NOVEMBER 2017

"Ditau tša hloka seboka di šitwa ke nare e hlotša"

TABLES AND FIGURES

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LIST OF ABBREVIATIONS AND ACRONYMS

ACRONYM	FULL REFERENCE
AASA	Airlines Association of Southern Africa
ACSA	Airports Company of South Africa
ASATA	Association of South African Travel Agents
ATCP	Accredited Tourism Company Programme
BARSA	Board of Airline Representatives South Africa
B-BBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CAGR	Compound Annual Growth Rate
CATHSSETA	Culture, Arts, Tourism Hospitality, Sports Sector Education and Training Authority
DAC	Department of Arts and Culture
DBE	Department of Basic Education
DBSA	Development Bank of Southern Africa
DEA	Department of Environmental Affairs
DFI	Development Finance Institution
DIRCO	Department of International Relations and Cooperation
DRC	Democratic Republic of Congo
DRDLR	Department of Rural Development and Land Affairs
DTI	Department of Trade and Industry
DTS	Domestic Tourism Survey
EME	Exempted Micro Enterprise
FDI	Foreign Direct Investment
FEDHASA	Federated Hospitality Association of South Africa
GDP	Gross Domestic Product
IAB	Immigration Advisory Board
IATA	International Air Transport Association
IDC	Industrial Development Corporation

ILO	International Labour Organisation
IPAP	Industrial Policy Action Plan
LED	Local Economic Development
LSM	Living Standards Measure
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NDT	National Department of Tourism
NGP	New Growth Path
NTSS	National Tourism Sector Strategy
PIC	Public Investment Corporation
PPP	Public Private Partnership
QSE	Qualifying Small Enterprise
RETOSA	Regional Tourism Organisation of Southern Africa
SABOA	Southern African Bus Operators Association
SABS	South African Bureau of Standards
SACU	Southern Africa Customs Union
SADC	Southern Africa Development Community
SALGA	South African Local Government Association
SARB	South African Reserve Bank
SATSA	South African Tourism Services Association
SAVRALA	Southern African Vehicle Rental Association
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority
SMME	Small, Medium and Micro Enterprise
TBCSA	Tourism Business Council of South Africa
TEP	Tourism Enterprise Partnership
TGCSA	Tourism Grading Council of South Africa

THRDS	Tourism Human Resources Development Strategy
TIP	Tourism Incentive Programme
UK	United Kingdom
UN	United Nations
UNWTO	United Nations World Tourism Organisation
US	United States (of America)
VFR	Visiting Friends and Relatives
WEF	World Economic Forum
WHS	World Heritage Site
WTTC	World Travel and Tourism Council

NATIONAL TOURISM SECTOR STRATEGY (NTSS) 2016-2026

PART A: BACKGROUND

1. INTRODUCTION

The first National Tourism Sector Strategy (NTSS) for South Africa was published in 2011 as a ten-year Strategy, with targets from 2010 to 2020. It has recently been the subject of a review to determine what adjustments, if any, need to be made given the changing domestic and international environment and in light of lessons learned from the implementation process.

The review has taken into account the emergence of important trends in global markets, as well as South Africa's competitive strengths and weaknesses. An essential part of the exercise was an assessment of the potential and the identification of pathways for the South African tourism economy to play an enhanced role in the growth of the overall economy. The process has culminated in a second iteration of the NTSS.

The NTSS focuses on inclusive growth, which must fundamentally be based on domestic and international tourist market growth and expenditure increases. While the national tourism marketing agency, South African Tourism (SA Tourism) has a detailed methodology for identifying priority markets, the NTSS further links the marketing plans to broader development imperatives, including addressing barriers to growth and the building of a transformed and inclusive tourism economy. This growth will, by the values that drive South Africa as a developmental state, be inclusive, responsible and sustainable. It will also be underpinned by an awareness of the imperative of the wise use of scarce resources.

Tourism is a partnership between the public and private sectors. The NTSS focuses on harnessing the strengths of the public and private sectors to ensure alignment, the sensible use of resources, as well as drawing on pragmatic planning and prioritisation.

While many areas warranting focus and enhancements exist within the tourism economy, the Strategy identifies priority actions for implementation in the short, medium and long term. The *Pillars, Strategic Objectives and Prioritised Actions* of the NTSS are provided in Part B of this document.

2. POLICY ENVIRONMENT

Tourism is recognised for its immense potential and its significant contribution to the economy. The 1996 White Paper on the Development and Promotion of Tourism confirmed South Africa's approach to tourism as one which is "government led, private sector driven and community based", and grounded in cooperation and close partnerships between all stakeholders. This sets the scene and is still relevant today.

Government's recognition of the critical importance of tourism in the economy is evident in the sector's inclusion as one of the priority areas in the initial Industrial Policy Action Plan (IPAP, 2007), the New Growth Path (NGP, 2010) and the National Development Plan (NDP, 2013). The sector is expected to make the requisite contribution to job creation and the continued growth of the economy.

The NDP is the national framework for the development of the South African economy. In that plan tourism is identified as a highly labour intensive industry which stimulates the development of small businesses and which generates foreign direct investment and significant export earnings. Emphasis is placed on increasing the number of tourists entering South Africa and the amount spent; the availability of tourism infrastructure; positioning South Africa as a regional shopping and business centre; and ease of access by air and travel facilitation through favourable visa regimes. These themes are addressed as part of the Pillars and Actions of the NTSS.

3. TECHNOLOGICAL ENVIRONMENT

International trends clearly show that technology has significantly altered how travel products and services are procured and consumed, with consequences for conventional/traditional operators within the tourism value chain, particularly accommodation and transport providers. The tourism sector needs to take a balanced view on how to deal with the technological advancements including the phenomenon of disruptive technologies. On one hand, tourism has always been a sector that encourages and embraces innovation as it brings about new products in the market, expands consumer options and experiences in a destination, stimulate entrepreneurship and create opportunities for new entrants into the industry. At the same time, the sector needs to be alive to the impact of technology, including its unintended consequences. Amongst others, in respect of the sharing economy, the outcry from industry is that it has brought about unfair competition for traditionally regulated businesses and loss of tax revenue for government. The current regulatory frameworks are deemed as passive and inadequate to provide fair regulations and guidelines in order to level the playing field. It is therefore imperative for the Department of Tourism in consultation with the industry and other government departments to ensure the ongoing review of the policy environment that will enable the positives that are brought by such innovation, whilst minimising the unintended consequences.

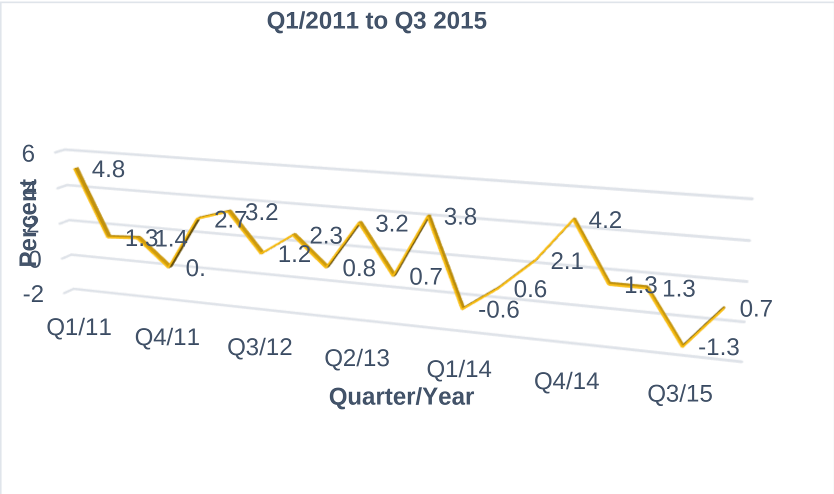
The sharing economy is indeed a global phenomenon and therefore a policy position that takes into account best practices with practical interventions that support sustainable growth and global competitiveness should be developed. A balance must be struck between embracing innovation and maintaining a sense of sustainability. This would require the sector to monitor technological trends and devise timeous and strategic responses in order remain competitive.

4. ENVIRONMENTAL OVERVIEW

4.1 The Domestic Economy

South African domestic tourism is affected by overall economic conditions in the country. The domestic economy is under strain, and the situation is projected to persist for the near term, as South Africa moves out of the negative effects of a severe drought, the aftermath of the global financial crisis, issues with the supply and cost of energy, the reduction in demand for South African commodities and the concomitant impact on the national industrial economy. Continued low economic growth is forecast for the next four years. In the short term (2016/17) further moderation in household consumption expenditure growth can be expected.

FIGURE 1 – SOUTH AFRICAN GDP GROWTH RATES



Source: South African Reserve Bank (2016)

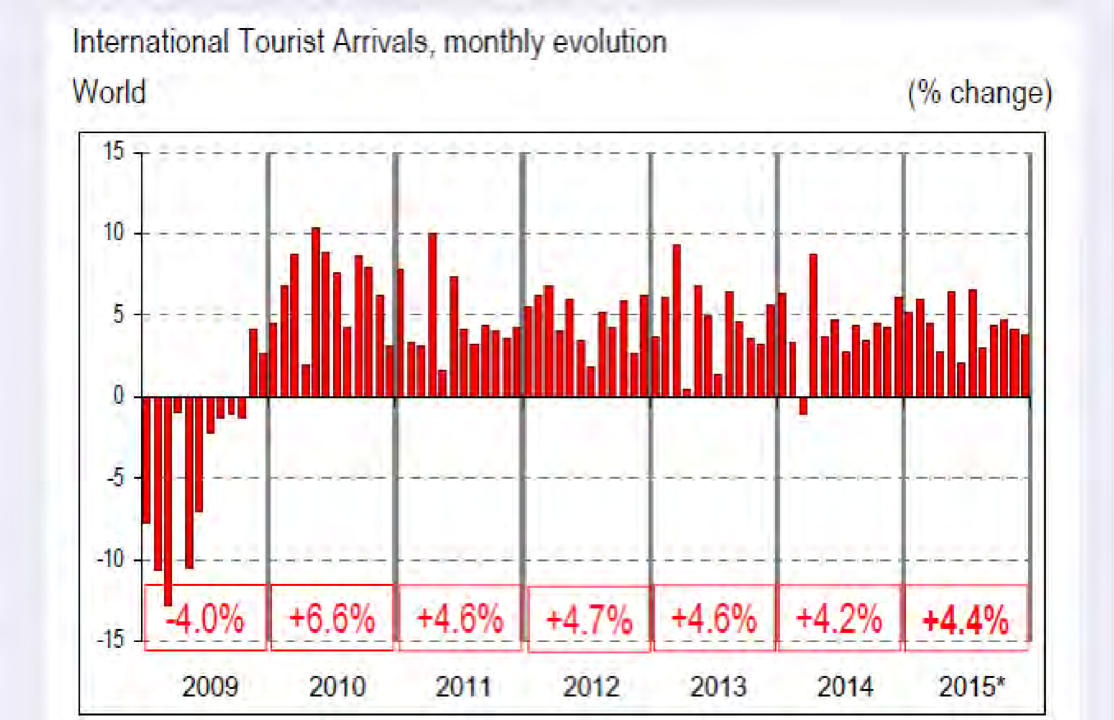
While reduced consumer spending may mean a reduction in local tourism spend from certain domestic segments, a weak Rand may also have a positive effect as those South Africans who might have travelled internationally may now choose to holiday locally. Positive growth forecasts for domestic tourist holiday trips take into consideration these displaced international trips by South Africans and the new and significantly resourced Domestic Marketing Strategy of SA Tourism. Together, it is expected that these will assist in driving up domestic holiday trip numbers.

4.2 International Tourism Trends

International tourism globally has been growing by over 4 percent per annum from 2010, and reached 4.4 percent in 2015 (although there were wide regional variances). In 2016, the number of international tourist arrivals increased globally by 3.9% compared to 2015. This was a slower growth compared to a growth of 4.6% in 2015 when compared to 2014.

Both the United Nations World Tourism Organisation (UNWTO) and World Travel and Tourism Council (WTTC) projections suggested that this average global growth rate of around 4 percent was likely to continue as emerging economies such as China continue to grow. Lower growth rates were however projected for developed economies such as the United Kingdom (UK), France and the United States (US) with higher growth in some developing economies such as China and certain South-East Asian economies.

FIGURE 2 – GLOBAL GROWTH IN INTERNATIONAL TOURISM



Source : World Tourism Organisation (WTO) 2016

According to the UNWTO (2016)[1], the majority of international tourists travelled for leisure and holiday purposes (53%), followed by 27% who travelled to visit friends and relatives (VFR), health, religion and other, and 14% who travelled for business and professional reasons during 2015. This indicates the key role that leisure and holiday-related tourism products play in increasing number of tourist arrivals globally. A number of major trends have been identified as impacting on the world tourism economy, and are equally relevant to South Africa. These are:

[1] UNWTO. 2016. Tourism Highlights, 2016 Edition.

(a) ***Consistent and increasing growth globally in international*** **tourist numbers** (1.184 billion international visits in 2015).

(b) ***Shift in tourism demographics***: China and some other emerging source markets growing at double digit levels, an increase in the numbers of older tourists travelling, an increase in the number of under 35s travelling, but with differences in requirements for both groups. Also noted is an increase in the number of family groups travelling, possibly due to increased numbers of tourists from Asian source countries. Therefore, hotels need to be proactive by supplying tailored products that fit their specific needs (e.g. language preferences).

(c) ***Ubiquitous mobile digital technology***: Changes in technology have also resulted in major changes in the way the tourism industry does business. The Internet has become an important source of information for travellers, providing them with an opportunity to obtain information both directly from destinations and tourism businesses as well as from fellow travellers through social networking, blogs and travel advisory websites. As a result, there is an expectation of permanent quality connectivity availability. Similarly, digital mobile technology requires the agility to be able to respond quickly to any perceived negative event in destination countries. It has been reported that over 95 percent of people seeking information about destinations and travel use the internet. This has also resulted in a *disruption* of the classic tourism activity chain with its many agencies and mediated services. This digitisation of the tourism activity chain has significant impact on the nature of jobs and occupations in the industry, as well as the profitability of specific areas.

(d) ***Disruptive technologies***: The World is changing at an incredible pace and technology has accelerated various business activities some of which have elicited contentious debates. The evolution of technology has brought about internet platforms such as Uber, Airbnb and Lyft, with consequences for conventional operators of tourism transport and accommodation services. The need to respond and adapt to these technological advances can therefore not be overemphasised.

(e) ***Personal safety and security issues*** **are high profile**: The reputation of destinations for violent crime, terrorism (random attacks on civilians) and exposure to disease has significant influence on tourist decisions. Mobile digital technology allows for immediate cancellation of bookings in real time in the case of any event indicating that tourist safety may potentially be compromised.

(f) ***Increased accessibility and increased ease of access***: More countries are entering into bilateral, regional and international "Open Skies" agreements to facilitate travel, and more countries are implementing easier visa requirements or, in certain circumstances, removing the visa requirement entirely. Case studies indicate significant increases in international tourist visits results in both cases, with the concomitant positive impacts on the host country economy.

(g) ***Increasing interest in "green" "sustainable", "responsible" and "ethical" tourism***: Increasingly tourists are choosing to reduce negative environmental, economic and social impacts on the host country. They prefer to choose destinations showing clear benefits flowing to local communities and minimal environmental impact. The growth in green tourism and environmental consciousness of the sensitive tourist creates an opportunity for South Africa whose tourism development policy is centred on responsible tourism practices. The United Nations has declared 2017 as the International Year of Sustainable Tourism for Development.

The South African tourism effort must therefore take into account these and other emerging international trends to be able to identify, adapt and take advantage of the relevant opportunities.

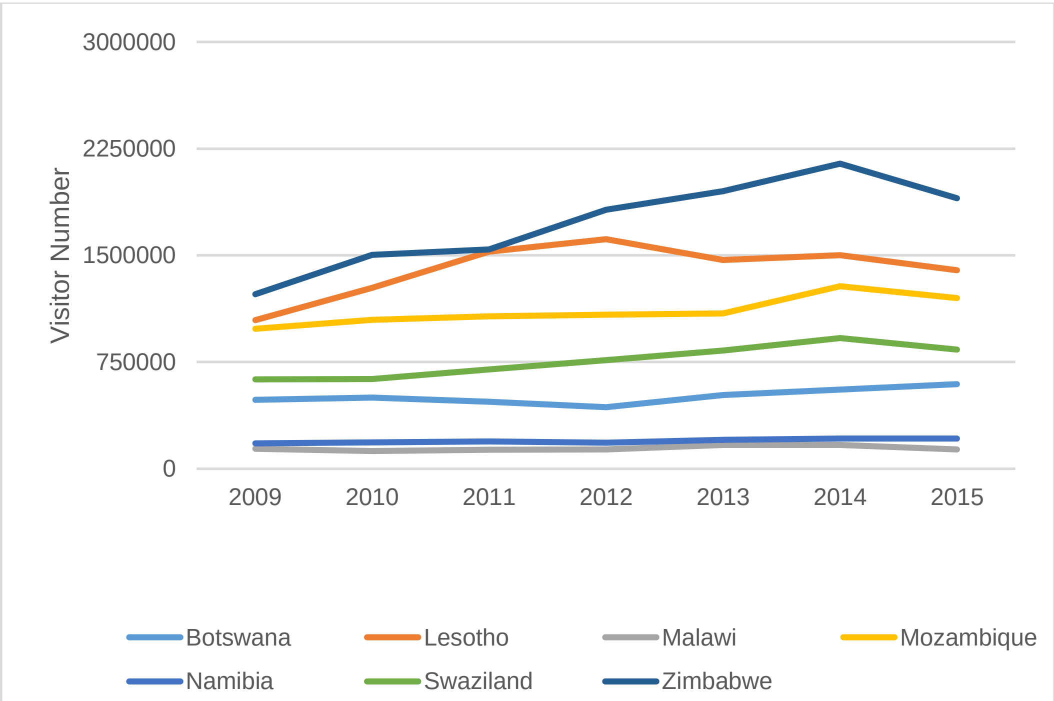
4.3 Tourism Performance in South Africa

For many countries, the tourism economy is growing faster than most other economic sectors. From a trend perspective this is certainly the case for South Africa. However, despite a growth of 6.6 percent in international tourists in 2014, South Africa experienced a decline in international tourists in 2015 of 6.8 percent. This was mainly attributable to the effects of the Ebola epidemic in West Africa and perceptions linked to this in certain source markets, and the implementation of new visa regulations, which created greater obstacles to travel to South Africa. The spectre of Ebola and perceptions associated with it are now historical, and in October 2015 Cabinet announced a range of changes to the visa regulations, in a deliberate attempt to facilitate travel. The implementation of these visa regulation changes has begun and will go far in addressing visa related barriers to travel.

Of the 6.8 percent decline in 2015, 7 percent was recorded for African tourists, compared to 8.1 percent growth in 2014. Regionally, the Southern African Development Community (SADC) markets are important 'volume' source markets for South Africa with 74.3 percent of all tourists arriving in South Africa coming from the SADC region. When comparing travel trends from leading SADC markets, the number of tourists in 2015 had decreased from all SADC countries except Botswana and Namibia. African markets (including certain SADC markets) that are also important in terms of high spend (or value) from tourists and their potential for growth include Nigeria, Angola and Democratic Republic of Congo (DRC).

Similarly, there was a significant decline in the first nine months of 2015 in arrivals from China, of 19.7 percent. India declined by 12.3 percent for the same period. These two overseas markets represent a significant opportunity for growth as they have large middle classes with a propensity to travel abroad. Arrivals from South Africa's main overseas source markets of US, Germany and France combined declined by 2.5 percent in 2015 but there was a small increase in international arrivals from the UK.

FIGURE 3- SELECT SADC TOURISM ARRIVALS BY YEAR



Source: SAT (2016)

However, in a clear indication that there has been a turnaround, more than 10 million international tourists arrived in South Africa in 2016, representing a 12.8% growth compared to 2015 (8.9 million international tourist arrivals). All regions recorded positive growth in 2016 with Central and South America leading with a growth of 34.3%, followed by Middle East (34.1%), Asia (30.3%), Europe (15.8%) and North America 14.9%, Total Africa Mainland (11.2%) and Australasia (10.9%). This major rebound has put tourism in South Africa firmly back on track for a strong recovery.

African markets remain the main source of tourist arrivals to the country, with total Africa main land markets (Africa air and land) contributing almost 75% to the total arrivals in 2016. The remaining 25% of South Africa's International tourist markets are from long-haul destinations, with the majority from these overseas markets travelling from Europe (60%), North America (16%) and Asia (13%) in 2016.

Furthermore, the South African Tourism (SA Tourism), statistics showed that millennials (18-34 age) travelling to South Africa were increasing with 45.8% of the international tourist market from the Tourism Departure Survey falling within this age bracket. In addition, the international tourist market, whether long-haul or regional, has shown an increased interest in business and holiday travel

In respect of domestic tourism, recent trends showed a decrease in domestic tourist trips over the past few years. The Tourism Satellite account (TSA) released by Statistics South Africa (Stats SA) indicated that domestic tourism plays a critical role in the tourism sector as it generates more than half the internal tourism revenue. Regardless of an increase of 3.2% in the number of adult domestic tourists travelling in 2015 compared to 2014, there was a double digit decline of 12.5% in domestic tourism trips during the same period. Domestic tourism trips continued to decline in 2016 with a declining growth of 0.7% from 24.5 million in 2015 to 24.3 million in 2016. Total domestic spend went up by a double digit growth of 12.3% in 2016 compared to 2015 which was an improvement from a growth of 6.2% recorded in 2015 compared to 2014.

Domestic tourism should continue to be encouraged as the potential impact of this market is far greater than that of the international market. One possible opportunity is to convert VFR tourists into an increased revenue stream, as more than 70% of domestic tourists are travelling for VFR purposes. Business tourism also holds great potential with 10% domestic tourists travelling for business purposes, alongside 11% holiday trips in 2015. Moreover, seasonality needs to be improved as the seasonality index for domestic trips worsened from 22.1% in 2015 to 24% in 2016 as South Africans tend to travel more during school holidays.

The SA Tourism Domestic Survey of 2015 found the top five responses to the question 'why have you not travelled over the past three years' to be: a) could not afford to travel, b) no reason to take a trip, c) time constraints, d) unemployed/no income, and e) disliked travelling. The survey indicated that approximately 48 percent of the adult population of South Africa cannot afford to travel, are unemployed or have no income. The research further indicated the need to promote a culture of travel amongst all South Africans and to ensure that industry players, as well as SA Tourism, together with provinces, municipalities, invest more effort and resources towards unlocking and encouraging domestic travel.

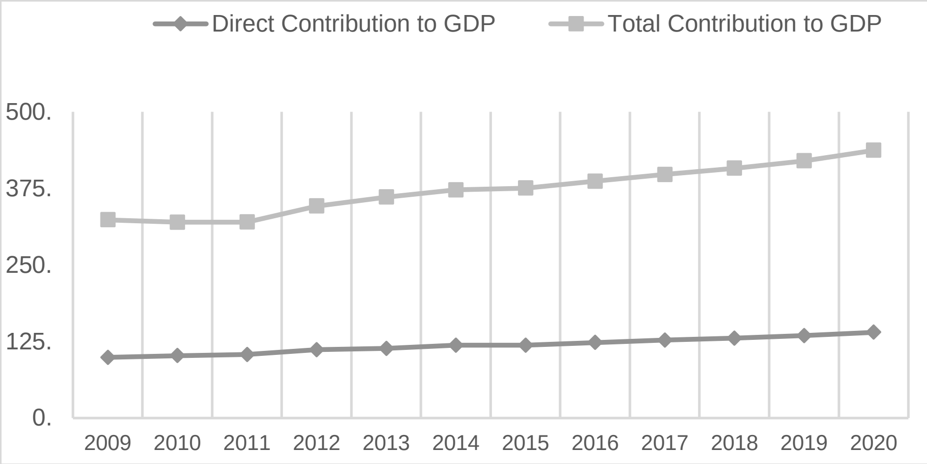
4.4 Tourism Recovery Strategy

A highly focused recovery strategy is under implementation and this NTSS Strategy contains certain of these actions, particularly those that extend beyond the immediate time period. Immediate actions already under implementation include exploiting targeted tactical marketing opportunities in priority markets, using the value for money presented by South Africa as a destination given the Rand's weakness relative to other currencies. Unfortunately, at the same time, the Rand's devaluation significantly reduces the spending power of the national tourism budget when buying marketing and advertising services in hard currencies.

4.5 Tourism's Economic Contribution and Global Competitiveness

According to the WTTC (2016) the tourism economy contributed R375 billion (9.4 percent) to South African Gross Domestic Product (GDP) in 2015 and the WEF (2015) confirmed that the South African tourism economy is the most competitive in sub-Saharan Africa.

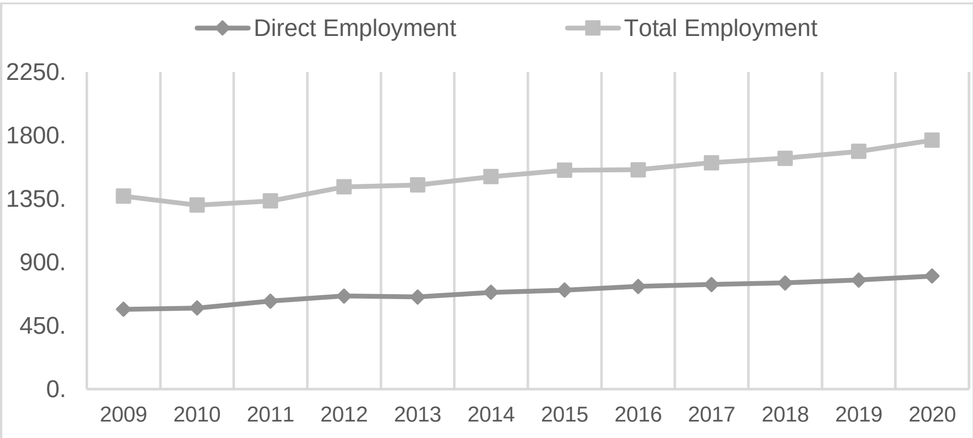
FIGURE 4- TOTAL AND DIRECT CONTRIBUTION OF TOURISM TO GDP – ACTUAL AND PROJECTED (R BILLION)



Source: WTTC (2016)

The South African tourism industry was also responsible for 702 824 direct jobs in 2015. However, when indirect and induced jobs are taken into account, a total of over 1.5 million jobs are linked to the tourism industry, representing 9.9 percent of all employment in South Africa in 2015.

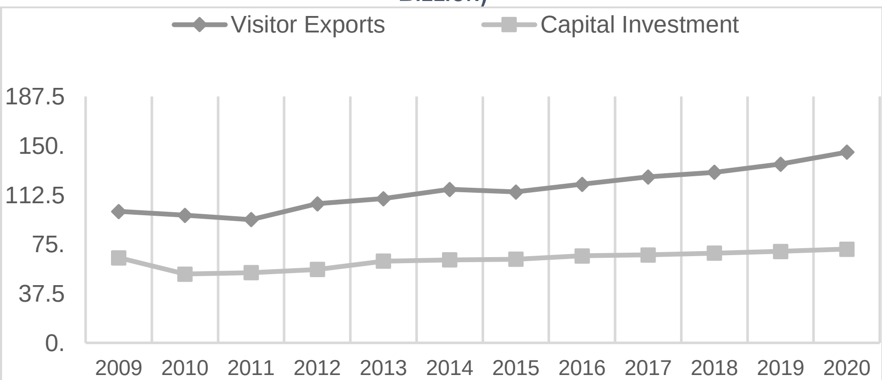
FIGURE 5 – TOURISM JOBS – ACTUAL AND PROJECTED



Source: WTTC (2016)

Capital investment in tourism in real terms has remained relatively constant while visitor export earnings increased in real terms from just under R100 billion to R145 billion over the period. This has a significant impact on the country's export earnings and balance of payments.

FIGURE 6- VISITOR EXPORTS & CAPITAL INVESTMENT IN TOURISM – ACTUAL AND PROJECTED (R BILLION)



Source: WTTC (2016)

From a competitiveness perspective, South Africa was ranked 48th out of 141 and the top tourism destination in sub-Saharan Africa, the second most popular destination in Africa, after Morocco, based on international tourist numbers on the United Nations World Economic Forum International Tourism Competitive Index. South Africa's key policy and other enabling conditions, such as air transport infrastructure, tourism service infrastructure, price competitiveness, ground and port infrastructure, and international openness, were identified as the main driving forces behind its competitiveness in regional and global arenas. It ranked in 20th place for its cultural resources, 22nd for its natural resources, 15th for its positive business environment, 25th for wildlife and 15th for its World Heritage Sites. South Africa also ranks 24th overall in online searches for nature related activities. South Africa's natural environment is one of its greatest tourism resources, and, therefore, the tourism industry needs to be actively involved in conserving and protecting it. In respect of ease of visa access, it ranked 67th and areas of improvement include security, health and the labour market. Although South Africa is doing relatively well in the number of Blue Flag Accredited beaches, there is still a need for further protection of the coastline.

5. THE CASE FOR TOURISM IN SOUTH AFRICA

The South African tourism economy is one of the best performing economic sectors in South Africa. It has the potential to increase jobs, and foreign exchange earnings in the short, medium and long term. This supports the National Development Plan (NDP) goals of 11 million jobs by 2030, the provision of economic opportunity for young people, and for rural areas, and the development of a strong Small, Medium and Micro Enterprise (SMME) base in the economy.

FIGURE 7- WHY TOURISM MATTERS TO SOUTH AFRICA

Source: WTTC data, March 2016

There is enormous potential to attract significantly more tourists from South Africa's priority tourist markets as the current percentage share received in South Africa is only about 2% of market size. Of importance too is that the South African tourism economy offers many real opportunities for transformation at various points along the value chain, at a reasonable cost of entry and within a short to medium time frame.

Tourism is outperforming many of the traditional South African sectors in growth terms under current economic conditions, and is able to replace jobs lost with new permanent jobs as well as stimulate enterprise creation. This is important for South Africa currently, so that the economy can sustain itself under difficult global economic circumstances. Tourism also makes a significant contribution to the country's export earnings with a recorded contribution of R128 billion in 2016 and balance of payments. It is one of the sectors in South Africa placed at an advantage by a weakening exchange rate, as the destination now offers better value for money to international and regional tourists. In sum, tourism can grow jobs and earnings in South Africa within a very short time, if all stakeholders work together towards a shared goal of inclusive growth, and shared targets and actions for that growth.

The National Development Plan's economic policy proposal advocates for a more diversified economy with a higher global share of dynamic products, and greater depth and breadth of domestic linkages. Due to its multiple linkages into the other sectors of the economy, tourism presents the ideal opportunity to facilitate the diversification of the economy beyond the current reliance on traditional commodities and non-tradable services. According to the World Trade Organisation (WTO) and the UNWTO, tourism has significant indirect impacts that are generated when tourism spending flows into the non-tourism sectors in the local economy. The tourism sector provides potential to create linkages and dynamise other sectors of the economy for instance, through purchases of textiles when hotels and lodges source their linen locally thereby stimulating and benefiting the manufacturing sector, local sourcing of furniture and food by hotels, thus supporting the agricultural sector, and also the construction sector through the development/ expansion of tourism facilities. Overall therefore, the tourism sector has the ability to stimulate demand and production in other sectors of the economy and generate significant multiplier effects.

Tourism is not only regarded as an important economic activity, but is also recognised as an essential tool to promote mutual understanding and tolerance through the interactions that take place between tourists and host communities which enable participants to learn about each other's culture. In the context of the history of our country, domestic tourism has the potential to foster social cohesion, as citizens travel to explore their own country and interact with their fellow citizens in the process. Furthermore, tourism has the potential to foster regional (Africa) integration particularly inter-Southern Africa travel.

5.1 Players in the Tourism Economy

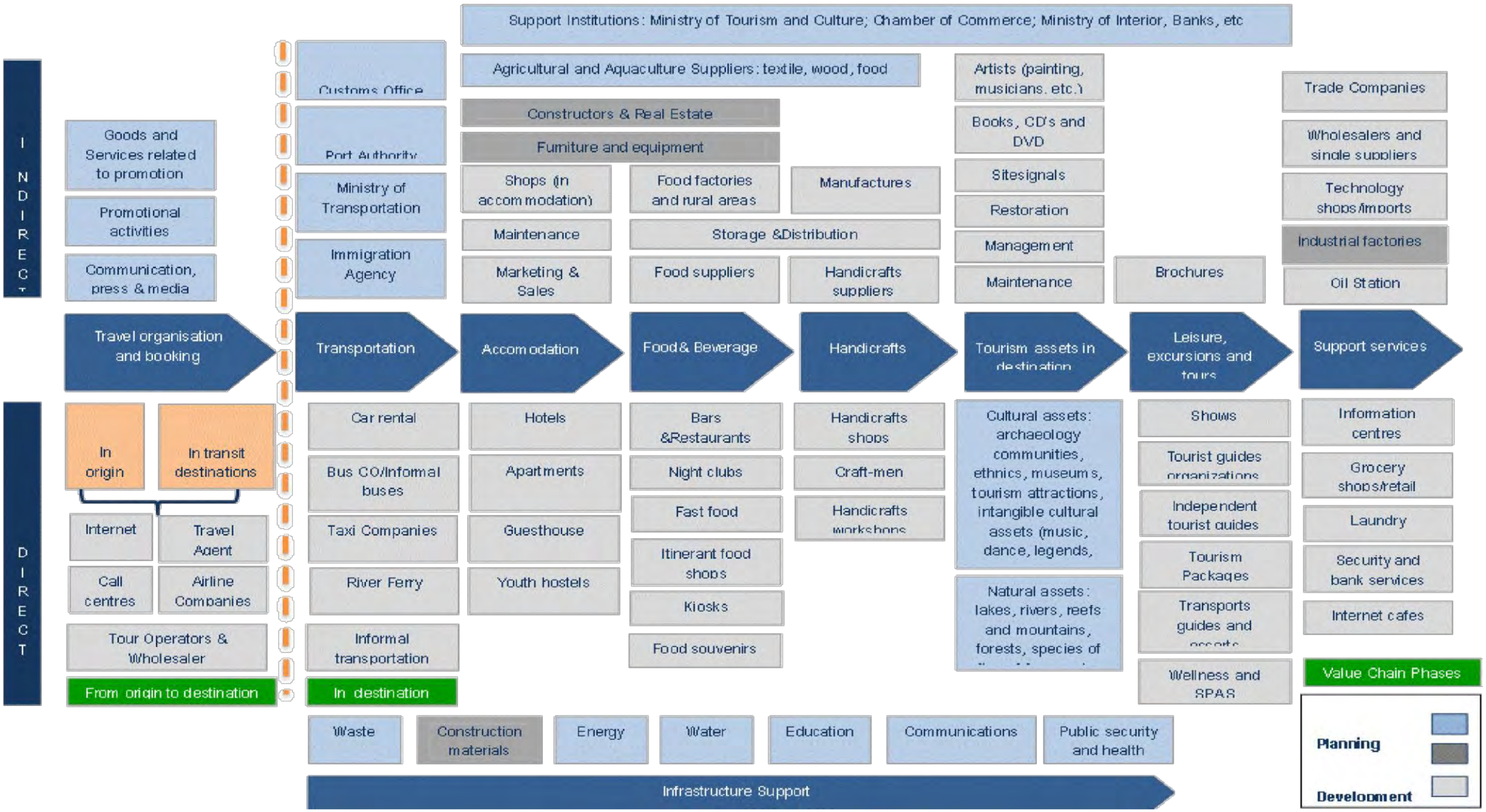
Tourism is a complex industry which involves a wide range of stakeholders and businesses working together at different levels to provide a service for individuals or a group of people travelling away from home for purposes of either leisure, business or VFR). Participants include air, road, sea and rail transporters; accommodation providers such as hotels, backpackers, lodges, homestays, vacation rentals, caravanning and camping, and bed and breakfast establishments; all forms of entertainment, events and attractions (such as parks, and heritage sites); tour guiding services; restaurants and less formal food service companies; travel agents, tour operators and other intermediary services such as meetings professionals; casinos, and shopping centres. A multitude of "indirect" goods and service providers support the tourism economy, such as those providing food supplies, security, laundry, marketing and other services to the tourism industry

Tourism is misunderstood by many to only mean holiday travel. It is also about business and trade travel, medical and religious travel, and VFR (which accounts for most domestic travel). Special interest tourism (niche tourism), accounts for many particular motivators of leisure and purpose travel, including birding, food and wine tourism, medical tourism, eco- tourism, science tourism and cruise tourism.

Furthermore, the system is supported by multiple relations and connections that the sector has with other sector departments, which are essential and have a high degree of influence on the delivery of a complete tourist experience. Examples include interactions with the Department of Home Affairs around immigration policies, customs officials at ports of entry; the securing of a free and safe environment which is a competency of the South African Police Service (SAPS); the Department of Transport (DoT) on aviation and road infrastructure development; the Department of Cooperative Governance and Traditional Affairs (COGTA) in relation to support for local government/municipalities, and other government departments such as the Department of Arts & Culture (DAC), the Department of Sport & Recreation (DSR), and the Department of Environmental Affairs (DEA), all of which play a crucial role to support tourism.

These relationships are further illustrated by the schema depicted below.

FIGURE 8: TOURISM VALUE CHAIN



Source: OECD/UNWTO/WTO 2013

Figure 8 illustrates the complexity of a typical tourism value chain, the left side illustrates activities that take place in the outbound country (i.e. the tourists' country of residence) and to the right those taking place in the inbound country (i.e. the tourists' destination country). The bottom half of the figure represents activities that are a direct part of the tourism sector, while those indirectly linked to the tourism sector are represented in the upper segment. The development potential of tourism is maximised in countries that manage to exploit the indirect linkages in an optimal way and the figure illustrates that a broad range of activities can be considered relevant in order to achieve this.

5.2 Collaboration and Cooperation in Tourism

Tourism is fundamentally a collaborative endeavour for destination businesses in the sense that tourists experience a destination in its entirety and the success of their experience depends on all parts of the value chain working together seamlessly. A highly competitive tourism destination is one in which all of the linked and integrated services and inputs combine together to provide a positive experience. This requires all stakeholders to work together to plan, execute, assess and constantly improve the tourism offering in order to increase market share and raise the domestic and international profile.

Tourism is also one of the most dynamic economic systems globally and constant attention to competitive options and new product and market development is required for destinations to stay relevant and desirable.

6. PERFORMANCE AGAINST NTSS 2011 TARGETS

The NTSS, while published in 2011, was developed in 2009 and accordingly sets its baseline year as 2009. A range of indicators were chosen and targets were set for 2015 and 2020. Certain indicators were without baseline data and remain without data sources. For this reason, the analysis of performance against targets in this NTSS only considers performance against the key economic and tourist indicators. These are:

(a) Direct contribution to GDP and jobs;
(b) Overall contribution to GDP and jobs, taking into account direct, indirect and induced impacts;
(c) Capital investment levels in tourism;
(d) International arrivals/ tourists; and
(e) Domestic holiday trips.

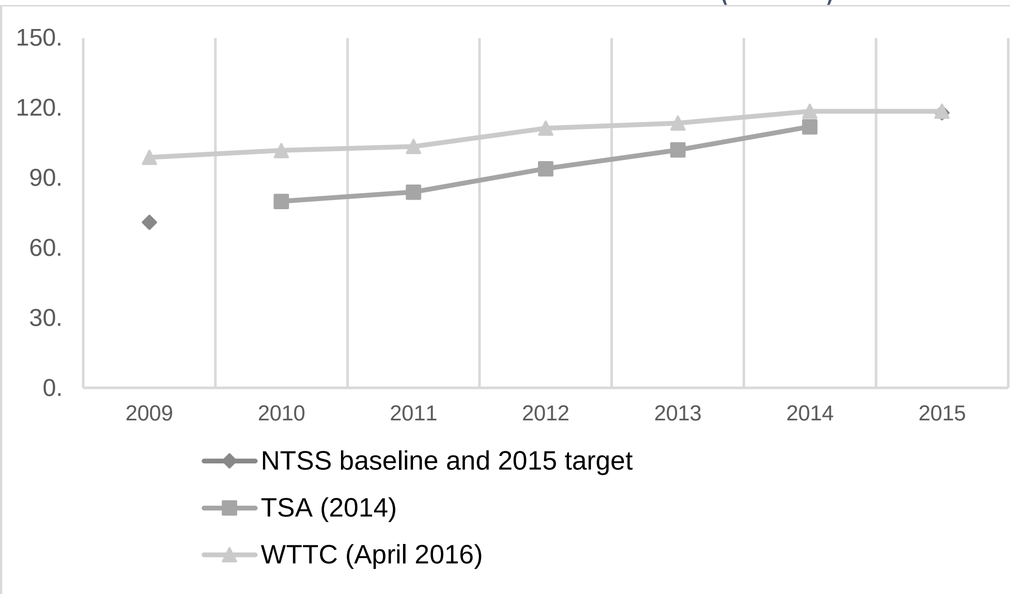
A range of data sources were used to establish 2015 performance against these targets as there is no single source of time series data other than the WTTC. The sources used are the Tourism Satellite Account (TSA), the WTTC, and South African Tourism.

6.1 Direct GDP Contribution and Jobs from the Tourism Economy

For direct economic impacts, the TSA for South Africa has been used from 2010 to 2014 (with the 2013 and 2014 data as forecast); as well as the WTTC's model as published in January 2016, in order to provide a comparison.

The direct contribution of tourism to national GDP has increased. Tourism was estimated to contribute R71 billion in 2009 in the original NTSS with a target of R118 billion by 2015 – this is a CAGR of 8,8 percent for the period. The TSA data show actual performance close to this at a CAGR of 8.77 percent (for 2009 to 2014), but the WTTC model (2016) shows a CAGR of only 3 percent.

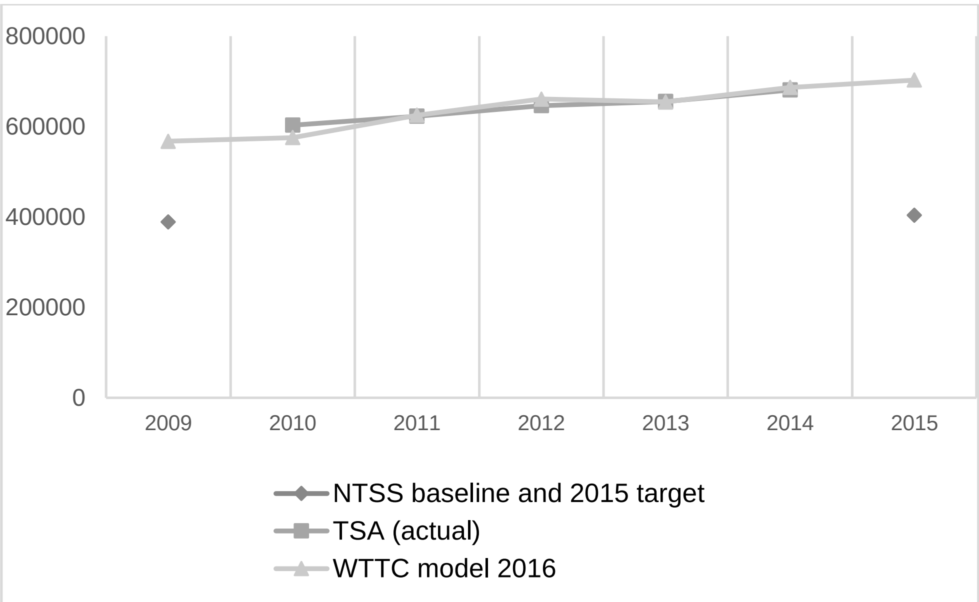
FIGURE 9- TOURISM DIRECT CONTRIBUTION TO GDP (R BILLION)



Source: WTTC (2016), TSA (2014), NTSS (2009, 2015)

Direct jobs contributed by tourism have increased. The NTSS 2011 estimated a baseline of 389 100 jobs in 2009 and a target of 403 900 jobs in 2015 – representing a Compound Annual Growth Rate (CAGR) of only 0.6 percent for the period. Both the TSA (2014) and WTTC (2016) data have higher estimates of direct jobs in 2010 and 2009 respectively – closer to 600 000. The TSA indicates 680 817 direct jobs from tourism in 2014 and the WTTC, some 702 824 by 2015. The CAGR for the TSA estimated direct jobs between 2010 and 2014 was 3,1 percent while the WTTC CAGR was 3,6 percent between 2009 and 2015. Performance accordingly exceeded targets both in actual numbers (which appear to have been underestimated) and CAGRs.

FIGURE 10- TOURISM DIRECT JOBS



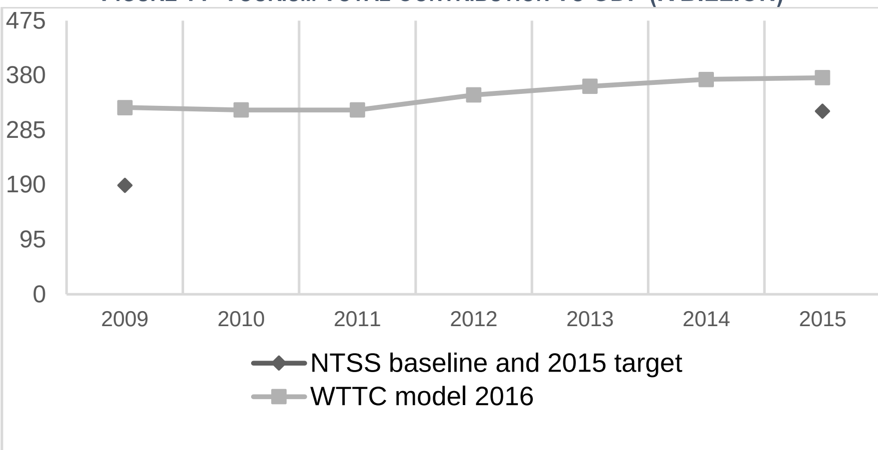
Source: WTTC (2016), TSA (2014), NTSS (2009, 2015)

6.2 Overall GDP Contribution and Jobs from the Tourism Economy

The TSA does not measure indirect and induced effects - the WTTC is the only data source to measure performance against broader tourism economy impacts on GDP and jobs.

The total contribution of tourism to GDP has increased. The WTTC data estimates a higher total tourism economy contribution to GDP than does the NTSS in 2009 (at R324 billion compared with R189 billion) and 2015 (at R376 billion compared with R318 billion). The trend is similar to the performance against direct GDP contribution in that in real terms growth was around 2,5 percent per annum in the tourism economy on a CAGR basis according to the WTTC's 2016 data, far less than the 9 percent growth that the NTSS 2011 targeted.

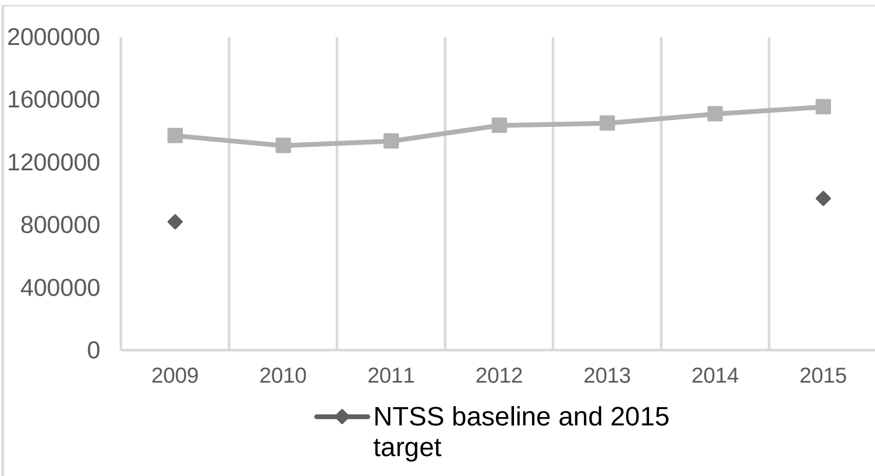
FIGURE 11- TOURISM TOTAL CONTRIBUTION TO GDP (R BILLION)



Source: WTTC (2016), NTSS (2009, 2015)

Total direct, indirect and induced jobs provided by tourism have increased. This is the case even though there are wide variances in the data sets. The original NTSS estimate in 2009, and the target for 2015, are both significantly lower than the WTTC's modelled estimations (like in the case of direct jobs). According to the WTTC model, jobs in the tourism economy grew from 1,37 million in 2009 to 1,55 million in 2015. WTTC data indicates a contraction in jobs between 2009 and 2010, and then growth thereafter resulting in a CAGR of around 2,1 percent per annum over the six-year period. This is slightly less than the 2,7 percent CAGR estimated in the original NTSS targets for the period, for growth from 819 800 jobs to 968 300.

FIGURE 12- TOURISM TOTAL JOBS

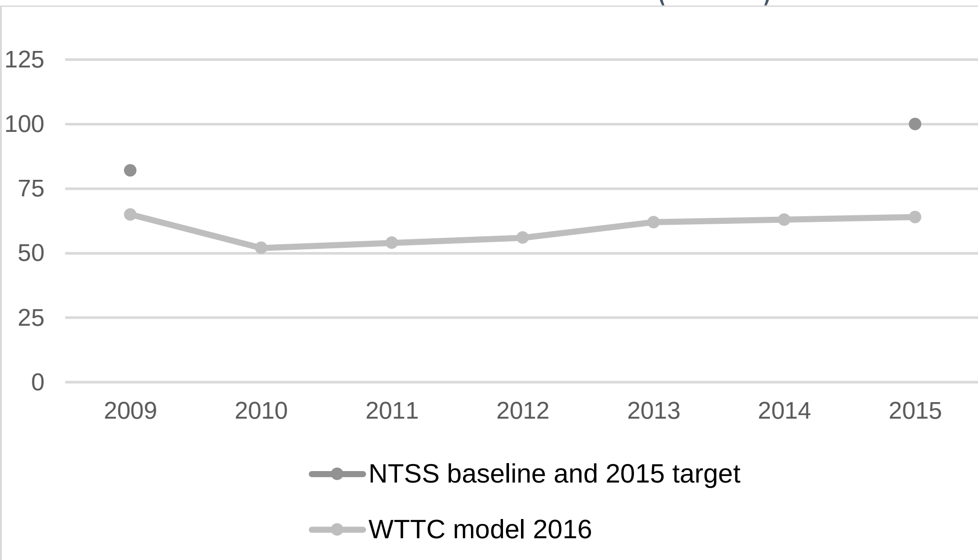


Source: WTTC (2016), NTSS (2009, 2015)

6.3 Capital Investment Levels

Investment in tourism has recovered the strong levels experienced leading up to the FIFA 2010 World Cup. The NTSS 2011 targets public sector and private sector investment levels, while noting that disaggregated data does not exist to provide an accurate assessment and this is still the case. A baseline of R 82 billion was indicated in the NTSS for 2009, targeted to increase to R100 billion by 2015 (in nominal terms). In real terms, the WTTC indicated a lower amount of R65 billion in 2009, which initially declined in 2010 and then grew slowly again to reach R64 billion per annum in 2015. According to the WTTC model, capital investment levels are now back where they were in 2009, having recovered from a drop after the strong capital investment growth up to 2010. The NTSS assumed higher levels of capital investment each year, but, importantly, this was in nominal terms and forecast little real growth for the period.

FIGURE 13-TOURISM CAPITAL INVESTMENT (R BILLION)



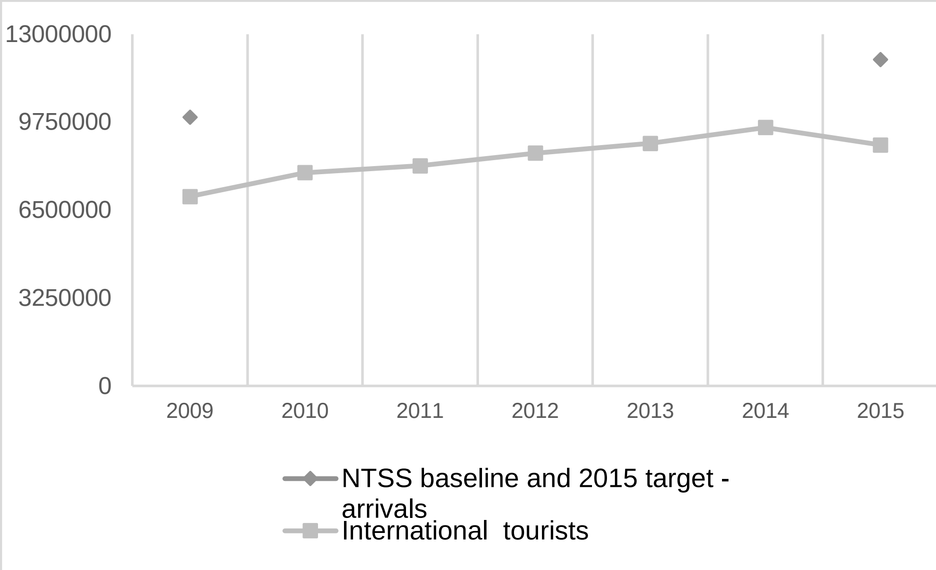
Source: WTTC (2016), NTSS (2009, 2015)

6.4 International Tourists and Domestic Trips

International tourists have increased. The NTSS 2011 set an indicator of international arrivals, owing to StatsSA measuring arrivals rather than tourists at the time. This has since been rectified but renders the analysis of performance problematic. For this reason, the growth rate assumed for international arrivals has been used to consider performance trends, rather than the absolute number. While the NTSS only targeted a CAGR in international arrivals of 3,3 percent the actual achieved CAGR in international tourist numbers for the period was 4,1 percent up to 2015. Removing 2015 from the equation due to the decline experienced in that year shows that between 2009 and 2014 the CAGR was even higher at 6,4 percent. This is well above average annual growth rates in international tourist numbers.

Though South Africa experienced a decline in 2015, tourist arrivals in 2016 grew by 12,8% to 10 million compared to 8.9 million recorded for the same period in 2015 which was above the global average growth rate for the period. It is estimated that about 1.2 billion international tourists travelled the world in 2016, representing growth of 3.9% on 2015.

FIGURE 14- INTERNATIONAL TOURISTS & ARRIVALS

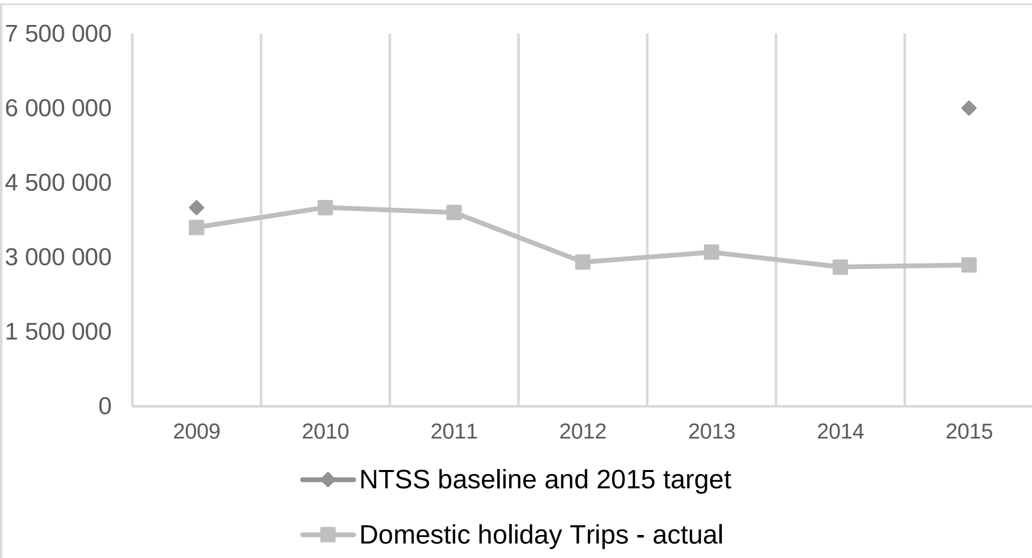


Source: WTTC (2016), NTSS (2009, 2015), SA Tourism (2016)

Domestic holiday trips have declined. Domestic holiday trips are a key measure in tourism as it relates to discretionary travel. This is also the indicator used by SA Tourism to measure its performance on domestic tourism. Domestic holiday trips have shown serious declines over the period. The NTSS baseline was 4 million domestic holiday trips in 2009, growing to 6 million in 2015. SA Tourism indicates that the number in 2009 was 3,6 million, and this declined to 2, 84 million in 2015.

Domestic economic conditions are the main factor contributing to lackluster domestic tourism growth and spend, although market awareness and product offerings play some part. Domestic holiday numbers affect the economic impacts of tourism and with improved domestic tourist performance the economic impacts would have undoubtedly been more positive. The relatively recent (from 2015) extra budget deployed for domestic tourism marketing should positively impact on performance in this important area.

FIGURE 15- DOMESTIC HOLIDAY TRIPS



Source: WTTC (2016), NTSS (2009, 2015), SA Tourism (2016)

PART B: STRATEGIC FRAMEWORK

7. VISION, MISSION AND VALUES

The changed domestic and global environment has led to the formulation of a new vision for the Strategy. The new vision indicates what is aspirational for South Africa in terms of the country's own developmental priorities, and tourism's role in realising these. The vision indicates aspirations regarding the quality (inclusive) and rate (rapid) of growth for the tourism economy of South Africa. It also indicates the intention to better utilise the country's unique destination assets – nature, arts, culture, heritage – to grow the tourism economy, as well as the excellent services and products that must underpin the visitor experience. Innovation is an aspiration relating to the constant upgrading of experiences and offerings which should be in line with the rapidly changing preferences of travelers.

7.1 The NTSS **Vision** is:

" *rapidly and inclusively growing tourism economy that leverages South Africa's competitive edge in nature, culture, and heritage, underpinned by Ubuntu and supported by innovation and service excellence.*"- A top world responsible tourism destination.

7.2 The NTSS **Mission** is:

"To increase the direct contribution of tourism to the economy through partnerships, research based collaborative planning, and the implementation of agreed priority actions".

7.3 The **Guiding Principles** and **Values** of the NTSS are:

(a) Trust and Accountability: The multiple partnerships shall be built on trust; all parties should have mutual trust that they are all aiming for the same vision and goals and all role players shall accept responsibility to deliver on the actions and objectives on which they embark;
(b) Respect for our arts, culture and heritage: All tourism development and activities shall respect all aspects of South Africa's diverse arts, heritage and culture;
(c) Responsible tourism: All tourism development and activities shall deliver on the triple bottom-line, namely economic, social and environmental sustainability;
(d) Service excellence: The entire tourism value chain, including the non-tourism service providers shall continually strive for service excellence towards all tourists.
(e) Upholding the values of the Constitution: Human dignity and equality shall be respected;
(f) A commitment to transformation: The entire industry shall understand and unequivocally support the moral need for transformation; and
(g) Collaboration and cooperation between all key stakeholders.

8. MEASUREMENTS AND TARGETS

The current forecasts are based on the WTTC, which provides macro-economic forecasts on a 10 year basis. The projections will be updated from 2027 to 2030.

TABLE 1: MEASUREMENTS AND TARGETS

Indicators/Measure of Performance	2015 Baseline	2026 Target
Increase direct contribution to National Gross Domestic Product	R118 billion	R302 billion
Increase total(direct and indirect) contribution to National Gross Domestic Product	R375 billion	R941 billion
Increase the number of direct jobs supported by the sector	702 824	1 million
Increase the number of total (direct and indirect) jobs supported by the sector	1 551 200	2.2 billion
Increase tourism export earnings	R115 billion	R359 billion
Increase in capital investment	R 64 billion	R148 billion

Source: WTTC: November 2016

TABLE 2: MACRO-ECONOMIC INDICATORS FOR INCLUSIVE GROWTH OF THE TOURISM INDUSTRY IN SOUTH AFRICA

Indictor	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Direct Contribution to GDP	118.638	128.519	138.354	149.157	161.358	175.469	189.984	207.284	227.816	250.68	275.018	302.241
Total Contribution to GDP	375.502	403.161	433.459	467.154	503.81	548.499	592.45	644.409	707.723	778.988	857.876	941.222
Direct Employment	702.824	729.551	743.167	754.356	774.748	802.526	826.006	853.385	889.132	924.92	961.271	1001.06
Total Employment	1554.2	1557.08	1606.82	1638.38	1687.57	1766.97	1826.1	1891.68	1977.61	2069.02	2165.62	2260.38
Visitor Exports	114.957	125.933	137.665	148.806	163.214	182.185	201.33	224.929	252.916	285.522	320.178	358.793
Capital Investment	63.6617	69.047	72.9407	78.3085	83.5782	89.4564	95.108	101.812	111.204	121.591	135.159	148.681

Source: WTTC [2](2016)

Whilst the above indicators and forecasts are useful in terms of understanding the contribution of the tourism economy to the overall economy, direct tourism performance measures are needed to more precisely measure performance on an ongoing basis.

Critical measures of performance against the goal for South Africa include:

(a) Growth in the number of overseas tourist arrivals, increase in their direct spend, length of stay and geographic spread;
(b) Growth in the number of regional (Africa land and air) tourist arrivals, increase in their direct spend and geographic spread;
(c) Growth in the number of domestic tourist trips (including day trips), length of stay, direct spend and geographic spread.

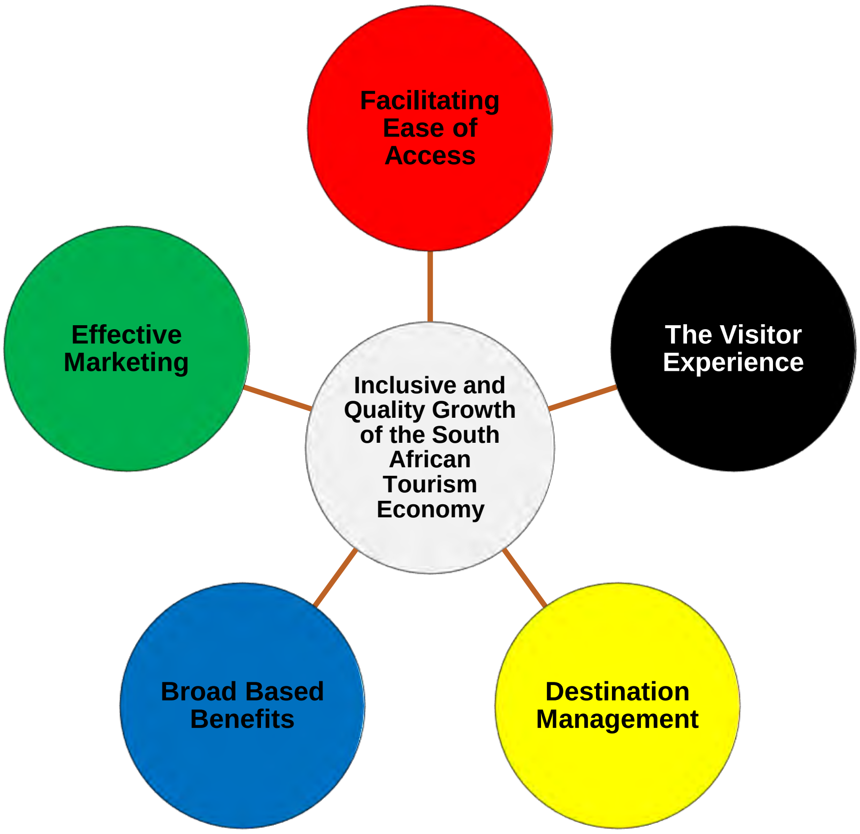
[2] Updated November 2016

9. THE STRATEGIC PILLARS

To achieve the vision of the NTSS, five pillars which provide a framework for the actions of this Strategy have been identified.

Domestic tourism is an essential segment of the tourism economy and provides a foundation for sustainable tourism growth and development. Therefore, the five pillars of the NTSS encompass key elements that will drive the development and growth of this market which should form the backbone of the sector.

FIGURE 16- GOAL AND PILLARS OF THE NTSS



10. ACTION PLANS

The actions identified in this Strategy are the most critical areas requiring priority, focus and energy to support the rapid inclusive growth of the tourism economy. The prioritisation of these actions/interventions is based on changes in the environment (technology and trends for example) as well as lessons learned from implementation.

10.1 Pillar One - Effective Marketing

Outcome Statement: A coherent approach to promote South Africa to become top of mind destination and improved conversion rate.

Effective international marketing requires winning campaigns to attract tourists from prioritised international and domestic markets and segments, as well as enhanced brand management. Critical is improved collaboration between industry and SA Tourism as well as improved stakeholder involvement at large – including improvements in coordination between local, provincial and national bodies responsible for tourism marketing, as well as with natural, cultural and heritage institutions.

TABLE 3: SA TOURISM SOURCE MARKET PORTFOLIO

Market Type	REGION			
	Africa	Americas	Asia & Australasia	Europe & UK
Core Markets	Domestic Angola Kenya Mozambique Nigeria Tanzania	Brazil USA	Australia China India	France Germany Netherlands UK
Investment Markets	Botswana DRC Ghana Lesotho Uganda Zimbabwe	Canada	Japan South Korea	Italy Russia
Tactical Markets	Namibia UAE Zambia		Singapore	Switzerland
Watch-list Markets	Ethiopia Malawi Swaziland	Argentina	New Zealand	Austria Belgium Denmark Finland Norway Spain Sweden Turkey

Source: SAT (2014)

The Table above indicates the current portfolio of priority source markets. SA Tourism is currently revising and enhancing its Tourism Growth Strategy (Enhanced Strategy for Growth) including its market and segmentation prioritisation model. The outcome of Phase 1 of the process is the overarching goal of attracting 5 million additional tourist within the next five years (informally referred to as “(5-in-5-by-5") - increase international trips (4 million) and domestic holiday trips(1 million) by five million tourists and trips over a period of five years using five strategic thrust). SA Tourism will be investing its marketing budget in strategically important regions that will deliver the maximum return on investment.

Also leverage on the role played by the Department of International Relations and Cooperation (DIRCO) and its Diplomatic and Consular Missions through the development of a coherent International Tourism Relations Plan/Strategy. The Plan/Strategy could explore opportunities presented by Missions based in South Africa and South African Missions abroad as well as dedicated campaigns to lobby expatriates to communicate positive messages about South Africa. Also leverage on opportunities created by large South African Corporations with global footprint. Additionally, the plan must identify interventions to support the attainment of the African Union’s objectives within the Framework of the AU Agenda 2063 as well as the United Nations’ Sustainable Development Goals.

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Improved brand management requires effective partnerships for alignment with Brand South Africa and the DIRCO in order to ensure speedy reaction to any potentially negative perceptions that may arise and which require the reassurance of international tourist markets. A clear framework or protocol will be developed to be agreed between DIRCO, Brand South Africa and SA Tourism which will determine how pro-active branding and speedy responses to negative external events are to be managed.

Effective domestic tourism marketing will involve the application of greater resources for expanded marketing campaigns and greater sophistication in choosing priority segments, as well as targeted activities to unlock travel for these segments. A significantly expanded domestic tourism marketing budget has been allocated to SA Tourism to support this far greater focus on domestic tourism. Effective tourism marketing will also require an assessment of the skills capabilities for marketing of tourism at all levels of government and the private sector. These will need to be aligned with priorities identified in strategies to promote skills in the industry as outlined in the revised Tourism Human Resource Development Strategy for South Africa. In conjunction with this, the National Department of Tourism (NDT) has revised the overall Domestic Tourism Growth Strategy which has included a programme to expand access to tourist sites for South Africans who do not readily access these important sites due to cost, travel accessibility and other factors. This programme will encompass encouraging a culture of travel amongst South Africans. Activities involve amongst others, improved access to key heritage (natural and cultural) sites through travel facilitation, as well as improved accessibility of other tourism offerings to targeted domestic market segments.

South Africa is fast becoming a notable global competitor as an attractive destination for events (business, sporting and lifestyle) and has experienced the benefits of hosting a number of large events over the last few years. In addition to the economic spin-offs, the hosting of major events could be used as an effective tool to help promote, position, and brand a destination. Events can improve the geographic and seasonal benefits of tourism, and encourage, in particular, domestic travel.

There are opportunities for government and private sector to harness the potential growth afforded by the hosting of events. The challenge will be to establish the necessary linkages to ensure the development of collaborative strategies so that lasting benefits are creating across South Africa. A set of proposals will be developed on how best to encourage the hosting of (both international and domestic) events in South Africa.

TABLE 4: EFFECTIVE MARKETING

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
Improve market and segment prioritisation	Institute an improved priority tourism market identification tool to deliver increased volume and value and to optimise and maximise limited resources	**Lead:** SA Tourism **Contributing Partners:** • Provincial Tourism Marketing Agencies • Local Tourism Marketing Agencies; • Industry	• Updated and enhanced Tourism Growth Strategy with clear portfolio focus communicated to all stakeholders. • Quarterly reporting on numbers achieved.
Enhance effectiveness of international marketing	Design and implement product driven marketing approach	**Lead:** SA Tourism **Contributing Partners:** • Provincial Tourism Marketing Agencies • Local Tourism Marketing Agencies; Industry	• A product driven integrated marketing approach implemented

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
	Introduce a comprehensive set of marketing campaigns and resources for priority markets with collaboration from industry.	**Lead**: SA Tourism, **Contributing Partners:** • Provincial Tourism Marketing Agencies • Local Tourism Marketing Agencies; • Industry	• Marketing campaigns that are targeted and which leverage industry resources and support.
	Develop and implement an International Tourism Relations Plan/Strategy to leverage on Diplomatic and multilateral relations.	**Lead:** Department of Tourism **Contributing Partners:** • DIRCO • DEA • SA Tourism • Brand SA and • Private sector	• International Tourism Relations Plan developed and implemented. • Biannual reports on the implementation of the plan.
Establish effective Brand Management of the South African Tourism brand	Confirm and implement brand management protocol including specific crisis protocol.	**Lead**: GCIS and DIRCO **Contributing Partners:** • NDT • SA Tourism • Provincial Tourism Marketing Agencies • Local Tourism Marketing Agencies • Industry	• A signed protocol to guide communications in the event of fast response required in order to manage unexpected negative perceptions. • Clear brand values and branding guidelines made available to all stakeholders.
Expand and improve domestic marketing activities and travel facilitation programmes	Implement a substantially enhanced and expanded Domestic Tourism Marketing Strategy.	**Lead**: SA Tourism **Contributing Partners:** • NDT • Provincial Departments • Local (particularly cities) government • Trade and • Product Owners	• A new Domestic Marketing Strategy with a range of collaborative initiatives with industry, provinces and municipalities.

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
	Implement the revised Domestic Tourism Growth Strategy based on new consumer insights and update to align with the expanded SA Tourism marketing strategy and the Domestic Travel Facilitation Programme.	**Lead:** Department of Tourism **Contributing Partners:** • SA Tourism • Provincial Department responsible for Tourism • Local destination marketing agencies • Attractions, • Educational, Environmental, and Heritage Institutions, Transport Providers	• Implementation of the Domestic Tourism Growth Strategy.
	Encourage and support Regional and Local Tourism Organisations to communicate the importance of regional and local campaigns in driving the domestic market and creating opportunities for domestic travel.	**Lead**: Provincial Tourism Marketing Agencies **Contributing Partners:** • Provincial Department responsible for Tourism • Local Government • NDT • Industry	• Regional and Local domestic campaigns implemented.
Attraction and hosting of events (business, sporting and lifestyle) to improve seasonal and regional spread of tourism benefits.	Analyse the current calendar of major events and their impacts. Develop a strategy with reference to excellent global and local practice to support events that can improve regional and seasonal spread of tourism, particularly domestic tourism. (Bid for, and secure major international events).	**Lead**: SA Tourism **Contributing Partners:** • NDT • Relevant Government Department e.g Sports and Recreation • Provincial Departments responsible for Tourism (lead in respect of provincial events) • Cities and • Industry	• A comprehensive plan, with clear guidelines and resourcing estimates, for stimulating and supporting events that can improve geographic and seasonal spread.

10.2 Pillar Two – Facilitate Ease of Access

Outcome Statement: Seamless travel facilitation and access to participate in tourism.

This pillar specifically focuses on addressing impediments that limit the ability of potential international and domestic tourists to travel to and within South Africa. Even with the best branding, marketing and product, the growth of the sector will be impacted if restrictive conditions are maintained in the regulatory environment. If there is improved ease of access, tourism numbers will increase.

A particular focus relates to ensuring the facilitation of travel through best practice access management for international visitors, including visa regulations, passenger and airport data as well as movement systems.

Full implementation of the changes to visa regulations approved by Cabinet in October 2015 will significantly ease travel access. Measures already in place have resulted in a rapid positive response in visitor numbers. While the role for industry partners is largely confined to ensuring visa requirements are correctly communicated to all travel partners to facilitate travel, it also involves monitoring and communicating problems in respect of visa processing capacities and turn-around times. The design and implementation of an Accredited Tourism Company Programme (ATCP) for particular markets is a further part of this pillar. The industry, together with the NDT will ensure that the system to accredit such companies is well understood, supported and that there is proper compliance.

The second major area in this pillar relates to aviation/airlift. Aviation plays a vital role in bringing visitors from all over the globe to experience the beauty and hospitality of the region. South Africa is a long haul destination for the main overseas tourist markets and the facilitation of air connectivity with prioritised markets must remain a top priority. Presently the cost of air transport (which is in part a function of available airlift capacity) is a major barrier for travel to South Africa even though the destination provides exceptional value for money. While decisions about flight routes and frequency are based on business profitability in the global context, airline decisions to fly to South Africa could be influenced through ensuring ease of access, appropriate infrastructure and a destination that is attractive. Therefore, a better understanding of airlift barriers, including air service agreements between countries, routing, capacity and load factors, slots and pricing, as well as cost input for airlines, amongst others, is required. This will allow for the aviation and air transport industry and the relevant Departments to better motivate and plan for changes where required to improve the South Africa’s air accessibility.

Furthermore, the need to create a conducive business environment for emerging tourism businesses to ensure their participation in the tourism economy cannot be overemphasised. This would require the implementation of a plan to simplify the regulatory requirements for tourism businesses within all spheres of government.

Overall, regulations are a necessity to provide guidelines for business practices; however, their unintended consequences could become a barrier. Therefore, it is imperative that the sector provides inputs in the development and review of regulatory instruments with an impact on tourism from inception on a regular basis.

TABLE 5: FACILITATE EASE OF ACCESS

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
Facilitate increased travel through the application of a tourist friendly visa regime and automated passenger movement and monitoring systems	Monitor and highlight any visa processing related challenges within priority markets for timeous response.	**Lead**: NDT and Industry **Contributing Partners**: • SA Tourism country offices • Trade • DHA	• Monitoring and reporting process agreed upon and put in place; • Quarterly reports provided to NDT.
	Implement modernisation initiatives in respect of visa processing for tourist travel facilitation.	**Lead:** DHA **Contributing Partners** • NDT • DOT • ACSA • Industry	•
	Design, implement, monitor and maintain an Accredited Travel Company Programme.	**Lead:** NDT **Contributing Partners** • DHA • SA Tourism • Industry	• Customised ATCPs implemented in all priority tourism source markets as defined by SA Tourism Strategy.
	Participate in the Immigration Advisory Board.	**Lead**: NDT **Contributing Partners:** • TBCSA and • Other tourism related members of the IAB	• Tourism representation on Immigration Advisory Board (IAB). • Clear positions developed in consultation with industry for presentation to the IAB as appropriate.
Improve airlift access, particularly for priority markets	Monitor air service agreements, routes, carriers, air seats and load factors, from priority source markets and ~~the~~ major air carriers connecting priority markets to South Africa.	**Lead**: DoT and NDT **Contributing Partners**: • SA Tourism • Industry(AASA), • DoT's Airlift Strategy Planning Committee (SPC)	• A quarterly updated report on routes, carriers, capacities, air seats and load factors flagging key areas of focus and intervention to be made available to industry and all stakeholders.
	Ensure tourism requirements are specifically included in the	**Lead**: NDT **Contributing Partner:**	• Quarterly reports from the NDT regarding decisions taken and

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
	implementation of the revised Air Transport Strategy through allocation of a senior NDT official to the Strategic Planning Committee.	• DoT	progress made in the implementation of the Strategy.
	Provide clear tourism airlift proposals and positions for inputs into Bilateral Air Services Agreements.	**Lead**: NDT **Contributing Partners**: • SA Tourism • Industry (through AASA), as required.	• Clear tourism airlift position papers and proposals.
	Ensure that airport and border control authorities have the information needed to plan for tourism growth to facilitate the provision of resources needed to cope at peak times.	**Lead**: Industry **Contributing Partners:** NDT SA Tourism DoT	• Information needed to plan for tourism growth to facilitate the provision of resources needed to cope at peak times provided on an ongoing basis.
Improve domestic air access	Develop and implement a plan/strategy aimed at encouraging domestic air travel to increase connectivity, frequency and affordability.	**Lead**: NDT and SA Tourism **Contributing Partners**: • Industry (domestic airlines) • Provinces, • Business Chambers, • DoT	• Domestic Air Travel Strategy developed. • Annual Report on the implementation of the plan.
Create a conducive and legislative and regulatory environment for tourism development and promotion	Conduct periodic review of policies with an impact on tourism in consultation with stakeholders to establish gaps and international best practices.	**Lead**: NDT **Contributing Partners:** • Industry • Provincial Departments responsible for Tourism • Relevant Government Departments	• Tourism needs identified and incorporated in all relevant policy prescripts.
Facilitate ease of doing business to ensure	Investigate how and where the regulatory environment for tourism businesses	**Lead**: NDT **Contributing Partners:**	• Report on barriers for doing business with

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
growth of the tourism economy	could be simplified, and develop a programme to work with the relevant authorities at all levels, with particular focus on relieving the regulatory burden on Small, Medium and Macro Enterprises (SMMEs).	• Provincial and local government • Industry • Tourism SMMEs • Department of Small Business Development • Other Relevant Departments	recommendations/key interventions. • Implementation of interventions and for alleviating the regulatory burden on tourism businesses.

10.3 Pillar Three - The Visitor Experience

Outcome Statement: Provide quality visitor experiences for tourists (both domestic and international) to achieve customer satisfaction and inspire repeat visitation.

The provision of experiences that are distinctive, environmentally friendly, authentic and deliver unique stories and outstanding services to tourists at all stages of their journey is key. This pillar includes enhancements to elements of the visitor experience across all visitor touch points. Areas which involve tourist specific infrastructure to be developed, maintained, and enhanced, include:

(a) World and National Heritage sites as well as National. Provincial and Municipal parks which offer significant opportunities for innovation and improvement of the tourist experience.
(b) General destination enhancements at important tourist sites which must be supported through employment creating schemes that provide safety, information, cleanliness, attractiveness and tourist infrastructure needed to meet visitor demand (delight, excite and keep the momentum).
(c) New tourism experiences, which should be based on the various interests and preferences of target markets and segments. In particular, the emerging travel segments in the domestic market present an opportunity for appropriate product development.

General infrastructure supply considerations of particular importance to tourists and tourism businesses include:

(a) Enhancing the capacity of telecommunications to ensure connectivity (particularly Wi-Fi access and speed).
(b) Ensuring appropriate tourism signage.
(c) Providing effective and intermodal ground transportation links – both private and public – and the regulations that govern these (including licensing) to support independent tourist movement including to more out of the way destinations.
(d) Augmenting tourism safety and security through building on the success of tourism safety programmes.

Included in this pillar, as it also has critical bearing on the visitor experience, is the development of excellent tourism skills and service levels with a special emphasis on soft skills. This involves:

(a) Establishing the correct skills in all parts of the value chain to deliver the best possible experience. Service excellence can only be realised through addressing skills gaps and addressing areas with scarce skills, as well as through broader interventions relating to the establishment of a conducive environment for new entrants, opportunities for career advancement and professionalisation of certain occupations.
(b) Appropriate and accessible education and training offerings. A comprehensive Tourism Human Resource Development (THRD) audit has being conducted, and has informed the development

of a strategic framework for tourism human resource development for a 10 year period (2017-2027). The implementation of this Strategic Framework will lay the foundation for advancing the industry through an appropriately skilled workforce. The THRD Strategy should seek to address underlying skills supply and skills demand challenges as they relate to the overall skills system as a critical component of the tourism industry. This will require the coordination and facilitation of the roles and functions of stakeholders who must contribute to skills development in the industry, including accredited training providers (both public and private), industry and government stakeholders. Furthermore, this will require that the relevant Sector Education and Training Authority, is well versed in the particular characteristics and peculiarities of an industry that is responsive to the specific needs of a diverse employer base which includes a large number of SMMEs. Developing viable enterprises in the tourism industry through leveraging the support of dedicated institutions focused on promoting local economic development of entrepreneurs.

Negative perceptions of the attractiveness of tourism as a career relates to a number of factors including:

(a) Lack of a decent work environment: Poor employment conditions in the industry in terms of wage levels and working conditions are impacting on staff retention, motivation and recruitment of learners into these sectors. These play a key role in preventing the industry from being seen as an employer of choice amongst young people.
(b) Lack of appreciation of industry employers of the need for a skilled workforce, particularly with respect to elementary level occupations this appears to be more prevalent in the smaller tourism establishments;
(c) Low skills levels among the vast majority of tourism workers.
(d) Lack of or limited career mobility more especially in some sectors of tourism such as hospitality or in some elementary occupations across all sectors;
(e) The poor quality of trained tourism officials,
(f) A lack of understanding of the nature of work in the tourism industry; and a related problem of the mismatch between learner aspirations and the perverse incentivisation of learners to enter into tourism training at both school and post school level. The key problem here is that tourism is perceived as an “easy path” to achieving a National Senior Certificate and for access to higher education.

These can be addressed, and basic skills improved, by reviewing the quality of training provided at both school and post school levels, the enhancement of teaching and assessment skills in the industry, the provision of quality career guidance for learners at school and post school level, the integration of workplace oriented learning for students and a review of training curricula which is responsive to the rapidly changing tourism environment.

TABLE 6: THE VISITOR EXPERIENCE

OBJECTIVE	ACTIONS	ROLE PLAYERS	KEY DELIVERABLE
Diversify and enhance tourism product offerings	Investigate and develop tourism niche market products with the highest ability to attract more travelers in line with the competitiveness of a locality e.g. marine and coastal tourism, science	**Lead**: Provinces and Industry **Contributing Partners:** • NDT • SA Tourism • Provincial Tourism Marketing Agencies	• A priority list of niche market products/experiences to be developed. • Prioritised Niche Tourism Strategies in place.

OBJECTIVE	ACTIONS	ROLE PLAYERS	KEY DELIVERABLE
	tourism, adventure tourism etc.	• Local Government • Relevant Government Departments	• Progress on the implementation of the prioritised niche markets.
Improve major tourism sites: Upgrade experiences at World and National Heritage Sites as well as National and Provincial and Municipal Parks	Work with WHS, National Heritage Sites National as well as Provincial Parks to improve the visitor experience through infrastructure provision, training and systems development.	**Lead**: NDT **Contributing Partners**: • WHS and National Heritage Sites as well as their custodian departments • Provincial and Local Government where appropriate • Local tourism industry where appropriate.	• Continued implementation of the existing programmes. Visitor perceptions to be tested after implementation.
Enhance local destination sites through cleanliness, safety and security, aesthetics, and information improvements	Implement a public employment programme for tourism that has a number of focus areas, starting with Blue Flag beaches and a focus on marine and coastal tourism. Ensure alignment of the Expanded Public Works Programme (EPWP) Goals with local economic needs to ensure sustainability of employment.	**Lead**: NDT **Contributing Partners**: • Programme Implementers • Site Partners	• Operationalisation and expansion of the Blue Flag Beach programme. • Commence implementation of additional focus areas of "Working for Tourism', including hiking trails and urban precincts.
Provide tourism experiences and facilities that cater to domestic market segments	Expand on the lessons learnt on the viability of government partnering with industry/private sector to undertake the effective management and marketing of underutilised state owned tourist facilities such as resorts, campsites, etc. and develop a viable model.	**Lead:** **Contributing Partners:** NDT with local and provincial government in partnership with industry/private sector (particularly experienced black entrepreneurs).	• A Model to transform underutilised state owned tourist facilities into viable offerings for the domestic market. • Selection of cases with motivation to roll-out.

OBJECTIVE	ACTIONS	ROLE PLAYERS	KEY DELIVERABLE
	Identify State owned assets suitable for lower LSM holiday travel and, develop and implement a turnaround strategy.	**Lead:** NDT & DEA **Contributing Partners:** • Provincial Government • local government, • private sector	• Implement the turnaround strategy. • Quarterly progress reports made available to the NDT and all partners.
Increase bandwidth to support the activities of tourists and tourism businesses alike	Determine and communicate the tourism industry's Wi-Fi needs by region, and motivate that this be prioritised within national, provincial and local plans. Facilitate the development of Wi-Fi access in key visitor precincts, World Heritage Sites, other iconic sites and gateways.	**Lead:** NDT **Contributing Partners:** • Relevant Government Department and Agencies • Provinces • Local Government • Industry	• Document broadband needs. • Table proposals with the Department of Communications.
Enhance tourist safety and ensure effective responses to incidents of crimes against tourists	Review and revitalise tourism safety programmes including the enhancement/expansion of the Tourism Safety Initiative as required.	**Lead: NDT** **Contributing Partners:** • SAPS • Provinces, • Municipalities, and • Industry	• Reviewed Tourism Safety Programme. • Roll out plan communicated and implemented with all stakeholders. • Quarterly progress reports.
	Facilitate the development of a cadre of safety officers in the tourism sector who are able to address safety issues across varying contexts including crime protection and safety (this would be managed through the THRD Strategy).	**Lead:** **Contributing Partners:** NDT, provinces, municipalities, SAPS and industry	• Tourism Safety Officers Programme developed and implemented nationwide.
Facilitate tourist travel through improved private and public transport for tourists	Identify actions to support tourist travel and industry performance (Set up a Tourism and Transport Forum).	**Lead:** DoT and NDT **Contributing Partners:** • Industry (SATSA, SAVRALA, AASA - with regards to	• Status quo report that highlights critical areas to be addressed with short, medium and

OBJECTIVE	ACTIONS	ROLE PLAYERS	KEY DELIVERABLE
	Engage directly with the National Master Action Plan for Transportation Committee, to ensure the inclusion of tourism needs.	domestic air carriers, coach and bus • Private rail operators • PRASA	long term action plans. To be updated quarterly as an input into the National Master Action Plan for Transportation Committee. Quarterly Tourism and Transport Forum reports.
Improve tourism skills and service excellence	Ratify and implement a multi-stakeholder response to the implementation of the recommendations of the Tourism Human Resource Development (THRD) framework.	**Lead:** NDT & CATHSSETA **Contributing Partners:** • Industry • FET Colleges	• Quarterly and annual reports on the implementation of the revised THRD Strategy.
	Investigate the potential for the professionalisation of specific tourism occupations and trades. Specific occupations recommended include Chefs, Executive Managers, Professional Event Managers and Tour Operators.	**Lead:** NDT & CATHSSETA **Contributing Partners:** • Research Institutions • Educational Institutions • Industry	• Report on potential for professionalisation of selected tourism occupations and impact thereof.
	Develop and implement an agreed Code of Conduct and Service Charter along the activity/ value chain.	**Lead:** Industry **Contributing Partners:** • Associations within tourism value chain	• Code of Conduct and Service Charter in place.
	Assess the usefulness and appropriateness of tourism as a high school subject arising from the Skills Review study and implement recommendations contained therein.	**Lead:** DBE and NDT **Contributing Partners:** • Industry • Educational Institutions • CATHSSETA	• A memorandum of agreement is reached with the DBE on actions to be implemented to address challenges of tourism as a high school subject.

OBJECTIVE	ACTIONS	ROLE PLAYERS	KEY DELIVERABLE
	Facilitate engagement with Department of Basic Education (DBE) on the findings of the Skills Audit in respect of Tourism training at high school level in order to respond to the key findings.		

10.4 Pillar Four - Destination Management

Outcome Statement: To provide for sustainable development and management of the tourism sector.

Destination management relates to practices, activities and relationships that help organise the tourism system. These typically include planning; the development of standards, guidelines, and regulations; research; the definition of roles and responsibilities; and the development of structures and processes that organise information flows and relationships between the various stakeholders in order to optimise the destination's performance. Effective and proactive destination management is critical for competitiveness.

10.4.1 Roles, responsibilities and capabilities of provincial and local government in tourism

One of the strategic objectives of this pillar involves developing a clearer articulation of the roles and responsibilities of the different spheres of government in tourism. These must be clearly established as tourism is a concurrent function. Definition of roles and responsibilities should also note that 'one size does not fit all' and should allow for the appropriate calibration of these to the particular circumstances of an administrative region, including its size, scope and resources, as well as tourism potential and existing development.

Guidelines around appropriate enterprise support activities, as well as marketing activities and marketing focus are specific areas in which roles and responsibilities must be clarified. Linked to this must be the development of the capabilities and competencies to support these clearer roles and responsibilities.

10.4.2 Research, analytics and statistics

Developing excellent skills and tools within all spheres of government and relevant agencies is also important for destination management. One particular area relates to the research, data, analytics and market intelligence required to guide planning, decision making and performance monitoring and evaluation. Of particular importance is the development of a national tourism information system to provide critical tourism information for decision-makers. While there have been certain improvements in the data and information systems in tourism, including the development of a Tourism Satellite Account, improvements in the speed with which StatsSA has released its monthly tourist arrivals, and the introduction of a Tourism Business Index by Tourism Business Council of South Africa (TBCSA), much more is required in this important area.

One priority relates to the development of a predictive model for the economic impacts of tourism, and forecasting of tourism performance. Another area relates to developing a fuller picture of the size, nature and characteristics of the tourism sector, particularly the extent and variety of offerings and businesses.

10.4.3 Inter-departmental support for tourism

Destination success requires government collaboration across functional boundaries. In order to build inter-departmental support for tourism, a well-documented case for tourism will be developed and communicated. This will highlight tourism's importance in the context of an economic recovery strategy for the country and will indicate the important roles that many line departments play in supporting the overall destination.

10.4.4 Standards, guidelines and quality assurance

Standards and guidelines establish required levels of performance. They also manage specific operational risks and establish best practices. Responsible tourism is already supported by a standard, as is shark cage diving, an area with particular risks to tourists. Responsible tourism is an important consideration for the destination as there is a broad expectation by many tourists that businesses value their staff, communities and the natural resources in their environment. In terms of the environmental element of responsible tourism, resource-efficiency has the added benefit of cost saving for businesses. The reduced operational costs, combined with the growing market trend for tourists to consider responsible tourism practices in their choice of destination and selection of products/ experiences within destinations, provide a business case for industry to improve its triple bottom line practices.

Grading involves adherence to certain quality assurance standards in line with a star grading allocation. The Tourism Grading Council of South Africa (TGCSA) is currently undergoing a policy review to guide its future orientation. This will lead to the implementation of a more effective business model and better tourist and industry utilisation.

Tourism facilities will also be improved by the introduction of a program to incentivise investments in making such facilities more accessible to people with disabilities, starting with the most visited attractions.

TABLE 7: DESTINATION MANAGEMENT

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
Improve the focus and delivery of tourism marketing and development support provided by provinces and local government.	Develop clear proposals and guidelines, to be formally adopted, on best practice, roles and responsibilities in tourism marketing and development across the spheres of government. Strengthen relationships between national, provincial, district and	**Lead:** NDT and SA Tourism **Contributing Partners:** • Provinces • Local government • COGTA • Relevant marketing agencies	• Best practice proposals and guidelines tabled at various fora between national, provincial and local spheres and adopted. • Communication and supporting documentation.

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
	local tourism organisations to maximise product development and marketing that reinforces product differentiation and meet visitor demand.		
	Build capacity of provinces and local government in specific areas within confirmed definition of roles and responsibilities linked to priorities in the NTSS. Assess the current capacity as well as the required competencies to fulfil these roles as a necessary precursor to the design of a capacity development programme. This will be disaggregated for different tiers of government officials.	**Lead:** NDT **Contributing Partners:** • COGTA • Educational institutions (service providers) • Provincial government • Local government.	• Capacity building programme rolled-out.
	Review spatial development initiatives (SDI's), priority areas for tourism infrastructure investment and provincial plans to develop products and experiences that would improve the current offerings.	**Lead:** Local government **Contributing Partners:** • Provinces • GOGTA	• Spatial development plans incorporating priority areas for tourism developed
Improve the quality of decision making, planning evaluation and monitoring in tourism	Starting at the national level, develop and implement a tourism performance dashboard based on current sources of data. At the same time, develop a competent predictive model, and explore inclusion of the visitor economy concept, which can forecast	**Lead:** NDT **Contributing Partners:** • SA Tourism • Industry • StatsSA,	• Tourism Performance Dashboard in place.

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
	macroeconomic tourism performance.		
	Determine and implement international best practice for national tourism information systems based on brief of stakeholder information needs and scope for implementation.		• A set of proposals on data and information sources, uses, applicability and technology platforms, based on best practice.
Improve understanding of and enhance support for tourism across national government	Develop and communicate the socio-economic case for tourism as an effective briefing tool for senior officials and Ministers.	**Lead:** NDT **Contributing Partners:** • Industry • SA Tourism • Provinces	• A compelling case for tourism that clearly articulates roles for other departments and spheres and coordination. • The case will include an outline of critical funding needs for tourism and expected positive socio economic impacts.
Introduce best practice approaches and risk management tools to enhance the sector's performance	Finalise the policy review of the Tourism Grading Council of South Africa (TGCSA) and introduce a new business model.	**Lead:** SA Tourism (TGCSA) **Contributing Partners:** • NDT • Industry • Provinces	• New model implemented.
	Monitor industry and consumer satisfaction to inform enhancements to the grading system. – integrate research about customer satisfaction into one common platform or database Develop and implement a national web based tourism feedback system	**Lead:** SA Tourism (TGCSA) **Contributing Partners:** • NDT • Industry • Provinces	• Annual performance reports and strategy updates.

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
	to gather customer satisfaction information.		
	Identify areas in which additional, specific standards or guidelines are required through industry engagement and monitoring of global developments and develop criteria for the grading of high risk sectors e.g. adventure tourism.	**Lead:** SA Tourism (TGCSA) **Contributing Partners:** • NDT • Industry • Provinces • SABS	• As necessary, research and introduce new standards (voluntary or compulsory) or guidelines.
	Provide information on technologies and resources for the expansion of resource-efficient infrastructure and operational practices as there are opportunities in new builds and retrofitting to support industry's implementation of responsible tourism.	**Lead:** NDT **Contributing Partners:** • DEA • Industry • National Cleaner Production Centre • The Green Fund • Other relevant entities focused on the green economy, renewable energy and waste management	• Information to industry on the facilities to support the implementation of resource efficient technologies and infrastructure in new builds and retrofitting.
	Expand universal access within the value chain starting with major attractions.	**Lead:** NDT **Contributing Partners:** • TGCSA • Industry • Provinces	• Finalise and implement a Universal Access (UA) programme at major attractions. • Needs assessment report on major sites complied through UA audits at key sites nationally.
	Develop a central database to understand supply and demand factors for effective planning and monitoring of performance.	**Lead:** NDT **Contributing Partners:** • TBCSA (Industry) • Provinces • Local government	• Supply side database that is updated on an on-going basis.

10.5 Pillar Five - Broad Based Benefits

Outcome Statement: Promote the empowerment of previously marginalised enterprises and rural communities to ensure inclusive growth of the sector.

The development and growth of the tourism industry should take place at grassroots level and not exclude poor communities. This could be unlocked by the sector working together and looking at priorities that presents good growth opportunities that will ensure inclusive participation of more Black people – especially women, and young entrepreneurs.

This pillar therefore focuses on transformation, rural and township tourism development, enterprise development and investment – none of which is mutually exclusive. Improvements are required in all of these areas to strengthen the realisation and decentralisation of broad based benefits from tourism to rural communities.

Transformation of the industry must be stepped up in a way that supports growth through the expansion of players linked to the realisation of opportunities for new market development. Transformation targets are grounded in the Amended Tourism BB-BEE Sector Code, in particular, the implementation of the five elements namely:

(a) Ownership,
(b) Management control,
(c) Skills development,
(d) Enterprise and supplier development, as well as
(e) Socio-economic development.

Transformation is critical for social stability, the reduction of inequality and poverty, and for inclusive growth. It underpins our potential tourism competitiveness, as it relates to the responsibility of the destination in the distribution of economic benefits, and is intrinsic to how tourists will experience the depth of the South African destination offering (and its authenticity). For all of these reasons it is critical that significant progress is made in the inclusion of black South Africans in the tourism economy, at all viable points along the value chain. Work is required on the overall goals and targets as outlined in the Amended Code, with specific actions implemented at each destination site and along each major supply chain and larger tourism enterprises.

Growth of the sector through enhancing more social inclusion through transformation, will ultimately help address the challenges of unemployment, poverty and inequality.

10.5.1 Enterprise Development and Finance

Effective enterprise support will allow for a diversity of experiences as well as the development of black tourism related businesses. In this regard, a full review of lessons learned from the Tourism Enterprise Partnership (TEP) and other enterprise programmes focused on tourism, as well as access to finance for SMMEs is required. Good research into best practice on clusters, value chains, procurement and market access considerations is also required. An assessment of the role and contribution of other national, provincial and local government as well as relevant entities in respect of enterprise development is essential. This should lead to the design of an enterprise development programme that can support a set of diverse, viable, and sustainable enterprises both in tourism and within the broader tourism economy. Importantly, it could also leverage appropriate support for the sector in areas which are not the core mandate or competency of the NDT.

Linked to the objectives of transformation and expansion of the tourism economy through enterprise development is the issue of access to finance for development. Access to finance in tourism is difficult for small and medium enterprises. This is true for investment finance, working capital and finance for acquisitions. Many factors limit access to finance – a perceived lack of viable and feasible business plans, limited experience in tourism, limited equity contributions, and a highly competitive industry, amongst others.

The review of lessons learned in enterprise development will also fully investigate the matter of finance for different size businesses, both existing and for new, as well as those providing tourism facilities and services, and those supplying into the industry. While Development Finance Institutions (DFIs) and banks do provide some finance to tourism businesses, this is highly curtailed. Reasons for this need to be better understood and a range of mechanisms put in place to ensure that this is addressed.

10.5.2 Rural tourism development, and benefits to host communities

Enhancing rural areas for sustainable and inclusive tourism development also ties into the broader area of enterprise development and support, and business and investment growth. In an effort to meaningfully increase local benefits, particularly within host communities living in areas where tourism potential exists, effective business and enterprise development is required. Developing rural areas for tourism needs a clear approach and understanding of the barriers that have restricted this to date. This should include considerations such as challenges with integrated planning, infrastructure provision, access to land, leases, and community partnership models.

There is now significant experience of both successful and less successful investments involving community partnerships in rural tourism businesses. The lessons learned and critical success factors need to be well documented and communicated. This could include the identification and provision of support to land reform projects with tourism potential as part of the strategy to promote rural and community based tourism. This would require the grooming of a cadre of tourism entrepreneurs amongst neighbouring communities as opposed to the notion of community tourism which in most cases leads to infighting and subsequent abandonment of great tourism infrastructure invested in communities. In this regard the National Rural Tourism Strategy will be revisited and updated to provide strong direction on implementation of a rural tourism programme taking into consideration these, and other factors. It will also link explicitly to transformation and the need to provide diverse visitor experiences. Work will be done to enhance the capacity of officials mandated with tourism development at local and provincial levels.

TABLE 8: BROAD BASED BENEFITS

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
Achieve Broad Based Black Economic Empowerment (B-BBEE) targets	Develop and implement a range of proposals for inclusive growth across the tourism value chain.	**Lead:** NDT **Contributing Partners:** • Representation from the Tourism BEE Council,	• Set of practical proposals to advance strategic and growth focused transformation of the tourism industry recommended to the Minister.

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
		• Procurement managers of large and medium tourism firms.	• Bi-Annual progress report on industry achievements. • Implementation of proposals.
Support sustainable Enterprise development	Review lessons learned from Tourism Enterprise Partnership (TEP) and other enterprise development initiatives and develop a set of proposals on training, mentorship, up skilling financing, and investment.	**Lead:** NDT **Contributing Partners:** • Enterprise development agencies • DFIs	• A lessons learned report with proposals on future enterprise development programmes.
	Design and implement an improved tourism enterprise development programme including for suppliers into tourism businesses. Undertake an assessment of the role and contribution of other state institutions whose core mandate is to promote SMME development.	**Lead:** NDT **Contributing Partners:** • Department of Small Business Development • Tourism BEE Council	• A clear and refined focused model for tourism enterprise development and support implemented.
Expand the benefits of tourism to rural areas and townships	Review the National Rural Tourism Strategy and benchmark this against other such strategies. Link this to the transformation and community beneficiation agenda with a particular focus on the factors necessary to create a conducive environment for rural tourism development. Implement and monitor implementation.	**Lead:** NDT **Contributing Partners:** • South African National Parks • Industry (representatives that are experienced in operating concessions with communities.) • DRDLR • DEA • DAC	• Revised National Rural Tourism Strategy with a set of focused, actionable plans on rural tourism development with priorities (and areas with high potential) and customised plans. • Quarterly/annual implementation progress reports.

OBJECTIVE	ACTIONS	PARTNERS	KEY DELIVERABLE
		• Provinces • Local government • Local community	
	Review investments that have been made into tourism facilities in rural areas and townships to date to determine facilities that are/ are not operational and success factors. This will provide a useful guideline for future investment into similar initiatives.	**Lead:** NDT **Contributing Partners:** • Provinces • Local government • Industry • Investment agencies	• A report investments made in rural areas. • A guideline/ model for future rural tourism investments
	Develop and implement strategies of enabling rural and township stakeholders to access capacity development, training and mentoring opportunities. Review the supply of skills training for rural and township stakeholders.	**Lead:** NDT **Contributing Partners:** • CATHSSETA • DRDLR • Provinces • Local government	• Quarterly and annual reports on the implementation of the revised THRD Strategy.

11. CRITICAL, PROCESS, SUPPORT AND SUCCESS ISSUES

In order to optimise tourism growth, changes are required in the processes of engagement and action, and in the redefinition of roles. Furthermore, there are critical factors that need to be taken into consideration on an ongoing basis to ensure the inclusive and quality growth of the tourism economy.

11.1 Process and Support issues

There is a need for major improvements in the effective working relationships in tourism in three specific areas:

(a) **Relationship One** - Public and Private sector, centred on planning for marketing, branding, skills development and transformation programmes. There needs to be practical and effective consultation and measurement with agreed deliverables in this relationship. The relationship needs to be more transparent and effective than it is currently perceived to be.

(b) **Relationship Two** - Between national departments, focused on addressing impediments to tourism development and enhanced alignment. Inter-Ministerial collaboration is essential on issues which impact significantly on the five pillars identified and particularly with regard to immigration and airlift considerations. Departments which have a role to play in supporting tourism include, inter alia, the Departments of Telecommunications, Home Affairs, Transport, Trade and Industry, International Relations and Cooperation, Environmental Affairs, Arts and Culture, Rural Development, Basic and Higher Education, Public Works, Sports and Recreation and the South African Police Services.

(c) **Relationship Three** – Between Tourism Agencies focused on goals and targets for destination marketing implemented by National, Provincial and local agencies. This is needed to ensure full support for the priorities in this NTSS, and, in particular, for the effective and efficient use of state funds and budgets for tourism marketing to both international and domestic tourists.

11.2 Critical Success Issues for Sustainable Competitiveness

The following issues will be critical for the successful implementation of the NTSS.

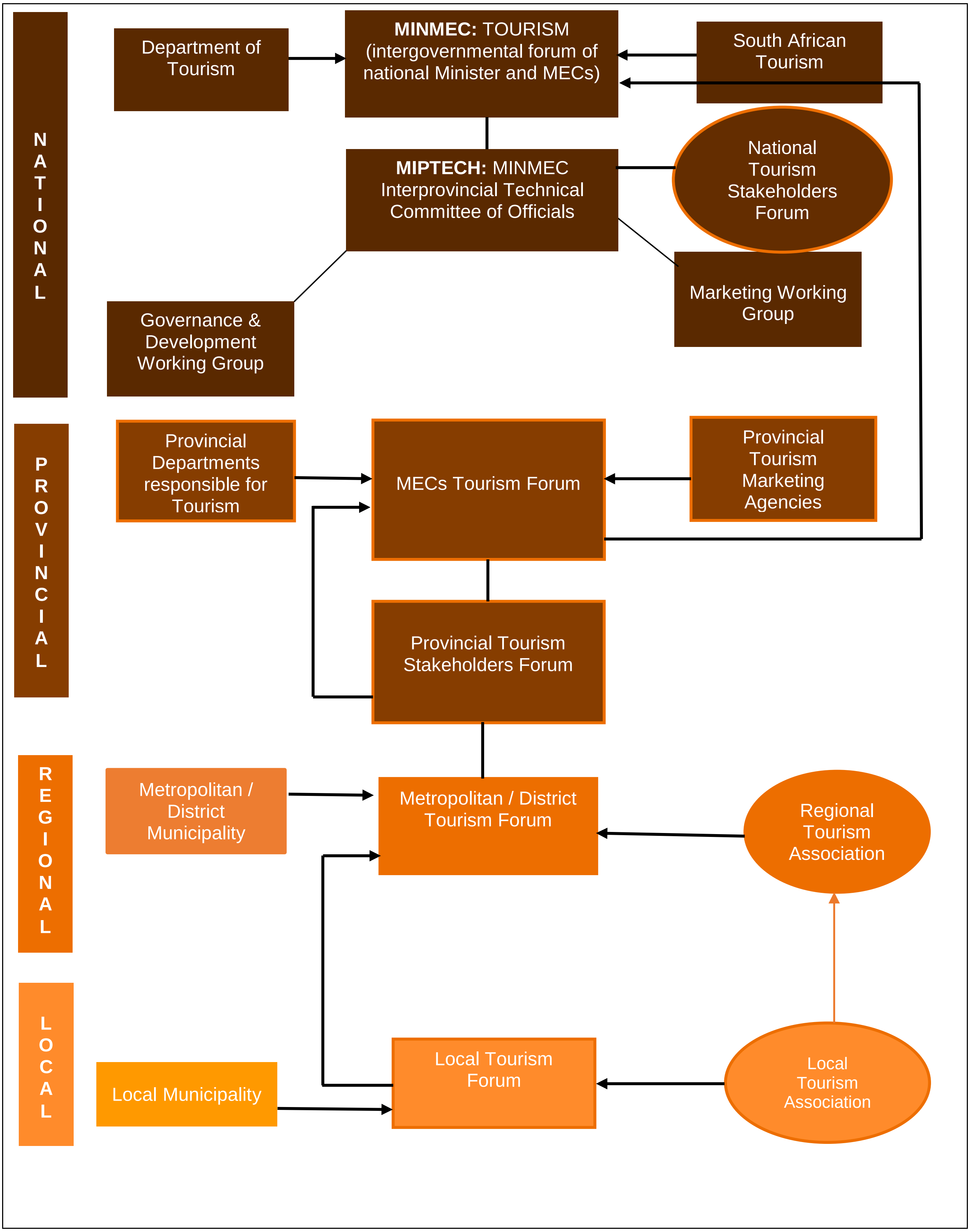
a) Strategic and visionary leadership driven by an agreed, shared and inspirational vision, a set of guiding values and strategic priorities, which are accepted and embraced by all public and private-sector stakeholders
b) Continuously advocating tourism among all politicians and opinion leaders as a strategic and sustainable industry, and a key contributor to GDP and job creation in South Africa (from the national to the local levels), which require appropriate funding.
c) Continuously and proactively aligning with key developments and trends in the macro (technological, environmental, socio-cultural, political and economic), competitive and market environments.
d) Ensuring that future tourism product development and packaging are value and market-drive i.e. responding to the needs of the future tourist.
e) Strategically managing reliable, timely and accessible knowledge (such as statistics, trends, competitors, markets and strategies) and research as a key to future tourism planning, marketing and management of the resource base.
f) Ensuring a results-driven, streamlined, dynamic and adaptable tourism structure from national to local level, with clarity on roles, responsibilities and relationships (avoiding unnecessary bureaucracy).
g) Continuously focusing on sustainable competitiveness and balancing economic, social and environmental issues.
h) Ensuring that the sector responds to the positive and negative issues that impact the growth of the sector i.e. risks to be identified and effective mitigation plans put in place.

12. INSTITUTIONAL ARRANGEMENTS

The successful implementation of the NTSS to realise the inclusive and quality growth of the South African tourism economy is dependent on the commitment of all stakeholders to adopt an integrated approach in implementing the identified strategic priorities and actions. This requires sound and effective governance structures and processes that manage and support tourism. Engagement of the private sector and other stakeholders, alongside government, at a national, provincial and local level is crucial.

The institutional structures to manage and support tourism, are set out as follows:

FIGURE 17: SOUTH AFRICAN TOURISM INSTITUTIONAL STRUCTURE



The above tourism institutional arrangements outline the structure as it pertains to the coordination of tourism activities between the public and private sector to achieve alignment in pursuit of implementation of the NTSS. The recommended structure represents a standard approach to tourism coordination within the three spheres of government. However, the structure may be adjusted and relevant substructures introduced taking into consideration the different circumstances of a particular destination / locality to enhance maximum implementation of tourism programmes, ensure functionality monitoring and reporting.

The National Department of Tourism will lead in the effective coordination of the national layer of the institutional arrangements, whilst provinces must ensure the same at provincial level and provide support for the establishment of district/metropolitan and local structures. Local government must designate both the human and financial resources to enable proper coordination at that level. The relevant stakeholders to agree on the modalities to realise the effective coordination of the institutional arrangements taking into consideration local circumstances.

12.1 Arrangements at National Level

The key structures at the national level are:

NDT	The Department is responsible for national tourism policy, regulation and development.
SAT	SAT is responsible for international and domestic marketing of South Africa as a tourism destination, quality assurance and providing strategic leadership on convention bureaus.
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 government tourism officials, heads of provincial tourism departments, SALGA, and CEOs of tourism authorities, which coordinate provincial and national tourism affairs in preparation for and support of the MINMEC.
Tourism Working Groups	Intergovernmental structure which deals with governance, planning, development and marketing issues to ensure alignment, coordination and collaboration. Governance, planning and marketing issues coordinated by NDT, whilst marketing issues are coordinated by SA Tourism. The working group considers and recommends relevant matters to MIPTECH.
National Tourism Stakeholders Forum	A tourism multi-stakeholder forum coordinated by NDT and attended by representatives from the private and public sectors representatives to deliberate on strategic and topical issues including the implementation of the NTSS.

12.2 Arrangements at Provincial Level

Effective tourism-coordinating mechanisms should be established at the provincial and local government spheres in order to ensure synergised efforts and optimal resource allocation and usage. The various tourism spheres should complement one another, culminating in a strong and effective provincial tourism development effort aligned to national priorities.

The following are the recommended structures at provincial level:

Provincial Departments responsible for Tourism	Provincial Government Department mandated by the relevant legislation for tourism development.
Provincial Tourism Marketing Authorities	Provincial tourism authorities should align their international tourism marketing efforts with those of SAT to ensure synergy.
MEC Tourism Forum	Tourism Committee of Provincial MEC and District/Metropolitan Council Chairs and CEOs of provincial tourism marketing authorities, CEOs of other relevant entities and SALGA to discuss and agree on cooperative tourism programmes and strategies. The MEC should be informed about provincial tourism priorities, interests and challenges which require national attention for consideration and discussion by MINMEC.
Provincial Tourism Stakeholders Forum	A provincial multi-stakeholder forum coordinated and attended by representatives from the private and public sectors to deliberate on cross-cutting issues pertaining to planning, development and marketing. The Forum considers and recommends relevant matters to the MEC Tourism Forum.

12.3 Arrangements at Regional and Local Level

The regional tourism function should be mainly a developmental one, and should focus on the following two structures:

District/Metropolitan and Local Tourism Forum	A District multi-stakeholder forum chaired by the Executive Mayor or the Chairperson of the Tourism/Economic Development Portfolio and attended by Local Mayors or Chairpersons of the Tourism Portfolio and supported by officials. Participation should also include the Executive Committee of the Regional Tourism Association to represent private sector interests, and other relevant regional entities, including representatives of provincial tourism department as well as the provincial marketing authority. The Forum shall deliberate and determine tourism priorities to support tourism growth and development in the region, facilitate cooperation and alignment with provincial tourism development priorities; and confer relevant issues for consideration by the MEC Forum.

	The above arrangement can be replicated at a local level. District and Local Municipalities to keep and up to date database of all tourism operators in their respective regions (Supply database) which can feed into the provincial database.
Regional and Local Tourism Associations	A regional tourism association constituted by tourism business operators to organise and represent the interests of the private sector speaking in one voice. Depending on the local dynamics as not all the local municipalities have equal tourism strength and potential, the district may decide to establish the regional tourism Association. The Associations must keep an up to date database of all tourism service providers (affiliated members) for each region and locality (Supply database).

13. MONITORING, EVALUATION AND REPORTING

The Department will lead, support activities, monitor and evaluate the implementation of the NTSS through a multi-stakeholder Delivery Forum which will serve as the NTSS implementation, monitoring and reporting mechanism. The Forum will be constituted by all role players who will enable the sector to realise the revised NTSS's goal and objectives. The modalities of the Forum will be

Furthermore, the mandate of the Panel of Experts that oversaw the review of the NTSS will be redefined to that of a "Strategic Think Tank" that will advise on macro environmental factors including but not limited to identifying and analysing emerging trends and major drivers of change, conducting benchmarking exercises as well developing position papers and communicating clear messages on a regular basis. The inputs of the "Strategic Think Tank" will inform the development of Annual Implementation Plans to ensure the coordinated implementation of the NTSS.

14. CONCLUSION

The overall destination appeal for South Africa is strong. As the WEF competitive tourism index showed, South Africa is blessed with unbeatable cultural, and natural iconic attractions, and these will remain the mainstay of our destination offering for some time to come. Developing and marketing these assets appropriately, and ensuring they are delivered by a diverse set of businesses providing excellent service levels, will underpin the attractiveness and competitiveness of our destination into the future.

In implementing the actions identified in this NTSS, South Africa will be placed on a path of inclusive tourism growth, which will deliver significant economic development to the country. There are a number of factors, namely, the currency weakness, varied destination assets, relative 'safety' in the face global terrorist threats, the relatively diverse markets already attracted and huge market potential that exists that bode well for tourism's prospects. This potential must be realised through concerted and joint efforts. The revised NTSS represents a shared action plan for success.

ANNEXURE A: List of Panel of Experts Members

NO	NAMES	ORGANISATION	DESIGNATION
1.	Ms Amor Malan	Shangri-La Community Development Project	Project Manager
2.	Mr Chris Zweigenthal	Airline Association of Southern Africa	Chief Executive Officer
3.	Dr Diane Abrahams	University of Johannesburg	Director: School of Tourism & Hospitality
4.	Mr Eddy Khosa	Magelevendze Lodges	Chief Executive Officer
5.	Prof Ernie Heath	University of Pretoria	Emeritus Professor
6.	Mr Jerry Mabena	Thebe Services Division	Chief Executive Officer
7.	Ms Mmatšatši Ramawela	Tourism Business Council of South Africa	Chief Executive Officer
8.	Mr Ndabo Khoza	(Formerly with) Tourism KwaZulu Natal	Chief Executive Officer
9.	Mr Ravi Nadasen	Tsogo Sun	Regional Operations Director
10.	Dr Salifou Siddo	(Formerly with) Tourism Enterprise Partnership	Chief Executive Officer
11.	Mr Thakani Makhuvha	Small enterprise Finance Agency	Chief Executive Officer
12.	Mr Thanduxolo Lungile	(Formerly with) National Heritage Council	Heritage Programmes Coordinator
13.	Mr. Giju Varghese	(Formerly with) South African National Parks	South African National Parks: Managing Executive Director
14.	Mr Thulani Nzima	(Formerly with) South African Tourism	Chief Executive Officer
15.	Mr Victor Tharage	Department of Tourism	Director-General (Chairperson)