



STAR ATTRACTION



Over the last ten years, tourism in South Africa has emerged as a leading economic growth sector. It is now one of the largest contributors to Gross Domestic Product (GDP), and offers significant employment and enterprise development opportunities.

Tourism is the fastest growing economic sector in South Africa, contributing close to 7,1% of the GDP. It is a labour-intensive industry that brings in foreign revenue and stimulates a broad range of other industries. Tourism's phenomenal growth, has been generated through concerted and focused action on the part of DEAT and its partners, namely the tourism industry and communities.

In respect of the community partnerships, a key part of DEAT's work has been in linking impoverished communities living in areas of high tourism potential, to tourist flows through investments in both tourism infrastructure and products.



DEAT's tourism partners also includes its statutory body South African Tourism (SAT), and the Tourism Grading Council. SAT is responsible for South Africa's international tourism marketing and the Grading Council to set standards for various tourism products and services. Through Tourism, Hospitality and Sport Education and Training Authority (THETA), learnership programmes, to train and upgrade the skills of people working in the hospitality industry, have been established. This effort has been further boosted by the department's welcome campaign and SA host programmes targeted at South Africans who frequently interact with tourists – for example, people in other government departments, banking, telecommunications, transport, conservation and catering – to go the extra mile.

DEAT has also set up a number of initiatives to guide and fund prospective tourism entrepreneurs, particularly through the Tourism Enterprise Programme (TEP). TEP assists in establishing business transactions between Small, Medium and Micro Enterprises (SMME) and more established firms. Support is also provided to small businesses to attend and showcase their products at travel shows abroad and in South Africa. In 2004 DEAT funded 254 SMME's to attend Indaba, Africa's premier Travel and Tourism trade show in Durban. The TEP was also a major supporter of the Gauteng Tourism Showcase in February 2004, which attracted over 150 exhibitors. Also in 2004, DEAT funded four and two SMMEs respectively to participate in the International Tourism Bourse in Berlin and the Common wealth TravelMart in Kuala Lumpur.

Appreciating the potential of tourism in the region's economic growth, South Africa has now become an active member of the Southern African tourism marketing body, the Regional Tourism Organisation of Southern Africa (RETOSA). Participation and membership has also been extended to international tourism institutions as part of an overall strategy of ensuring that the management of the tourism sector is in line with the international trends. In this regard South Africa is also a member of the World Tourism Organisation (WTO) and the Indian Ocean Tourism Organisation (IOTO), amongst others.

Other forms of international tourism relations are at the bilateral level. There are tourism agreements with various countries through which partner countries both receive and provide technical



South Africa has managed to achieve relatively high levels of community involvement in nature tourism

assistance and undertake joint marketing activities. Through international tourism relations, South Africa plays its role within the community of nations in promoting growth and development through tourism.

Within the content of a range of interventions including those set out above, tourism therefore, is increasingly playing its role as a catalyst for economic and social development across the country.

BEFORE 1994

The isolationism of apartheid delayed SA's entry onto the world stage in many areas, including tourism.

Prior to 1994, the potential of tourism to generate jobs, create entrepreneurs, attract foreign income, enhance economic

growth and develop rural communities, remained untested and ignored.

Tourism marketing was neglected. The existing tourism products were exclusively in the hands of white owners. Community-based tourism was unknown. The pass laws and influx control had made domestic leisure travel all but impossible for the majority of the population. By 1994, the year of the first democratic elections, the annual number of visitors stood at 3.7 million.

POLICY AND LEGISLATION

Since the first democratic elections in 1994, tourism in South Africa has changed fundamentally. The new Government identified tourism as one of the country's key economic sectors because of its massive potential to create new jobs and generate foreign

AFRICAN TOURISM

According to the World Tourism Organisation:

- In 2002, Africa attracted approximately 4% of the total tourism market, and generated US \$475 billion of revenue.
- Regionally, South Africa is the premier destination, attracting about 50% of tourists to the Southern African Development Communities (SADC) countries.
- Botswana, Mauritius, Zimbabwe, Kenya, Morocco, Tunisia and Egypt are the other key tourism destinations.
- Africa is dominated by intra-regional travel – in 2000, 42% of all travel to Africa emanated from within the continent. Europe is the next most important source of visitors, comprising over 38% of arrivals.
- A New Partnership for Africa's Development Tourism Action (NEPAD) Plan has been developed. DEAT partnered with the NEPAD Secretariat in developing the action plan.

revenue. It was one of the few sectors that showed enormous potential to provide economic opportunities to historically disadvantaged communities throughout the country.

Tourism was identified as one of the five top economic sectors that would reverse a sluggish economy, mobilise domestic and foreign investment and develop SMMEs.

For tourism, as with many other sectors, an inclusive, participative process was followed, giving the previously excluded members of society a voice in government's policy-making process.



In order to guide the future rate of tourism, and through a participative and inclusive process, the 1996 White Paper on the Development and Promotion of Tourism in South Africa was developed. The White Paper establishes the vision of a tourism industry that would be government-led, private-sector driven and community-based. The White Paper also sets the stage

for responsible tourism as the key guiding principle for tourism development in the country.

Another important contribution of the process of formulating policy was that, it forged consensus and collaboration between role-players in government and industry. As a result, a strong public-private tourism partnership has been established.

STRATEGIC APPROACHES

The key objective of tourism in South Africa over the past decade has been to enhance its role as a driver of socio-economic developments.

In this regard, DEAT's tourism goal has been to create conditions for sustainable tourism growth and development for the benefit of all South Africans. The department has sought to achieve this through ensuring effective and efficient domestic and international marketing; developing a competitive and transformed tourism product and services platform; addressing gaps in the tourism logistics value chain and building a tourism nation. Furthermore, DEAT has endeavoured to strengthen cooperative governance in the tourism sector; to promote regional and continental tourism growth; and to lead South Africans in a coherent and effective engagement in international agreements and events in tourism.

Over the past ten years some of the strategic tourism development highlights have included the following:

- The formation of the Tourism Business Council of South Africa, as the representative of South Africa's tourism industry (1996);
- The establishment, by provinces, of provincial tourism bodies and mechanisms to develop this sector;
- Amendment of the Tourism Act to transform the South African Tourism Board (1999);
- Grading Council of South Africa constituted to drive the grading system previously under South African Tourism (2000);
- Cabinet approval of the Unblocking Strategy in

- tourism through which other Government Departments and spheres of government would assist, through their activities, to grow tourism (2000);
- Cabinet approval of the Tourism Transformation Strategy (2001);
- Enactment of the Second Tourism Amendment Act, formalising tourist guiding (2001);
- Ratification by South Africa of the SADC Tourism Development Protocol (2002);
- Signing of tourism international agreements with about twenty countries;
- South Africa joined various international tourism organisations, including WTO, RETOSA, IOTO and the Africa Travel Association (ATA);
- Cabinet approval of the international Tourism Growth Strategy (2002);
- Launch of the Domestic Tourism Strategy (2004);
- Completion of phase one of the tourism Global Competitiveness Study (2004);
- Government funding of the Tourism Enterprise Programme (2004).

Responsible Tourism

According to the 1996 White Paper on the Development and Promotion of Tourism in South Africa, responsible tourism was described as “an absolute necessity if South Africa is to emerge as a successful international competitor”. Guidelines as well as a manual for Responsible Tourism were designed by DEAT during 2002 as a basis for implementing responsible tourism practices throughout the tourism industry.

Responsible tourism took a major step forward in 2002 with the inception of the annual Imvelo Awards for Responsible Tourism in the hospitality industry and a year later, with the introduction of the Fair Trade in Tourism South Africa trademark.

Responsible tourism essentially promotes principles that emphasise accountability to:

- the environment through balanced and sustainable tourism activities;
- local communities living near tourism attractions;
- local culture, through preventing over-commercialisation and exploitation, and through promoting respect;
- the safety, security and health of visitors; and
- employers and employees, both to each other and to their customers. Responsible trade union practices and employment practices are emphasised.

Gauteng province has adopted and adapted the responsible tourism guidelines for application in the province’s tourism initiatives.



Former Minister Mohammed Valli Moosa with Di Jones of the Malealea Lodge, Adventure & Pony Trek Centre in Lesotho, overall winner of the Imvelo Awards for Responsible Tourism in 2003



South Africa is also considered rich in ethnic/cultural tourism resources

ACHIEVEMENTS

International Tourism Growth

After the peaceful elections of 1994, there was an immediate and dramatic rise in the number of visitors to SA, an indication of the world's eagerness to visit a country in transition. By 1998, the numbers of annual visitors had risen to 5.7 million, from 3.7 million in 1994. Links with the rest of the world were rapidly being re-established. A growing number of airlines also introduced flights to SA, bringing increasing number of tourists.

However, terrorist attacks of 11 September 2001 in New York radically altered global tourism trends. For SA, though, the disaster proved an unexpected catalyst for tourism growth. Since the incident, South Africa has been seen as a safe destination. SA's tourism product platform, cultural diversity and natural beauty, also provide powerful magnets for international tourists.

In order to consolidate these trends, the department and SA T. in 2002 launched an international Tourism Growth Strategy, based on an intensive market segmentation study. Core markets were identified and a far more focused

marketing strategy was developed and implemented. This focused marketing is directed at increasing the number of tourists arrivals, increasing spend, increasing length of stay and promoting geographical spread of tourists.

More and more international meetings are being held in SA, and the meeting, incentive, conferencing, and events (MICE) sector has experienced a boom. Large global events such as the World Summit on Sustainable Development (WSSD), contributed enormously in this regard.

The year 2002 saw a boom in SA tourism, with total foreign tourist arrivals growing by an unprecedented 11.1% to 6.4 million. The country became the fastest growing destination in the world. Overseas tourist arrivals grew by 20.3% and arrivals from Africa by 7.7%. This affirmed the fact that the Tourism Growth Strategy was working. Important to note is that these achievements were recorded despite a global decline in international arrivals.

In 2004, DEAT, the Department of Trade and Industry (dti) and SA Tourism commissioned the Global Competitiveness Study into South Africa's tourism industry. The study aims to identify products, services, and infrastructure gaps within the tourism industry and to develop interventions to address these gaps. In this way the intention is to enhance the value and competitiveness of the South African tourism industry. The first phase of the study has been completed. The second phase will concentrate on developing strategies for intervention to deal with identified gaps as well as consolidating our strengths.

Efforts to expand the tourism have also included the development of relations with key strategic countries.

South Africa's Tourism Resources

South Africa is comparatively well-endowed with world-class tourism resources and has well-developed tourism facilities and services. The country offers a diverse range of attractions and attracts considerable numbers of international, regional and domestic tourists.

Many of South Africa's tourism products are in the ecotourism sector, linked to biodiversity and wildlife conservation. These include game reserves, bird sanctuaries, fresh water reserves, health spas and natural heritage sites.

Linked to these are tourism activities including walks, game drives and hiking, as well as more adventure-oriented products like 4x4 trails, hiking trails, pony trekking, mountain biking, ab-seiling, bungee jumping, mountain climbing and gold panning.

Archaeological or historical tourism resources represent 11% of all tourism resources. They include archaeological or palaeontological sites, historical buildings, churches and cathedrals, battlefields, museums, statues and cemeteries.

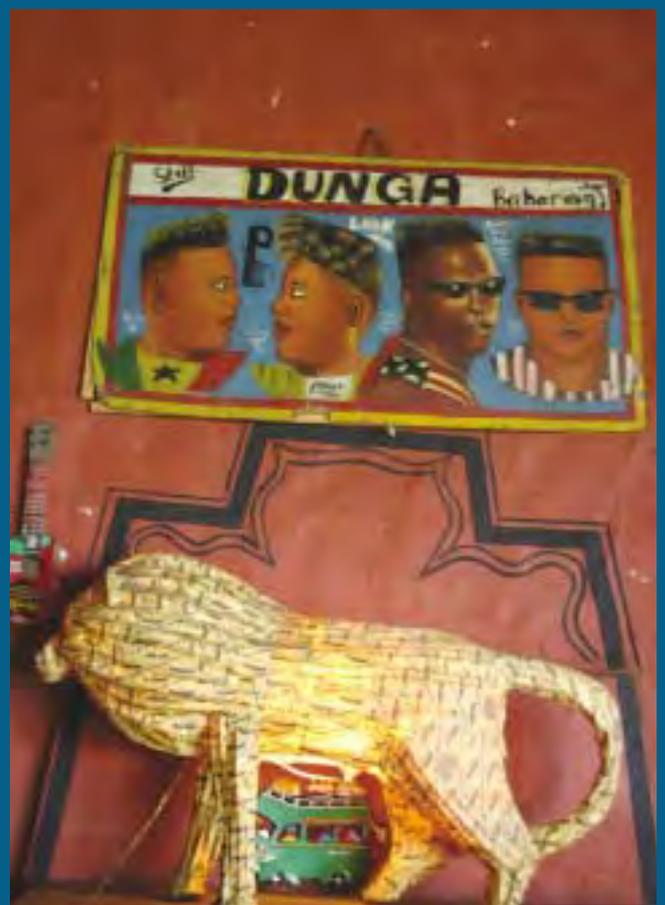
South Africa is also rich in cultural tourism resources. Many people consider this South Africa's greatest strength, namely the diversity of its people, and the richness of their cultural heritage. Cultural attractions include festivals, dances and music, traditional architecture, cultural villages, traditional dress and customs, cuisine, films, theatre and music.

Arts and crafts are also important tourist magnets, and their importance is increasingly being emphasised. They can generate



The bulk of South Africa's tourism products are in the ecotourism sector, linked to biodiversity and wildlife conservation.

substantial amounts of foreign currency, while creating SMMEs, black economic empowerment and employment. Many of these products also have an overseas market. They include traditional and modern African arts and craft, leatherwork, paintings or sketches, weaving and knitting, pottery, glass and ceramics, jewellery and wood-carving. DEAT is working closely with the TEP, the Departments of Arts and Culture, Trade and Industry, and other organisations to develop and strengthen this sector.



South African crafts and décor are now in demand all over the world.



Tourism was identified as one of the country's key industries because of its massive potential to create new jobs and generate foreign income.

A priority in this regard is the development of South-South cooperation between India, Brazil and South Africa (IBSA). Over the past year, a trilateral commission to improve relations between the three countries has been established. Tourism is one of the key areas for cooperation identified in the IBSA process. In this regard, a Plan of Action will be implemented over the next few years.

Another major achievement was the signing of a Memorandum of Understanding between SA and the People's Republic of China, in November 2002, according South Africa Approved Destination Status (ADS). SA became the 27th country to receive this status, and at that time it was only the second country on the African continent to be granted ADS (the other being Egypt). The ADS entitles SA to

market group leisure activities in China, and contributes to the simplification of tourist travel procedures from the Chinese mainland to South Africa. Since receiving ADS, there has been a significant growth in Chinese tourists coming to SA.

Domestic Tourism Growth

A Domestic Tourism Growth Strategy has been developed by the department and SAT, and was launched in May 2004 at the Tourism Indaba.

The domestic tourism market is comparable with the international tourism market in terms of size and value. This domestic market is currently valued at some R47 billion, with domestic tourists having undertaken 49.3 million trips in 2002-2003. This compares very favourably with the R53.9 bil-

lion generated through the 6.5 million international tourist arrivals in 2003. Research indicates that there is immense opportunity to generate more holiday travel from the domestic market. In this regard, only about 20% of the domestic population currently takes trips for holiday purposes.

The opportunity therefore, exists to massively grow the domestic market, increase the value of the market and combat issues of seasonality, limited geographic spread and limited trip expenditure. Support of the local industry by South Africans would also lead to improved quality in product and services, as well as improved occupancy levels.

A vibrant domestic tourism market also has the added benefit of reducing the exposure of the



A key objective for Government has been to integrate historically disadvantaged communities into the mainstream of the tourism economy.

tourism industry to fluctuations in international demand, particularly given that international tourism can be extremely sensitive to global political and economic factors.

The further growth of the domestic tourism market will however, require concerted effort by various government departments to address specific barriers to domestic travel, namely:

- access to efficient and safe public transport;
- inadequate access to information, amongst South Africans, on travel options and opportunities; and
- limited holiday travel, particularly on the part of black South Africans, due to previous apartheid restrictions.

Creating Equity in Tourism Products

Comparatively speaking, South Africa is endowed with an abundance of world-class tourism resources and products. However, black ownership of tourism assets has been minimal. As a result, Government has embarked on a policy of conscious support for the development of black-owned and operated tourism products.

Two key objectives of government in developing the tourism industry are to build a world-class tourism destination, and concurrently to integrate historically disadvantaged communities into the mainstream of the tourism economy.

Some of DEAT's transformation and growth initiatives include the

following:

- In 2001, DEAT commissioned a study to formulate a Transformation Strategy for the South African tourism industry. The goal was to identify and promote tourism sub-sectors in which black businesses would have a comparative advantage. These included accommodation, conferences, transport and catering. DEAT provided the Transformation Strategy to all government departments, together with a database of black-owned tourism products. Government departments were requested to make use of these products and services in their respective procurement practices.
- DEAT has assumed responsibility for the funding of the TEP, a key instrument in supporting the growth and development of SMMEs.



Tourism generates a significant part of the country's GDP.

- A scorecard based on Government's broad-based Black Economic Empowerment (BEE) strategy is currently under development for the tourism industry. This is being done in partnership with the Tourism Business Council of South Africa (TBCSA). A procurement tool is also being developed for DEAT, which would allow for the tracking of the Department's procurement expenditure on tourism.
- Government's incentives for SMMEs has now been opened to tourism entrepreneurs.
- The national Spatial Development Initiative (SDI) is a programme of national Government aimed at unblocking the inherent economic potential in specific locations in SA. Many of the SDIs in South Africa are aimed at diversifying the rural economy, linking various products together, and skilling people. These interventions are being conducted largely through poverty alleviation projects. Some of the SDIs that are

being implemented include Lubombo, Mapungubwe, Maloti Drakensberg and Wild Coast. The Greater St Lucia Wetlands Park, part of Lumbombo SDI, has already generated over R500m worth of private sector investment.

- The establishment of (TFCAs) between neighbouring countries in the region is a relatively new development. TFCAs are contiguous, protected or conservation areas, across the international boundaries of two or more countries. Apart from the obvious benefits of biodiversity protection, TFCAs provide an effective instrument for trans-border ecotourism development. In this respect, they also provide as a means of socio-economic upliftment in what are mostly poor rural areas. Presently there are six identified TFCAs which SA, through DEAT and two implementing agencies namely, South African National Parks and Ezemvelo KZN Wildlife are involved in. They include the following:
 - Ai – Ais / Richtersveld (investment generated – R27 million)
 - Kgalagadi (investment generated – R65.5 million)
 - Lumbombo (investment generated R46.5 million)
 - Greater Limpopo (R60.8 million)
 - Maloti – Drakensberg (investment generated - R170 million)
 - Limpopo / Shashe (investment generated - R46.5 million).
- **The Tourism Infrastructure Investment Framework** defined priority areas for tourism infrastructure investment (PATIIs), and highlighted the infrastructure investment requirements within these areas. The Department's poverty relief funding has been focused on

these PATIIs, in order to stimulate tourism-based economic activities.

Communities, Entrepreneurs and Empowerment

The tourism sector has become one of the key drivers of economic expansion and job creation in SA. SMMEs operating directly and indirectly within the industry are expected to make an important contribution to poverty alleviation job creation and black economic empowerment.

Due to the inclusiveness and spread of the tourism value chain, there are many opportunities for SMME involvement. The directly-involved enterprises include accommodation, tour operators and tourist guides. More broadly, there are SMMEs that derive at least part of their income from tourism as plumbers, cleaners, caterers and other service providers supplying the hospitality industry.

Nationally, some key institutions supporting small businesses are:

- Khula Enterprise Finance, which offers 'wholesale finance' or guarantees to commercial banks, which in turn finance small and medium enterprises. It also helps entrepreneurs with business plans and offers free mentorship after the loan has been concluded.
- Ntsika Enterprise Promotion Agency which is responsible for providing and coordinating training and other non-financial support functions to small businesses.

Other instruments available include:

- The Small Medium Enterprise Development Programme (SMEDP), housed in DTI, which offers cash grants to tourism-related business.

Numbers Count



Cultural tourism is one of South Africa's strengths.

A few useful facts and figures on tourism:

- Of all foreign visitors to South Africa, 72% are from Africa.
 - South Africa attracts 1.9% of the world's travelers.
 - According to a study done by the Japan International Cooperation Agency, South Africa has over 6 300 tourist attractions.
 - South Africa has more than 52 000 accommodation rooms.
 - According to Statistics South Africa, the country offers an average of 1.6 million room nights a month and registers an average occupancy of 54.2%.
 - The average monthly revenue for accommodation in the country amounts to almost R593 million.
 - Of all the accommodation available in the country, 1.2 million rooms nights per month are ungraded accommodation (grading is carried out on a voluntary basis), with an average occupancy rate of 56%.
 - Of the graded accommodation, 93 000 room nights are one and two star facilities with occupancy of 44%; 175 522 are three star with an average occupancy of 41.2% and 79 856 are four star with an average occupancy of 56.6%. The five star category contains 32 922 room nights with an occupancy rate of 74.9%.
 - The National Star Grading Scheme for the tourism sector was officially launched in November 2001 and since then, the Tourism Grading Council of South Africa has graded 1 700 establishments.
- The average annual growth rate in international tourist arrivals to South Africa between 1994 and 2002 has been 8.8%.
 - According to a study done by SA Tourism, domestic tourism constitutes approximately 67% of tourism activity in South Africa.



A Key part of DEAT's work has been in linking impoverished communities with high tourism potential to existing infrastructure and attractions.

These grants may be used to fund buildings, furniture, equipment or tourism vehicles.

- The Development Bank of Southern Africa provides loan funding for tourism infrastructure. It does not directly finance SMMEs, but instead actively promotes small enterprise development via sub-contracting and affirmative procurement conditions attached to its loans.
- The Industrial Development Corporation provides financial assistance to commercial projects in the medium to large sectors of the tourism industry. The minimum loan size is R1 million, with lower financial and collateral requirements for historically disadvantaged entrepreneurs.

Interventions in respect of promoting business support were also undertaken under the

auspices of the Transformation Forum chaired by DEAT. Key activities included:

- A funding review to assess existing funding and support instruments available to tourism businesses in South Africa, and the delivery of an action plan to stakeholders on the interventions required to enhance the effectiveness of these instruments for tourism entrepreneurs.
- The development of an SMME support handbook and the updating of the funding handbook. The support and funding handbooks are currently being revised to be more user-friendly and would incorporate sections on How to Start a Tourism Business; Funding and Support available for tourism SMMEs as well as Marketing Your Tourism Business. The handbooks would also contain contact

details of relevant tourism trade organisations and public sector tourism bodies. The handbook will be translated into four official languages and will be ready for distribution in August 2004.

The Tourism Enterprise Programme (TEP) is a significant tourism SMME support programme initiated by the private sector. TEP is a four-year programme funded by the Business Trust to the amount of R60 million. The objective of TEP is to assist small businesses directly and indirectly involved in the tourism industry. The assistance is in the form of business transaction linkages with larger, established enterprises. The primary emphasis of TEP's activities is on historically disadvantaged individuals and enterprises.

Last year the number of firms



Arts and crafts are often relegated to the informal sector of the economy, yet they can generate substantial amounts of foreign currency, while creating SMMEs, black economic empowerment and self-employment for many of the country's citizens.

assisted by TEP increased from 270 to 579. The value of transactions increased from R37 million to R463 million. The number of jobs created rose from 1 876 to 5 728. The number of transactions increased from 190 to 463 of which 357 were enterprises owned by historically disadvantaged individuals.

Since its inception until the end of 2003, TEP facilitated a total of 2 912 transactions, of which 2 034 (69.8%) were transactions involving enterprises owned by historically disadvantaged individuals. A total of 5 985 enterprises are registered with TEP for assistance.

TEP has also assisted DEAT by providing training and capacity-building support to black-owned businesses listed on DEAT's procurement database.

DEAT, through TEP is establishing

a black business database. The database will be used as a basis for DEAT's procurement activities. In 2003, DEAT provided R5.7m to TEP to develop a comprehensive tourism SMME training programme. The piloting of the training programme and its implementation will begin in September 2004. In addition, DEAT has secured R37 million to fund TEP over the next three years.

Community-based Tourism is also a priority for DEAT. In this regard, the Department's poverty relief funding has been largely focused on community-based tourism projects in South Africa. These projects aim to create tourism products owned and managed by communities.

In addition, DEAT has invested approximately R1.3 million of poverty relief funding in the Wild Coast Project, which is co-funded

by the European Union. The four-year programme started in 2000 and is focused on generating sustainable jobs and income, including the training of community members, along the Eastern Cape's Wild Coast. The project is focused on skills development, enterprise development and the establishment of community and private sector tourism-based partnerships.

Training and Human Resources

A skilled human resource platform is key to growing tourism, as well as ensuring high qualities of service in the tourism industry.

Because of this, human resource development is seen as crucial, and for this purpose, institutions like the THETA and South African Tourism Institute (SATI) have been

established.

(THETA) was established in March 2000 as the Sector Education and Training Authority (SETA) for

- Gambling and lotteries
- Travel and tourism services
- Sport, recreation and fitness
- Conservation and guiding.

It covers an estimated 42 000 employers and 60 000 employees

training providers, monitoring provision and registering assessors.

Amongst the tourism skills development programmes managed by THETA are:

- The Integrated Nature-based Tourism and Conservation Programme (INTAC), funded by the Department of Labour through the Skills Development Fund is a three-year, R107 million project. It aims to upskill learners within the field of conservation management and ecotourism through selected project sites throughout the country. The project will see 6 500 people in Transfrontier Conservation Areas and other projects undergoing high quality training. The target groups include non-employed learners, SMMEs, community leadership, public authorities and start-up businesses.
- The Tourism Learnership Project (TLP) is a R115 million initiative that generates national qualifications and unit standards for all fields in tourism, facilitates of on-the-job training, and develops and implements learnerships for the unemployed.

Its achievements include:

- Enrolment of 6 113 unemployed learners of which 1 885 have completed their programmes;
- Registration of 3 029 employed learners, of whom 371 have graduated and 1 197 are still enrolled;
- The SA Host programme, operating under the TLP banner, has trained 12 546 individuals in customer care since December 2001.

SATI, was established in 2001 with funds from the Spanish Government. Following a request



South Africa provides various affordable and comfortable transport options

tourism. Government has established SETAs to assist with the skills development across the economy.

THETA conducts its activities within the following five chambers:

- Hospitality

who are distributed across its five chambers.

THETA is responsible for ensuring that training programmes and qualifications are of a high standard throughout the country, by accrediting education and

by DEAT, this institute is housed within THETA, but is managed as a separate entity. It supplies learning materials, supports teachers and informs learners of career opportunities within the tourism industry. The SATI Resource Centre provides tourism information to school learners, educators, students, educational institutions and industries linked to tourism. As a result of the Institute, 541 schools now offer Travel and Tourism as a subject, reaching about 56 000 learners.



interventions in improving air access, public transportation access, visa access as well as upgrading the country's tourism products and service platform.

CHALLENGES AHEAD

In the next decade of freedom, the tourism sector will be addressing the following key challenges and priorities:

- Enhanced international and domestic tourism marketing: The key deliverable will be to increase the numbers of domestic and international tourists, increase their spend, ensure that they travel more widely within the country, and to encourage them to travel throughout the year. This will entail growing the marketing budgets and ensuring the effective use of these budgets. It will also require focused

- Creating a transformed and competitive product platform: Key interventions in this regard will include increasing the effectiveness of the TEP, and rolling out the tourism SMME training programme. The tourism potential of harbours and TFCAs will be maximised. A programme focused on addressing the products gaps identified through the Global Competitiveness Study will be implemented.
- Promote a sustainable global development agenda: The objective is to promote

regional and continental tourism growth through the effective utilisation of our membership with the WTO, the Africa Travel Association (ATA), the Commonwealth and NEPAD. In this respect tourism agreements will be signed with key priority markets and the tourism action plan for NEPAD will be implemented. RETOSA will be transformed into a stronger regional tourism organisation.

- Improving the tourism skills platform: Key activities will include improving the effectiveness of THETA as the tourism sector's training body. The tourist guiding sector will be transformed, and the registration process will be streamlined. SATI will be resourced to participate more effectively as a partner in tourism skills development. The service and skills gaps identified through the Global Competitiveness Study will be addressed through focused interventions, including the above.

Tourism Economy

South Africa is still in the process of setting up its Tourism Satellite Account. In 2002, the World Travel and Tourism Council estimated the economic benefits of South Africa's tourism industry as follows:

- In 2002, South Africa's travel and tourism industry is thought to have generated R108.5 billion.
- The industry's direct impact on the economy is estimated at 492 700 jobs, representing 3% of total employment, and R31.1 billion of the Gross Domestic Product, equal to 3% of the GDP. However, the total contribution of tourism (which has a multiplier effect on the economy) is calculated to be 1 148 000 jobs or 6.9% of total employment and R72.5 billion of GDP, equal to 7.1%.
- In addition, the tourism industry supports R43.8 billion in export services and merchandise, representing 12.5% of total exports as well as R17.1 billion of capital investment (10.3% of total investment).
- Government expenditure on tourism amounts to R920 million a year.