australia to 10 in 2008, 14 in 2009 and to 21 by 2010,**
- **The United Arab Emirates from 42 in 2008 to 54 by 2009 and 63 by 2010;**
- **Angola from 3 in 2008 to 5 in 2009; and**
- **Japan from 2 in 2008 to 7 in 2009.**

Service excellence

In addition to setting targets for increases in visitor numbers and visitors spending, we are also aiming to improve visitor satisfaction and in this respect we are developing a wide-ranging strategy to attain service excellence in the tourism industry.

An audit undertaken to examine skills levels indicated that service excellence was one of the most crucial ingredients in sustainable tourism growth. The audit also highlighted the need for South Africa to urgently develop a customer service programme.

Our department, in conjunction with a number of stakeholders including the Tourism Business Council, representatives from the tourism cluster and international experts on service excellence, have worked very hard to lay the groundwork and their efforts culminate today in the release of the **Draft National Service Excellence Strategy for Tourism in South Africa.**

This initiative can help us transform South Africa into a globally competitive service economy and destination of choice. **The draft strategy will address skills supply, public awareness and education on minimum standards, the measurement of standards and the creation of an efficient public feedback mechanism. Customer satisfaction is not something we can compromise on.**

I would like to invite all stakeholders to use this conference as an opportunity to comment and give inputs on the draft strategy, as your feedback will be incorporated in the final document.

Conclusion

At an occasion such as this we examine our industry, the progress we have made and the challenges that lie ahead. I have great faith that we will be able to succeed, comfortable in the knowledge that we can build on the hard work already done and the foundation we have laid.

I would like to thank all of you who have walked this road with us. We have achieved much, worked very hard and come a great distance, but our exciting journey is not yet at an end. We look forward to taking the next step with you.

I thank you.

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