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WORLD TOURISM CONFERENCE
- Tourism Success Stories and Shooting Stars-

Shangri-La Hotel, Kuala Lumpur, Malaysia, 4-6 June 2007



SESSION 1: PROPELLING SUSTAINABLE GROWTH THROUGH TOURISM

KEYNOTE PRESENTATION ON "TOURISM STRATEGIES TO BENEFIT THE POORS"

by

MR. MOEKETSI MOSOLA
CHIEF EXECUTIVE OFFICER
SOUTH AFRICAN TOURISM

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South Africa, after the end of apartheid, looked to tourism because it was a sector that could do some big things fast unlike the more traditional areas of our economy (agriculture, manufacturing and mining):

1. we needed to increase our gross domestic product and in particular increase the flow of foreign exchange into an economy that had been isolated by sanctions
2. at the same time we needed to desperately create jobs for our people and tourism with its lower requirements on human and financial capital
3. while also restoring the dignity to all South Africans to make them feel like they were citizens of the country of their birth after being denied access to beaches, hotels, restaurants and other tourist facilities for generations.

The government of South Africa believed that tourism could play a role in this but we would need to do it on our own terms as we faced a unique set of challenges. The key decision in the White Paper on Tourism, which set the policy framework, was that tourism would be government led, private sector driven and community based. With all three tiers of society working together we believed that we could build a tourism sector that belonged to all South Africans and in which we could all take pride.

Furthermore, with the legacy of apartheid it would require all South Africans to undo our past and thus issues of ownership and participation (that has sat in “whites-only” hands) had to be addressed. For foreigners this might seem to excessive interference in the market, but if our tourism was to provide a better life for all South Africans we had to put people at the centre of the model. After years of division and strife it didn't make sense to create another exclusive industry – this time not for white South Africans, but for foreigners (be they tourists or product owners).

Another critical issue was sustainability – we needed a model that was internally viable and not dependent on whims and fashions of global travel as our tourism is inextricably linked to our physical environment. For all of you who have been fortunate to visit South Africa, you would experience the vast scenic beauty of our landscapes and the significant percentage of our land that is under professional conservation management. The future of these lands is bound to tourism as the revenue from tourism sustains them and protects them from environmentally unfriendly development. To support this we have one of the strictest environmental impact assessment regimes in the world as we value our environment and want you to enjoy it as well as the generations of South Africans to come after us.

To underline the importance of tourism, in 2002 it was selected as one of the five key sectors of the economy that government was looking for economic growth and 2006 was made one of two sectors that South Africa was looking to the short to medium term to take our growth rate up to 6%.

The government's financial support for its tourism marketing arm South African Tourism was increased 400-fold in six years and one of the critical decisions taken between government and business was to make a significant investment in strategic marketing research so that we as country would be armed with the intelligence that would allow us to punch above our weight in markets where we were out-spent by all our competitors and so needed to be focused and play smart.

The Tourism Growth Strategy – which is updated every three years to take on board the fast pace of change in travel and tourism – became the road map which South Africa used to re-enter global markets from 2002. It set out our mandate and our objectives (ie the promise we were making) and invited assessment on that basis.

In the five years since then:

1. foreign tourism arrivals have grown by an average compound growth rate of 7.5% since 2001
2. tourism has overtaken gold as a major source of foreign exchange
3. its contribution to GDP has increased by R15 billion from 7,96% in 2005 to and estimated 8,13% in 2006
4. we have created more jobs than any other priority sector in the economy with an estimated 1 million people working in tourism
5. we have increasing amount of people previously disadvantaged under apartheid owning product and/or working in the tourism sector.

While we have made masses strides, tourism is a microcosm of the journey of our country from division to being united behind a new brand of which tourism is just one of its stand bearers. This does not mean that the challenges are over as there are many promises that still need to be fulfilled.