tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

GREEN PAPER ON THE DEVELOPMENT AND PROMOTION OF TOURISM IN SOUTH AFRICA

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(ii) Message: Deputy Minister (to be included later)

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(iv) Definitions (to be included later)

(v) List of acronyms (to be included later

(vi) Executive Summary

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EXECUTIVE SUMMARY

TOWARDS AN UPDATED POLICY FRAMEWORK FOR INCLUSIVE AND SUSTAINABLE TOURISM GROWTH AND DEVELOPMENT

Introduction

The tourism literature on the evolution of travel shows that "the history of travel is, if truth be told, nothing less than the history of man. People have always travelled for one reason or another and the travel gene is clearly embedded deep within the human DNA"[1].

Incidentally, South Africa is world renowned for being the cradle of human kind where the earliest known life forms on earth have been found. The destination has offered significant fossil sites which are ground-breaking in so far as human evolution is concerned. Chief amongst these fossils is the Taung Child, a fossilised skull of a young extinct species of australopithecine, which lived about 2 million years ago. And the oldest stone tools (Oldowan tools) demonstrating that the notion of manufacturing began about 2.6 to 3 million years ago.

These remarkable finds, coupled with the unsurpassed sightings of the Big 5 in Africa, the melting pot of diverse cultures, spectacular natural scenery, friendly people, and a reputation of being a value for money destination, stand Destination South Africa in good stead of being one of the leaders in tourism, especially in Human Evolution.

Very few destinations (this includes South Africa) have discovered important fossil remains relating to the Hominid Evolution, which have links to other World Heritage Sites. These include the Ethiopian Lower Valley of Oman and Awash; the Tanzanian Olduvai George and Laetoli; the Chinese Zhoukoudian; and the Indonesian Sangiran Early Man Site in Java.

This rarity, found in the Cradle of Human Kind, provides a solid basis to declare South Africa as a destination where Humanity began.

Despite these remarkable finds and other offerings, South Africa is yet to fully reach its potential. This can be attributed to various factors which amongst others include lack of diversity in products being offered; insufficient travel facilitation; lack of transformation and negative perceptions around safety.

Currently, Tourism is positioned as a priority sector for national development in South Africa. In particular, the sector is envisioned to contribute immensely to the overall economic growth of the country. South Africa is currently characterised by low employment levels and low skills levels. The tourism sector is ideally suited to absorb a portion of this low-level skill. The upskilling of this cohort is important as the sector grows and develops.

Since the mid-1990s, the tourism economy has made advances in growing direct employment and making a direct contribution to National Gross Domestic Product. Such advances however, fell short of the capability of the sector, which unfortunately remains short of being realised.

[1] Chalmers, W, D. (2011). The origin of the species Homo Touristicus: The evolution of travel from Greek Spas to Space Tourism.

South Africa's considerable potential was first set out, post democracy, in the White Paper on Tourism Development and Promotion of 1996. The White Paper notes that the country's tourism resource base is extensive and states that had its history been different, the country would potentially have been one of the most visited places in the world. However, to reach its full potential requires that key actions, policies and strategies are put in place to provide the context for growth and sustained performance.

There have been extensive initiatives to grow the sector since 1996, but it recently became apparent that a review of the policy was necessary, both to evaluate what has not worked with these initiatives and why, as well as to address emerging matters in the sector.

The policy review process considered the current and future contexts and crafted a comprehensive response to ensure that weaknesses are addressed and that the most appropriate framework for tourism growth is established. At the centre of the comprehensive response is the need for all South Africans, led by the government, to adopt an all-of-country strategy to respond to the challenge of growing the tourism sector, in aid of growing the economy, in an inclusive and sustainable manner.

The lack of diversity in product offerings, which is a result of the past exclusion of the majority of citizens from this sector, is a significant constraint to growth. South Africa's various authentic experiences incorporating traditional and modern South African life in both rural and urban contexts carry potential that is yet to be fully exploited.

Accordingly, the measures identified are meant to make a complete break from the past and move tourism to its rightful place as an essential economic sector that can, with little effort, respond swiftly to the triple challenges of poverty, underdevelopment and inequality that define South Africa.

The review also acknowledges the fragmentation that characterises tourism development efforts and the associated reduced impact of programmes implemented. Integration and regional planning are therefore prioritised in response.

Guiding Principles

The updated policy will be anchored on the following principles:

- South Africa as a destination values its connectedness to the Continent and the SADC region in particular, and seeks to foster this interdependence through the design of the tourism experience;
- Tourism is a multi-stakeholder endeavour and relationships of mutual cooperation are critical for the sector's success;
- Upholding of human rights and non-discrimination in the provision of products and services;
- Advocating for a shared vision within government, business and other stakeholders for the common purpose of job growth in the tourism sector;
- The sector re-affirms its commitment to Responsible Tourism based on sustainable social, economic and environmental practices throughout the value-chain;

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- Promote and develop tourism for the benefit of the Republic and for enjoyment of all its residents and foreign visitors
- Placing the visitor at the core of all tourism programmes;
- Cultivating a sector that is cognisant of its transformative and socio-economic role;
- Promoting a shift to scaled tourism development projects with impact on the overall destination.
- Addressing historical barriers to growth in tourism and resulting employment

Policy Vision

To sustainably grow the South African economy through an inclusive, customer oriented, value for money tourism sector, addressing barriers to tourism growth and responding to the social cohesion imperatives of the country.

Key Proposals

Informed by an understanding of the global, regional and local contexts as well as stakeholder consultations, the policy interventions address areas not fully realised from the 1996 White Paper, those that have emerged in the period after the White Paper, and focus areas for targeted growth such as Rural Tourism and the enhancement of Domestic Tourism. The shared economy will be regulated in such a way that it is brought into the mainstream. In recognition of its place in SADC, South Africa will develop a seamless tourism model.

A highlight of the main proposals is provided in the next section.

Tourism Governance and Cooperation: to address fragmented planning and delivery of tourism, which undermines impact and slows down progress it is proposed for there to be:

- Harmonisation in the delivery of the tourism mandate by spheres of government in line with the Constitution and national tourism policy.
- One country's marketing message reflecting the diversity of the destination (provinces and municipalities) and products.
- Exploring the enhancement of the role tourism should play in the development and promotion of nature-based tourism, particularly in national and provincial parks
- A forum where the leader of government interacts with Tourism stakeholders from both the public and private sectors regularly, to enhance the national prioritisation of tourism and oversee the implementation of agreed programmes;

Safety and Security Management: Acknowledging that South Africa's image is periodically negatively impacted by crime involving tourists and high crime levels reported within the destination broadly and to mitigate the impact of crime-related concerns for would-be visitors, it is proposed to implement the following:

- Intelligence-Based Tourist Safety Programme: A central, shared, research-based tourist safety response programme nationally, facilitated through formal stakeholder

institutional arrangements and supported by increased sensitisation of communities and the media on the value of Tourism;

- Active Alignment: Address crime impacting tourists in high tourist areas using the combined efforts of stakeholders, communities, law enforcement agencies, the justice system and technology security advances;
- Dedicated Tourism Safety Support: In partnership with law enforcement agencies, investigate the establishment of a specialised police unit with capacity for focused preventative measures and the swift resolution of incidents involving tourists.
- Consider hygiene as part of tourism safety and security programme in partnership with relevant authorities.

Transformation: Redress and inclusivity are enshrined in the Constitution to facilitate the economic participation of previously disadvantaged individuals (PDIs) and the flow of benefits to a broader base of people. Tourism's distinctive strength is its capacity to be pursued in any locality and this presents a unique opportunity to impact lives across the country, both urban and rural areas. Mechanisms for the sector transformation framework to support and recognise comprehensive internal skills development programmes by industry with the objective of more inclusive upward mobility of employees to be instituted;

- Tourism industry to align their policy with the Amended Tourism BBBEE Codes to strengthen the gains achieved thus far and contribute to the transformation effort;
- Enterprise and Supplier Development to be embraced as critical lever of transformation by all players in the tourism sector
- Creating value proposition for companies scoring beyond the minimum B-BBEE targets and contributing to community empowerment
- Increased recognition of apprenticeship-linked employment of new entrants to the sector;
- An updated transformation framework for the sector incorporating levers for transformation for scaled empowerment of previously disadvantaged groups developed by the private and public sector (including concessions);
- The facilitation of a formalised sector-wide commitment to jointly address Tourism sector imbalances should be pursued; (to be moved to Strategy)

Embracing Technology: Technological advancements have affected the global economy in various ways. Digitalisation in tourism has created new marketplaces and models for travel and accommodation. Existing policy and regulatory frameworks are misaligned with current technological developments and the advent of platform enabled short-term rental colloquially referred to as sharing economy. There is also insufficient sharing of information in this emerging and unregulated part of the sector, and therefore critical tourism data to inform policy decision-making is unavailable.

Policy proposals are to develop:

- A framework for holistic digital integration of the Tourism workforce and enterprises incorporating innovation opportunities;

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- Structured awareness and skills development programmes targeted at the youth, women and persons with disabilities to increase the understanding and access to new career and entrepreneurship opportunities arising from current and future technological advancements;
- Establish a differentiated system for the regulation of short-term rental accommodation and other emerging platform industries and enterprises to be established;
- Develop a framework for improved reporting by accommodation, transport and other platform enterprises within the sector tourism to ensure access to relevant information on services provided in South Africa; and
- Collaborate with relevant departments and agencies to safeguard the rights of entrepreneurs and workers in the platform economy

Crisis Management: The Tourism sector is susceptible to various shocks and disruptions such as economic crises, health pandemics and weather events.

Proposed policy interventions are to:

- Develop and regularly review tourism crisis management frameworks to enable the destination to manage and respond to crises,

Accessing the Destination: The facilitation of travel to and within the destination is a major factor for securing visitor numbers. Both transport and visa frameworks facilitate access, and may put the destination at an advantage or disadvantage relative to competitors. South Africa currently lacks a coherent national approach to air access facilitation and air service development. Visa easing efforts focusing on tourism growth markets are also required.

Most importantly, enabling infrastructure is a key input for the provision of the tourism product. Road networks enable movement and access to the destination and contribute to seamless travel through interconnectivity with other transport modes. Infrastructure development and maintenance in general is also required to support the geographic spread of tourists into less visited regions through better connectivity of tourist experiences.

The following policy interventions are proposed:

- Support and encourage the easing of visa requirements for key growth source markets in collaboration with immigration authorities and introduce e-Visas and other digital operations where appropriate
- Establishment of a nationally driven air access strategy for the coordination and support of air service development for the country,
- Make it easier for regional travellers to travel into and around the destination,
- Through SADC structures, encouraging seamless travel within the region and destination co-existence;
- Economic infrastructure needs analyses per region be undertaken, and Tourism and transport plans developed to inform investment cases;
- Target the inclusion of Tourism priorities in municipal development plans through mechanisms such as local infrastructure development fora.

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- A medium to long term programme to implement renewable energy infrastructure to ensure that South Africa is recognised as embracing a vision for a low carbon economy, particularly within the Tourism sector;
- Facilitate the inclusion of universal access principles in the Travel and tourism infrastructure development

Quality Visitor Services and Quality Assurance Frameworks: The provision of quality services is central to a competitive visitor economy. Mechanisms for tourism protection need to be strengthened to support redress in case of unmet quality and service standards.

The proposed policy approach is to:

- Retain the current voluntary TGCSA grading system,
- Develop supporting mechanisms for the system such as improving the value proposition and considering extended validity periods for reduced administration,
- Establish partnerships with relevant parties and agencies to improve compliance with the grading framework within the sector amongst participants.

Skills Supply and Employment: Tourism suffers a skills mismatch.

The policy proposals are:

- Review of the secondary and tertiary education curriculum and approach to Tourism training to better incorporate intrinsic skills relevant to industry needs and to align with changing skills demands due to technological innovation and digitalisation,
- Implementation of a simplified process of gathering industry skills needs,
- Development of an enterprise development framework to enable the advancement of the skills base of small and micro enterprises in the sector outlining the contribution of both public and private sector role-players,
- Encouragement of skills development by Tourism enterprises and the sharing of best practices across the sector. Quality approved internal training courses to be considered for recognition in the transformation scorecard,
- Leveraging technology to scale up ease of access to affordable, ongoing learning, and
- Positioning Tourism as a viable career within communities and fostering a greater understanding of the utility of service skills that the sector helps to develop long-term personal growth.

Tourist services: Tourist Guides, tour operators and travel agencies critical services as frontline professionals sharing information about a destination, story-telling and interpretive services to tourists. Policy interventions should include:

- Strengthen the powers of the registrar to review the overall process of administration of Tourist Guiding
- Consider expanding the powers of registrar to include registration / regulation of tour operators and travel agents.

Prioritising Rural and Peri-Urban Tourism: The Tourism potential of many rural and peri-urban regions is not adequately reflected in the country's Tourism offering. According to the

TTCI, South Africa has a competitive advantage globally, ranked 23rd and 15th out of 140 countries for its cultural and natural resources, respectively. It is proposed to elevate rural and peri-urban tourism as a driver of sustainable and inclusive development through:

- Investment in rural tourism corridors and routes of high tourism potential,
- Support of balanced zoning within the Spatial Planning and Land Use Management Act (SPLUMA), which has the levers to provide certainty to investors,
- Tourism clustering, nodes or zonal approach to align with relevant models and frameworks such as Integrated Urban Development Framework,
- Develop tourism niche framework (e.g. homestays) and packages to improve rural and peri-urban tourism offer,
- Strengthen the mechanisms for community participation and beneficiation from the tourism value chain,
- Working with the Rural Development and Land Reform department and other partners to develop a support framework and identify priority areas for intervention to resolve land matters affecting investment.

Enhancing Domestic Tourism for Destination Resilience: The balanced development of both the international and domestic market is critical for strengthening the sector's resilience. The domestic segment is a safeguard for current and future external shocks, making further investment in its growth crucial.

Proposals are:

- Product-market match framework
- Enhancement of market segmentation of the domestic market to better formulate strategies in order to inspire revenue-generating Tourism amongst all segments with potential,
- Cultivation of a passion for travel among the youths and PDI communities to generate future demand and sustainability of the sector,
- Exploration of the feasibility of differentiated pricing as a mechanism to stimulate domestic travel, and
- Activate government and community-owned products to expand access and facilitate affordability for lower-income groups.

Destination Marketing and Branding: Recognising the complexity of stimulating tourism demand, and the need for marketing approaches that maximise benefits from available resources, it is critical that an appropriate destination marketing policy approach is adopted. The recommended Marketing policy principles include:

- Diversified product under a unified brand,
- Differentiated approaches for domestic and international marketing,
- Cohesion in international marketing, and
- Investment in selected markets to deliver volume and value.

The following policy interventions are proposed:

A unified Tourism competitive identity for South Africa must be developed focused on:

- Marketing programmes and investment based on evidence-based, priority market segmentation,
- Adoption of a targeted approach to marketing and branding by country and region,
- Establishing hosting of international business events enabling geographic spread and reduction of seasonality, and
- Programmes for strengthening brand awareness and preference as a prelude to conversion.

Responsible Tourism for the Destination: This updated policy recommits South Africa to a growth path that is sustainable, founded on responsible tourism practice and that prioritises the promotion of commercial, social and environmental interests. The proposals include:

- Adoption of Sustainable Development Goals in planning for tourism
- Tourism development to apply universal accessibility guidelines
- Create value proposition for tourism development applying responsible tourism guidelines

Knowledge Management, Research and Insights: There are constant shifts in tourism trends, which need to be researched, analysed and understood for the destination to remain competitive. The Proposed policy interventions are to:

- Develop an agreed upon knowledge management framework and approach for tourism, including:
- A regularly revised research agenda identifying research gaps and prioritised research focus areas formulated in collaboration with partners, and
- Private and public sector establishment of a tourism Data Hub where all tourism stakeholders share their data- to enhance decision making whilst bridging the information gap between small and large tourism players for tourism growth.

Tourism Diplomacy: No clear articulation of South Africa's Tourism international relations approach at bilateral and multilateral levels (e.g. Africa strategy). Proposed interventions include:

- Implement the SADC Tourism programme aligned to Agenda 2063.
- Implement a framework to support missions for tourism development and promotion.

Tourism Trade and investment: The need for investment to support demand is established. Inadequate investment and fair-trading practices within the tourism sector constraints its growth. A system that regulates tourism trade in a manner that ensures a fair distribution of the proceeds therefrom will stay in South Africa needs to be developed.

The recommended Policy interventions are to:

- Promote South Africa as a preferred destination for Tourism investment by packaging viable investment opportunities;
- Incorporate rural and peri-urban opportunities for tourism investment;
- Promote Tourism as an appealing sector for domestic and regional investors;

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- Develop capacity to package high impact Tourism projects;
- Continuously work towards policy certainty by facilitating removal of regulatory barriers;
- Strengthen the capacity of the government to monitor compliance in the tourism trading space and investment trends, including supply gaps.

As a whole, the policy proposals address the supply and demand factors critical for the recovery and growth of the sector, outline policy interventions for issues that have emerged since the 1996 White Paper as well as areas not fully addressed such as safety and security. At its core, the policy gives effect to the reality that South Africa is a unitary state, even though its functioning is allocated as a concurrent national and provincial legislative competence.

1. INTRODUCTION

At a global level, Tourism has become a vital force in developing the identities and economies of nations. It is also a critical lever for social cohesion, community cooperation and individual participation. The power of Tourism to unlock opportunity has never been more apparent - its qualitative and quantitative value respected like never before.

Embedded within the United Nations Sustainable Development Goals (SDGs), Travel and Tourism is today recognised and respected as an economic sector vital to sustainable and inclusive global development. With more than 4 million people crossing international boundaries every day in 2019, Travel and Tourism currently accounts for over 10% of global GDP and 1 in 10 jobs worldwide. Uniquely, Travel and Tourism has also become a means for shaping the future of nations by (re)strengthening national identity, competitiveness, and participation in the global community.

Notably, the strength of Travel and Tourism's heartbeat comes from its ability to unlock cross-border, cross-cultural and cross-generational understanding. The human interactions created by Travel and Tourism offer us all direct, invaluable sensitivity towards our shared world's diversity and differences in a way that inspires greater understanding, respect, and ultimately peace.

At a national level, the significance of Tourism within the South African economy is now widely recognised. Importantly, the sector has been overtly identified and celebrated as a powerful vehicle for transformation. Major economic policy documents such as the New Growth Path (2010) and the National Development Plan (NDP, 2013) identify the sector amongst core contributors to the country's medium to long-term national economic goals. Key amongst the NDP imperatives is the creation of decent work, an aspect that Tourism is well-positioned to respond to, as demonstrated by the 739 657[2] direct jobs sustained by the sector pre-2020. The direct jobs represented 4.5% of the total workforce as of 2018.

Recognised and respected as a critical part of South Africa's national economic and social fabric and the basis for environmental and cultural prevention, Tourism is highlighted in the country's Economic Reconstruction and Recovery Plan (ERRP, 2020) as one of the priority

[2] Statistics SA, 2019

interventions to drive the reconstruction and recovery of the economy from the Covid-19 pandemic.

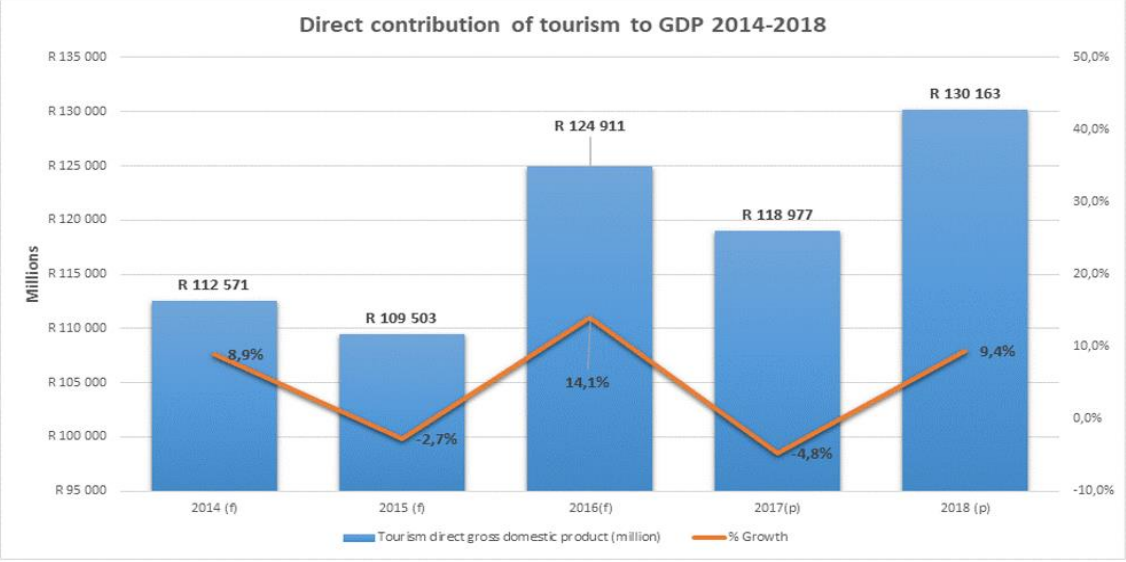
COVID-19 has, as elsewhere in the global Tourism world, caused exceptional damage to South African Tourism. With international borders and skies closed, global Tourism was thrown into a state of paralysis. Unprecedented levels of risk were experienced as tourism value chains were broken. In particular, women, youth and small, medium and micro enterprises (SMMEs) have faced direct challenges to their safety and security as small businesses (supported strongly by entry-level Tourism economy frontline workers) have been forced to close their doors.

According to the World Travel and Tourism Council (WTTC), Tourism's contribution to South Africa's GDP shrunk to 3.7% in 2020 from 6.9% in 2019. Furthermore, the number of people employed in the sector fell to 987,400 from 1,460,900 – a change of 32.4%. The global pandemic and its dramatic, negative impact on South African Tourism has put the sector in the spotlight.

HISTORICAL PERSPECTIVE ON TOURISM WITHIN THE NATIONAL GROWTH STRATEGY

Reflecting further back to the pre-pandemic period, the Tourism sector's contribution to national growth and development has become an embedded aspect of direct contribution to the country's GDP. The graph below illustrates Tourism's direct contribution to GDP from 2014 to 2019.

Figure 1: Direct contribution of Tourism to GDP: 2014-2018



	2014	2015	2016	2017	2018
Share of GDP	2,9%	3,0%	2,7%	2,9%	2,6%

**Note: (f)=Final and (p)=preliminary*

Source: Tourism Satellite Account for South Africa, final 2016 and provisional 2017 and 2018, 2019

Tourism's direct contribution to GDP moved from R112 571bn in 2014 to R130 163bn in 2018.

THE 1996 TOURISM WHITE PAPER

Tourism's role as a tool for development was not appreciated fully in the immediate post-apartheid era. However, the sector is now valued for the significant contribution it can potentially make to the country's development – with the 1996 *White Paper on the Development and Promotion of Tourism in South Africa* (The White Paper) highlighting the sector's invaluable role in rebuilding, positively and sustainably through:

- Revenue generation,
- Employment,
- National Identity,
- Investment attraction, and
- Competitiveness.

The 1996 White Paper was the first broad and comprehensive Tourism policy framework to guide Tourism in South Africa. It sought to prioritise optimising the country's Tourism potential in recognition of the sector's position globally as the largest generator of jobs due to its labour-intensive character, and its revenue generation capacity. As such, Tourism was recognised and respected as a potential engine for economic growth and development and as having the ability to rejuvenate other areas such as the agriculture, manufacturing and crafts sectors.

Prior to the White Paper, various isolated instruments had been put in place, including the South African Tourism Corporation Act of 1947, the Tourist Guide Act of 1978 and the White Paper on Tourism of 1992. These were developed within the context of a divided South Africa, largely catering to the needs and aspirations of a single section of society. This contributed to many missed opportunities, notwithstanding South Africa's inherent potential as a Tourism destination. The policy and legislative interventions were also informed by a paradigm that limited government's role to marketing and focused only on promoting the country as a place to visit. Not much attention was paid to developing and growing the sector or supply-side measures in general.

The Tourism Act 72 of 1993 marked a positive new era in Tourism regulation. It repealed eight pieces of legislation, including the SA Tourism Corporation Act, the Hotels Act of 1965 and the Tourist Guides Act. The 1993 Act provided for the establishment and operational framework for the national destination marketing organisation, SATOUR, a precursor to the current South African Tourism (SAT). It further introduced measures to facilitate enhanced standards of Tourism products and services and provided for the registration and regulation of tourist guides, among other things. This evolution was critical to sector delivery of the Tourism experience, both on the supply and demand sides of the equation.

Subsequent to the introduction of the 1996 White Paper, a strategic approach to coordinating the sector's efforts was initiated through the Tourism in Gear Strategy (1997)[3]. The National Tourism Sector Strategy (NTSS) – a milestone in national Tourism development - followed in 2011 and further articulated the joint strategic actions to be pursued for enhanced growth of the Tourism economy. The Strategy was updated in 2016 and remains under implementation as the current framework for the sector. It outlined demand and supply-side measures to support Tourism growth and development centred on five pillars: Effective Marketing; Facilitating Ease of Access; the Visitor Experience; Destination Management; and Broad-

[3] Department of Environmental Affairs and Tourism, Annual Report 1997-1998.

Based Benefits.[4] To support the NTSS and consolidate the legal basis for the promotion of sustainable Tourism, the Tourism Act 3 of 2014 was finalised and came into effect in June of that year. The policy, strategic and legislative tools have provided a sound framework within which to pursue the sector's goals.

We are now at this critical juncture of sector rebuilding post the COVID 19 pandemic.

2. PROBLEM STATEMENT

South Africa's Tourism economy has yet to exploit fully its potential. This is despite the significant successes registered since pursuance of tourism growth in a comprehensive manner, as signalled by the White Paper.

As South Africa looks to national recovery post-pandemic, it will have to lean on Travel and Tourism. The sector's ability to inspire and enable social, economic, cultural and environmental wellbeing, stemming from its enduring ability to unlock cross-border, cross-cultural and cross-generational understanding will stand the country in good stead. In a post-pandemic world, however, increased competition means that destinations' desire to quickly and aggressively stand out can, on occasion, result in strategically short-sighted product and/or promotion decision making that go against the innate strengths and spirit of the destination.

In so doing, Tourism development can challenge the destination's social, cultural and/or environmental fabric, creating an underlying tension between visitors and locals. Duty of care has, as a result, become a part of the DNA of responsible Tourism growth. For this reason, South Africa seeks to ensure post-pandemic Tourism that is grounded in a quest to build *forward* better.

The foundations in place for future Tourism in South Africa are solid. South Africa has a proven track record of success as a Tourism destination, even when confronted by disruption. Amongst the achievements is growth from an estimated R8.5 billion direct contribution to GDP (1.7% of total GDP) in 1994[5] to R130 billion in 2018 (2.9% of total GDP). The consolidation of South Africa as a globally competitive tourism destination has secured its position as having the largest Travel and Tourism industry in Sub-Saharan Africa.[6] The sector also registered a threefold increase in direct employment, from just over 200 000 in 1995 to 739 657 in 2018.[7] This proven labour absorption is significant for the overall economy in which unemployment remains a major developmental challenge.

Notwithstanding the gains, the latest assessment in the Economic Survey of South Africa notes that the sector lags relative to its potential and considerable resources.[8] Drawing from the NTSS and other supporting strategies, various programmes have been implemented to promote Tourism growth and development. However, many lack scale and are fragmented.

The need to stimulate sustainable, inclusive Tourism growth in line with its unrealised potential has also been recognised in various country-level economic revitalisation strategies

[4] National Tourism Sector Strategy, 2016-2026.
[5] World Travel and Tourism Council. WTTC Online Data Source Tool. 2013.
[6] World Economic Forum, The Travel & Tourism Competitiveness Report, 2019.
[7] 2020 Economic Review of South Africa, OECD.
[8] Organisation for Economic Co-operation and Development, 2020.

such as the Re-Imagined Industrial Strategy.[9] *The policy review process is informed by this assessment. It aims to develop a responsive, updated policy framework to guide the sector to its rightful place through supply and demand interventions. Proposals for the updated policy framework are based, further, on considerations of the current and future context*.

The policy measures identified in this Discussion Document set a growth path for South Africa's Tourism economy to meet its potential within the highly competitive, global Tourism landscape whilst supporting the country's socio-economic needs.

3. THE CONTEXT

3.1 Global Context

Since the latter part of the 20th Century, the Tourism sector globally has proven to be a robust growth sector.

The growth of the sector has been fuelled by:

- Increased global mobility, particularly through low-cost aviation,
- Step-change growth in the population of the Middle Class worldwide,
- Higher levels of disposable income,
- Travel becoming a reflection of personal identity, and
- Governments worldwide recognising the value of the sector as a basis for job creation, revenue generation and national competitiveness.

International tourist arrivals expanded from 25 million in 1950 to 278 million by 1980, reaching 527 million in 1995 and 1,133 billion in 2014. The sector worldwide has also been growing above other sectors annually. In the pre-COVID 19 period, the United Nations World Tourism Organisation (UNWTO) projected the pattern to persist. As an economic sector, Tourism was outpacing all other sectors worldwide, enjoying year-on-year growth in international arrivals of between 3% and 5%. An estimated 1.8 billion arrivals were expected by 2030. With 1.5 billion international tourist arrivals recorded in 2019, the 2030 projection seemed within reach[10]. However, with Covid-19 this estimation has changed dramatically.

Furthermore, the World Travel and Tourism Council (WTTC) expected direct employment from Tourism to reach approximately 136 million jobs by 2026, an increase from 108 million in 2016.[11] For the first time, Tourism was positioned as a critical sector within the UN's global development agenda, overtly responding to Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development adopted by the United Nations in 2015, namely:

- SDG 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all,
- SDG 12 - Ensure sustainable consumption and production (SCP) patterns, and
- SDG 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development while having a multiplier effect on many other Goals.

[9] Department of Trade, Industry and Competition, June 2019.
[10] International Tourism Highlights, 2020 Edition, UNWTO, 2020
[11] Global and Regional Economic Impact Report, 2016

Since this optimistic outlook, the Covid-19 pandemic, which caused a closure of 100% of international borders and grounding of over 18,000 commercial aircraft at its peak in Q2/2020, triggered a sudden fall in Tourism activity worldwide, with overwhelming impact on the global Tourism economy. Due to both restrictions and subdued demand, interruptions to operations have been witnessed across the sector. As the Coronavirus evolved, Tourism activity resumed under uncertain circumstances, with country policies relating to immigration and movement broadly subject to revisions. International arrivals declined by at least 70% in 2020, reverting to figures of almost 30 years previously. This reversal undermined the robust growth rates registered by the sector and its associated positive contribution to overall economies. The virus, therefore, disrupted the sector's performance and position in the short to medium term and introduced significant changes to the macro-environment. Alongside the revenue losses, considerable impact on livelihoods has been felt globally, with around 100 million direct Tourism jobs at risk. Looking ahead, recovery is expected to be slow and current estimates are that 2019 levels might only be achieved in 2023 globally and in 2024 for some regions.

In the period preceding the pandemic, some megatrends set to influence the visitor economy were observed. Among them were:

- Emerging changes to patterns of travel as a result of digitalisation,
- Increased emphasis on sustainability in Tourism, and
- Evolving visitor demand.

The effects of the Covid-19 pandemic have served to fast-track developments regarding these megatrends and reinforced the need for policy responses to address anticipated adjustments and other structural issues. The pandemic has also introduced health as a key consideration for visitor safety, representing a fundamental change in the environment. Other broad impacts of the economic crisis resulting from COVID 19 have informed the policy formulation process.

FORWARD PROJECTIONS – TOWARDS RECOVERY

The latest UNWTO results demonstrate continued challenges in Tourism recovery. In this regard, it is critical for Tourism stakeholders nationally, regionally and globally to recognise that recovery is directly linked to:

- Control of the pandemic: spread, emergence of new variants, management of curves, and vaccine roll-out,
- Easing of border restrictions,
- Re-establishment of air routes, and
- Re-building of traveller confidence.

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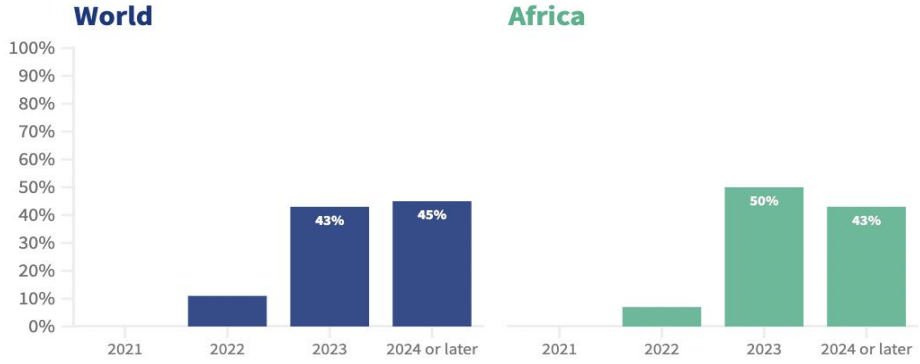
UNWTO REGIONAL TOURISM GROWTH PERFORMANCE PRE-PANDEMIC TO MID-2021

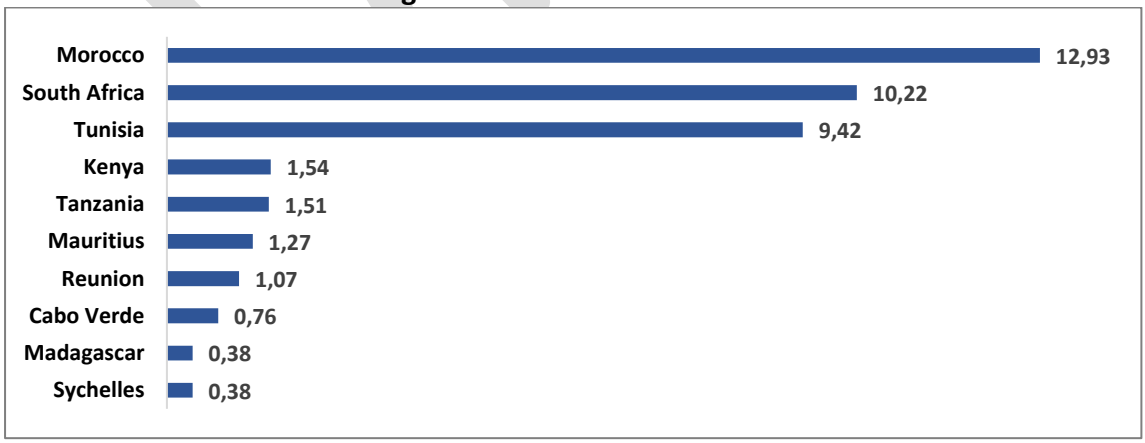
UNWTO's latest projections regarding the timing of sector recovery, globally and in Africa, are as follows:



3.2 The Regional Context

At a continental level, South Africa fares strongly in destination competitiveness.

African Countries with the Largest International Arrival Numbers in 2019 in millions

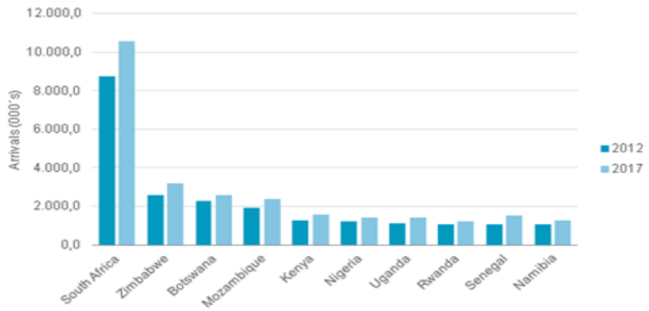


Source: UNWTO, 2021

South Africa is the leader in international arrivals in the Sub-Saharan Africa region, accounting for approximately 70% of Southern Africa's Travel and Tourism GDP. This includes being the highest scorer on the Word Economic Forum's Travel and Tourism Competitive Index in 2019,

with a strong lead over countries in the rest of the region in areas related to cultural resources and business travel (ranking 23rd globally)[12]. Whilst the country surpassed the 10 million mark in international tourist arrivals in 2017, second-placed Zimbabwe hosted 2.5 million visitors in the same year, as illustrated below.

Sub Saharan Africa International Arrivals by Key Destination 2012-2017



Source: Euromonitor International

Selected rankings of African countries show that South Africa is one of the main destinations on the African continent. Morocco was ranked as the leading country in terms of international tourist arrivals with just over 12 million visitors received, followed by South Africa with over 10 million international arrivals and Tunisia with 9.4 million. South Africa's rankings demonstrate its competitiveness if the geographical proximity to traditional markets is considered.

The World Economic Forum (WEF) Travel and Tourism Competitiveness Index (TTCI) rates South Africa among the top two destinations in sub-Saharan Africa. However, the latest (2019) ranking of 61 is a decline from the previous position of 53. Among other comparable destinations on the Continent, Kenya was ranked 83 in 2019, and Morocco ranked 66 globally. Spain, France and Germany were the three most competitive destinations globally, whilst Australia was ranked 7th on both the 2017 and 2019 indices.

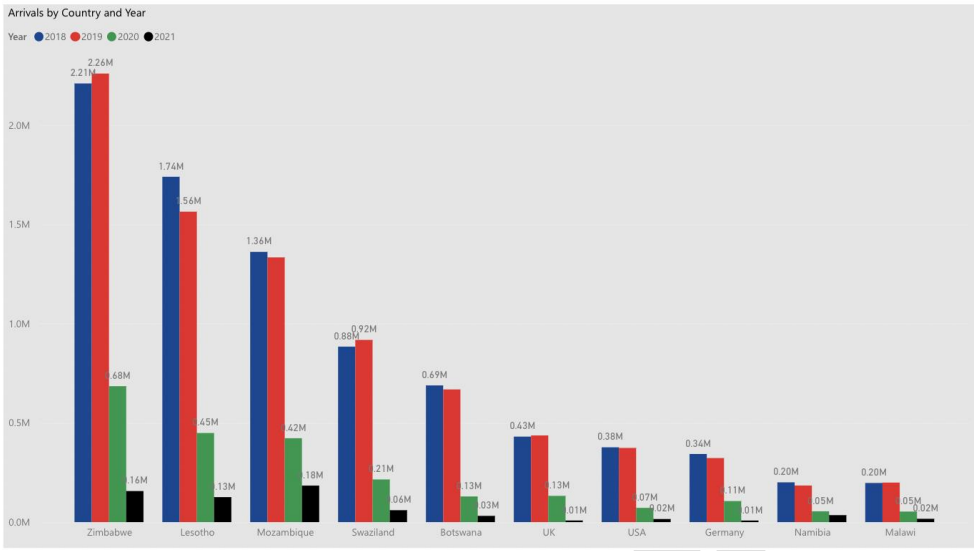
3.3 The South African Context

Destination South Africa's competitiveness has secured a stable number of international arrivals alongside domestic trips.

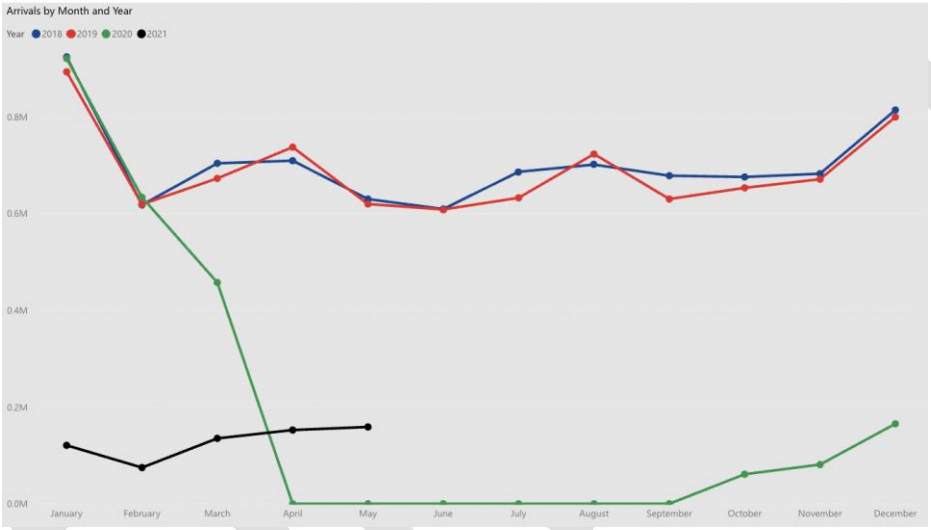
Research conducted by South African Tourism (SAT) reveals the following trends as regards:

- Arrivals by Source Market:

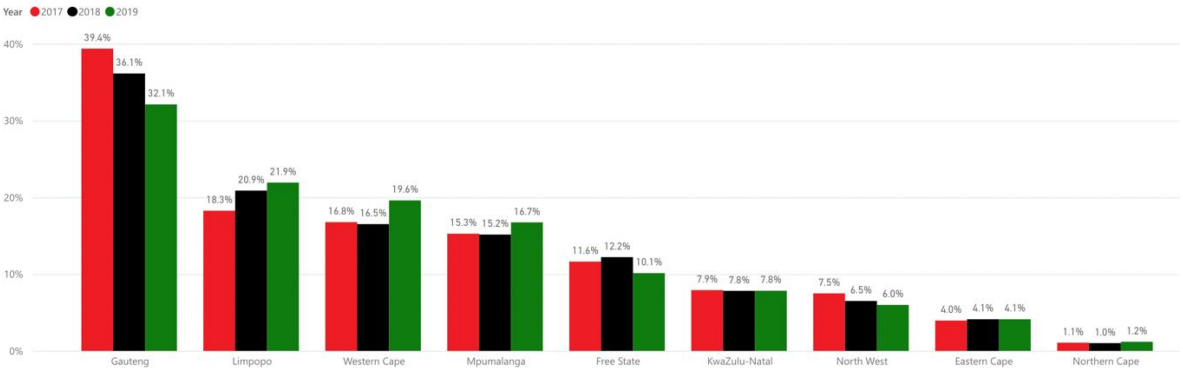
[12] Travel and Tourism Competitive Index 2019



- Seasonality



- Dispersion of Visitation



The top ten Africa and overseas source markets generated a total of 10.2 million arrivals in 2019, as detailed below:

South Africa's Key Source Markets (Africa and Overseas) (2019)[13]

Rating	Market & Arrivals (Africa)	Market & Arrivals (Overseas)
1	Zimbabwe (2 258 794)	UK (436 559),
2	Lesotho (1 563 448)	USA (373 694),
3	Mozambique (1 333 195)	Germany (322 720)
4	Eswatini (917 631)	France (165 038)
5	Botswana (668 315)	The Netherlands (144 071)
6	Malawi (199 079)	Australia (111 439)
7	Namibia (184 431)	India (95 621),
8	Zambia (152 064)	China (93 171)
9	Angola (61 995)	Brazil (77 261)
10	Nigeria (39 041)	Italy (64 764)[14]

MOTIVATION FOR TRAVEL

The main reason for visits from the African region was **Visiting Friends and Relatives (VFR)** followed by shopping; whilst holiday purposes was the main reason for overseas markets, with **Business** purposes coming second.

Most recently, WTTC analysis reflects the sector to be divided as follows when it comes to the nature of Tourism spend:

- Domestic vs International
- Leisure vs Business

[13] Statistics South Africa
[14] Canada at number 10 in 2018 with 67 779 arrivals

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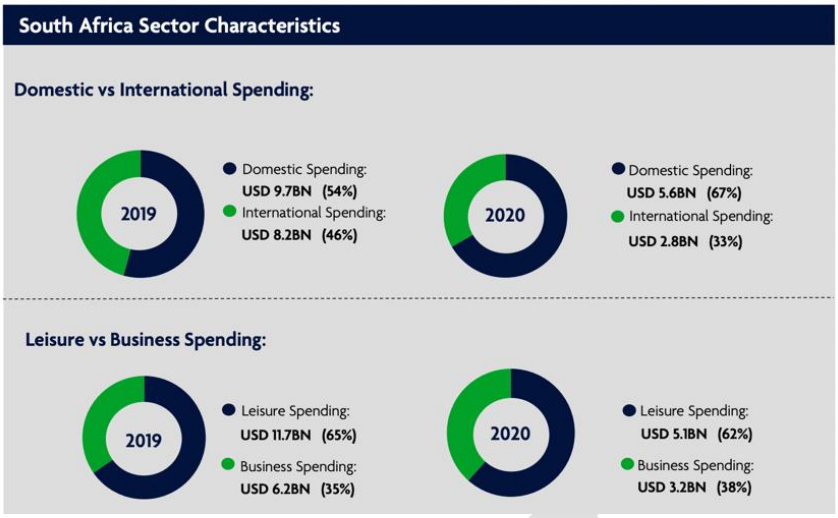
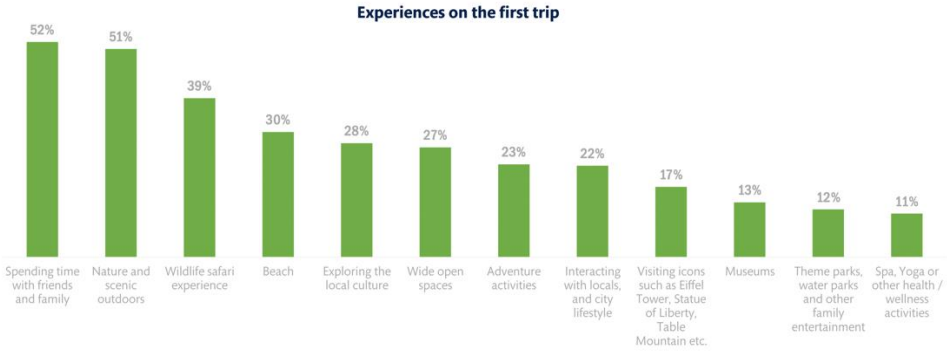


Research conducted during the pandemic by SAT regarding future motivation for travel reveals the following:



THE TOURISM ECOSYSTEM

In terms of the Tourism ecosystem that exists in South Africa and that is responsible for product and service delivery, the Tourism experience is supplied through enterprises operating in three sub-sectors, namely:

1. Accommodation,
2. Hospitality and Related Services, and
3. Travel and Related Services.

A network of publicly owned parks also constitutes the product, mainly providing accommodation and hospitality-related services. These include, inter alia, South African National Parks (SANPARKS) which welcomed over 6.3 million visitors in the 2019/2020 financial year. Importantly, the product is enabled by infrastructure and travel facilitation regulatory frameworks, making the seamless coordination of all the activities essential for the visitor experience.

Small and medium-sized entities dominate the sector and constitute over 75% of the number of businesses operating.

4. GUIDING PRINCIPLES

The creation of a new policy document for Tourism in South Africa demands clear and consistent alignment with fundamentals tied directly to the nation's and regional strategic priorities and principles. The reason being that Tourism does not operate in isolation from:

- Other national development objectives,
- Other sectors,
- Other regional partners.

Therefore, the new policy document is grounded in the following tenets:

- South Africa as a destination values its connectedness to the Continent and the SADC region in particular and seeks to foster this interdependence through the design of the Tourism experience;
- Tourism is a multi-stakeholder endeavour, and relationships of mutual cooperation are critical for the sector's success;
- Upholding of human rights and non-discrimination in the provision of products and services;
- Advocating for a shared vision within government, for the common purpose of growth in the Tourism sector;
- The sector re-affirms its commitment to Responsible Tourism based on sustainable social, economic and environmental practices throughout the value chain;
- Promoting the practice of responsible tourism for the benefit of the Republic and for enjoyment of all its residents and foreign visitors;
- Placing the visitor at the core of all Tourism programmes;
- Cultivating a sector that is cognisant of its transformative and socio-economic role;
- Promoting a shift to scaled Tourism development projects with an impact on the overall destination.

5. POLICY VISION

At the heart of the new national policy for Tourism is the central vision for national Tourism:

"To sustainably and competitively grow the South African economy through an inclusive, inspiring, visitor-oriented Tourism sector that consistently:

- Leverages innovation as the basis of creative, compelling experience development and delivery,
- Builds partnerships to strengthen sector impact nationally, regionally and globally,
- Addresses barriers to Tourism growth, and
- Responds to the social cohesion imperatives of the country."

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6. POLICY OBJECTIVES

With this vision in place, the new Tourism policy seeks to facilitate growth and transformation of the sector through the following strategic objectives:

- Increase Tourism's contribution to the broader economy through geographic, year-round spread of visitor volumes and revenue;
- Drive increased employment and entrepreneurship as an integral part of growth efforts, with particular focus on women and youth;
- Provide for the sector's enhanced resilience and ability to respond to economic, health and other crises through risk mitigation innovation;
- Improve the capacity for research and targeted data gathering to understand, leverage, and cater for the domestic and regional markets;
- Contribute to community engagement and ownership of the sector;
- Promote a more inclusive sector through increased skills development and financial support;
- Attract Tourism investment and develop supportive Tourism infrastructure, especially to drive innovation in experience delivery;
- Ensure sustainable Tourism development: economic, social, cultural and environmental;
- Create an enabling regulatory environment for the present and future, especially as regards technological developments.

7. ENABLING THE VISION

Delivery on the goals set out in the vision will depend on an enabling environment and targeted interventions based on the following elements:

- Continuous assessment and management of inhibitors to growth;
- Adequate responses to new trends and developments;
- Fostering seamless travel;
- Partnerships at local, national, regional and global levels to facilitate advanced cooperation, security, mobility and opportunity creation;
- Improved mutual understanding of policy inter-linkages as a basis for a whole-of-government approach, including targeted models of cooperation with Departments responsible for the following mandates: education, immigration policy, infrastructure funding, international relations, enterprise development, safety and security, transport and investment;
- The vision needs to be understood, embraced and institutionalised by key public, private, academic, and other stakeholders for its successful, ongoing, and aligned implementation.

8. EVOLVING FORMER POLICY

The 1996 Tourism White Paper addressed several policy areas as a comprehensive framework for the country's efforts to develop the Tourism economy, the majority of which remain

relevant for the sector. These were pursued through various strategies and initiatives, working with partners over the past two decades.

Whilst significant strides were made to enable the sector to establish and sustain a growth course, limited achievement in some of the policy areas was recorded. Regional cooperation alongside integration amongst the spheres of government is such a policy area, as reflected in the fragmented management of Tourism and lack of maximisation of resources. Safety and Security also remains a problem, with perceptions of South Africa as an unsafe destination still prevailing and acting as a barrier to travel in respect of some source markets.

The White Paper also highlighted an untransformed sector and the limited integration of local communities and previously neglected groups into Tourism as challenges, a situation which persists despite some positive developments. Gaps in creating sustainable employment and entrepreneurship opportunities for the benefit of the youth and women still endure.

The below represents an outline of critical areas of policy evolution, identifying:

- Area of Focus
- Problem Statement
- Policy Proposal

8.1. EVOLVING FORMER POLICY: Tourism Governance and Cooperation

The opening statement of the Founding Provisions of the Constitution declares that "The Republic of South Africa is one, sovereign, democratic state…" Chapter 3 provides that while government is constituted at the national, provincial and local spheres, all spheres must preserve the national unity and indivisibility of the Republic. They are further called upon to provide a coherent government for the Republic as a whole.

Schedule 4 of the Constitution distributes only the functioning of some sectors. This constitutional injunction must inform the management of Tourism, in particular, considering that administrative borders do not influence tourists in their choice of experiences. As a sector that is highly dependent and impacted on by a multiplicity of factors, tourism is reliant on coordinated action and integration for its orderly development. An ideal delivery framework for tourism should facilitate its execution through seamless integration of communities, the whole of government and the private sector. Governance arrangements should also recognise that the tourism experience transcends administrative boundaries.

Approaches to integration by various destinations include establishing structures, led at the highest level and involving all related ministries, multiple spheres of government and the private sector. The structures serve to facilitate consultation and policy coordination (Australia), foster cooperation and destination competitiveness (Canada), facilitate consultation on key policy issues affecting Travel and Tourism (Finland), and operate as information exchange and advisory bodies (Germany, Switzerland).

Problem Statement

There is fragmented planning and delivery of Tourism as well as a lack of accountability with regard to ethics in the sector, which undermines impact and slows down progress.

Multiple overlapping mandates amongst the three spheres of government promote uncoordinated individual action to deliver on each separate mandate.

Policy Proposals

The following is proposed:

- Harmonisation in the delivery of the tourism mandate by spheres of government in line with the policy and the Constitution.
- One country's marketing message reflecting the diversity of the destination (provinces and municipalities) and products.
- Exploring the enhancement of the role tourism should play in the development and promotion of nature-based tourism, particularly in national and provincial parks.
- A forum where the leader of government interacts with Tourism stakeholders from both the public and private sectors regularly, to oversee the implementation of agreed programmes.

8.2 EVOLVING FORMER POLICY: Safety and Security Management

The OECD notes that safe and secure Tourism is a critical measure of destination competitiveness.[15] Concerns related to safety, the risk of criminal incidents, political unrest and most recently, potential health-related threats significantly influence destination Tourism demand with travellers choosing not to visit countries and regions they regard as unsafe.

Arising from highly publicised criminal incidents, the nature and frequency of public protests impacting public roads and published national crime statistics, South Africa is perceived as an unsafe destination in some source markets. This acts as a barrier to Tourism and counteracts marketing efforts. Concern about potential incidents also affects the packaging of experiences and geographic spread. For example, some major attractions reportedly fall off itineraries as a precaution due to a few criminal events along routes to the said products.

Escalation in crime affecting tourists has a magnified negative impact on the economy due to the press it receives in the marketplace of the source country. Often, police responses and arrests are not perceived as an effective deterrent, and the coverage of tourist areas by safety and security capacity is not always adequate to contribute to a sense of safety and lessen the likelihood of crime against visitors. It is also important to note that the safety of tourists is intricately linked to the safety of local communities.

Therefore, it is crucial that safety and security strategies be in place catering for proactive preventative and responsive measures for all incidents, including accidents and natural disasters. The Tourism White Paper identified amongst the responses, collaboration with relevant organisations such as law enforcement agencies for resources and approaches to reduce crime against tourists, the provision of information to visitors to improve safety and the institution of swift legal procedures for effective prosecution of cases.

[15] OECD Trends and Policies 2010

The sector has partnered with the South African Police Service (SAPS) to formulate a Tourism safety strategy and implement a Tourism safety monitors' programme. The programme includes patrolling, providing tourist information and reporting incidents to law enforcement agencies focused on key tourist sites. Monitors are drawn from the youth, who are trained and mentored before placement, with an initial 200 recruited.

Some destinations have responded to visitor concerns about crime by establishing targeted tourist police units supporting tourists and handling complaints (Dominican Republic, Kenya, Ghana, Malaysia, Egypt), through implementing victim support programmes (Ireland, Gauteng and the Western Cape in SA) and through coordination activities incorporating Tourism-focused police planning, working with tourist facility owners and agreed upon forms of cooperation including preventative programmes (Slovenia).

Problem Statement

South Africa's image has been negatively impacted by crime involving tourists and high crime levels reported in the destination broadly. Crime-related concerns negatively impact the desire to visit South Africa by international tourists and is a deterrent against self-drive domestic Tourism. There is also perceived risk related to community service delivery protests which adds to an unsafe outlook of the destination.

Current responses do not provide for the prompt resolution of crimes against tourists and make insufficient use of technology solutions for increased effectiveness, particularly for high tourist areas and supporting visitors travelling in groups. The limited community understanding of the contribution of tourists and Tourism to the economy is also not addressed. The frequency of health-related pandemics and or epidemics further underlines the need to broaden the safety lense.

Policy Proposals

The proposed approach is for the following to be undertaken:

- Intelligence-Based Tourist Safety Programme: A central, shared, research-based tourist safety response programme nationally, facilitated through formal stakeholder institutional arrangements and supported by increased sensitisation of communities and the media on the value of Tourism;
- Active Alignment: Address crime impacting tourists in high tourist areas using the combined efforts of stakeholders, communities, law enforcement agencies, the justice system and technology security advances;
- Dedicated Tourism Safety Support: In partnership with law enforcement agencies, investigate the establishment of a specialised police unit with capacity for focused preventative measures and the swift resolution of incidents involving tourists.
- Consider hygiene as part of tourism safety and security programme in partnership with relevant authorities.

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8.3 EVOLVING FORMER POLICY: Transformation

The founding provisions of the South African Constitution enjoin us to build a democratic state founded on the achievement of equality, among others. The Bill of Rights provides measures to be taken to protect or advance persons disadvantaged by unfair discrimination.

In this regard, South Africa enshrined the principle of redress through section 217 of the Constitution of the Republic as amended. In order to give effect to this policy, the Broad-Based Black Economic Empowerment (B-BBEE) Act was enacted in 2003 through the Department of Trade and Industry. As a principle, transformation is voluntary and based on joint stakeholder commitments to work collectively to extend opportunities and benefits to previously disadvantaged individuals (PDIs).

Tourism's distinctive strength of its capacity to be pursued in any locality presents a unique opportunity to impact lives across the country, be it in urban or rural areas. This transformative power should be harnessed to facilitate the extension of economic benefits through funding instruments, well-defined mandates to public entities and levers provided for in the Tourism Transformation Code. A genuine sector partnership consensus should be established to support this goal.

The *Tourism B-BBEE Sector Code* outlines the details for transforming the Tourism economy through five focus areas. Ownership and Management Control are critical levers, whilst Skills Development, Enterprise and Supplier Development, and Socio-Economic Development are core development areas. The framework requires large and medium enterprises to transform through the five elements. It exempts small enterprises with up to R5million annual turnover from compliance, granting them an automatic level four rating. A reduced compliance requirement is applied for medium enterprises, which is the category registering between over R5million and under R45 million turnover annually, whilst compliance with all elements is required from large enterprises with turnover above R45million. Compliance with the B-BBEE Code is defined as achieving a rating between levels 1 and 8 as certified by a rating agency. As a result of the dominance of small enterprises in the sector, most Tourism enterprises are exempted from compliance with transformation targets.

Transformation of the sector has been slow. Studies have highlighted that black women, in particular, have benefitted the least from the process both in respect of management control and shareholding. This is significant considering that women are by far the majority of employees at entry and basic supervisory levels in the sector. Procurement from black suppliers by large enterprises is also low whilst performance on the socio-economic development score is relatively good.[16]

Inclusion has been successfully facilitated in markets such as Namibia through concessions. The instrument is a market-based mechanism capable of achieving sustainable and inclusive growth while ensuring the commercialization of facilities. It involves private parties bidding for the right to invest and commercially use state properties in support of conservation and Tourism in exchange for the payment of a concession fee to the regulating authority. The benefits for the private party are that they acquire access to unique Tourism sites and can achieve a competitive return on investment. The regulating authority receives revenue, an asset upgrade and realises savings.

[16] Tourism B-BBEE assessments reports, Department of Tourism.

At the same time, the arrangement is a useful tool to facilitate Black Economic Empowerment (BEE), the stimulation of SMMEs, job and skills creation in the local economy. A broad-based empowerment and community beneficiation initiative in KwaZulu Natal involves a private reserve paying an agreed lease fee to local communities who benefitted from a land claim settlement. The establishment also employs members of the community and undertakes development projects for the community's benefit. Malaysia also offers an example of the institution of economic policy to empower marginalised indigenous communities, facilitate their participation in economic activities and acquire ownership in varied economic sectors.

Problem Statement

Poor market access and opportunity continue for previously disadvantaged individuals, along with low integration in economic participation and entrepreneurship, as a result of, inter alia:

- The sector's limited number of large enterprises to drive transformation and predominant family ownership which presents unique challenges for the transformation programme;
- Funding shortages and artificial barriers to entry persist;
- Low levels of economic beneficiation for communities living adjacent to protected areas;
- Protected areas and parks owned by national, provincial and local government entities are regulated through the Generic Codes of Good Practice, which are not adapted to address concession challenges in state-owned Tourism assets and other distinctive Tourism transformation challenges;
- Skills development programmes including apprenticeships, coaching and mentoring insufficiently targeted for the adequate preparation of the youth and young adults entering the working environment and those wanting to progress into entrepreneurship should be integral to transformation.

Policy Proposals

The following policy actions are proposed:

- Tourism industry to align their policies with the Amended Tourism B-BBEE Codes to strengthen the gains achieved thus far and contribute to the transformation effort;
- Enterprise and Supplier Development to be embraced as critical lever of transformation by all players in the tourism sector;
- Creating value proposition for companies scoring beyond the minimum B-BBEE targets and contributing to community empowerment
- Mechanisms for the sector transformation framework to support and recognise comprehensive internal skills development programmes by industry with the objective of more inclusive upward mobility of employees to be instituted;
- Increased recognition of the apprenticeship-linked employment of new entrants to the sector;

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- An updated transformation framework for the sector incorporating levers for transformation for scaled empowerment of previously disadvantaged groups developed by the private and public sector (including concessions);
- The facilitation of a formalised sector-wide commitment to jointly address Tourism sector imbalances should be pursued;
- Strengthen mechanisms for access to finance by SMMEs to promote transformation

9. EMERGING ISSUES AND OPPORTUNITIES

Technological advancements have affected the global economy in various ways. The World Economic Forum highlights the digitisation and integration of value chains, the digitisation of products and service offerings, and digital business models as the main features of the new developments. Some key enablers for Tourism sector transformation include scaling up of innovations, namely:

- Digital economy,
- Robotics,
- iCloud,
- Artificial Intelligence (AI),
- Virtual Reality (VR), and
- Omnipresent connectivity (i.e. Wi-Fi and 5G).

These technologies have operated alongside the human value-add to enhance the Tourism product and reinforce the central service philosophy at the heart of Tourism. According to the UNWTO, innovation in new technologies can enable new opportunities and support digitally-enabled growth for the sector. Areas that can benefit from innovation include travel facilitation, Tourism data, training and skills development, and job creation. There are also high-skill job opportunities within the sector by merging information and communication technology (ICT) skills with the understanding of Tourism business models to develop services for the Tourism sector locally and globally.

9.1. EMERGING ISSUES AND OPPORTUNITIES: Embracing Technology

The Tourism ecosystem has continuously been modified by increasingly accessible and affordable technology. Simple adaptations such as basic e-marketing and online sales have been widely adopted. Several opportunities can flow from advanced technologies for the small and micro sector, which is dominant in the Tourism space. These include:

- Increasing efficiency,
- The development of new business models,
- Increasing ease of mobility,
- Strengthening information and engagement within the visitor experience, and
- Facilitating entry into new markets.

The challenge is for SMMEs to recognise and exploit the possibilities to safeguard their competitiveness in a digital economy. In general, small enterprises lag large entities in

adopting advanced technologies such as data analytics, cloud computing and geotagging.[17] A policy to support the adaptation needs of both the SMME sector and the workforce would therefore strengthen sector resilience for the overall benefit of the destination. South Africa's integrated strategy on the 4th Industrial Revolution identified the need to:

- Respond with agility and purpose through artificial intelligence,
- Take advantage of opportunities presented by technological change to enhance global competitiveness, and
- Ensure that citizens are prepared and, where necessary, to shield them from the adverse consequences of technological changes, as the main areas of focus.

Changes to the way people travel due to technology and digital connectivity provide an opportunity to understand visitors' motivation; increases the sector's capacity to innovate and commercialise digital technology; and transforms Tourism analytics and data use through the creation of independent Tourism Data Hubs (UK Tourism Sector Deal). This would enable the analysis of visitor preferences in real-time. Technology also expands consumer possibilities for inspiration and information whilst enabling new insights through big data analytics, and if necessary, influences booking and travel behaviour. (Netherlands) Creating and activating an independent data alliance for Tourism enables sector sharing of existing data and knowledge.[18]

Focused on providing the best customer journey possible, Finland developed a *Roadmap for Digitalisation* to create a nationwide digital ecosystem with key steps including data collaboration, integrating and promoting product inventory and ensuring multi-channel availability.

Meanwhile Digitalisation in Tourism has created new marketplaces and models for travel and accommodation. Sharing economy platforms, also referred to as "new platform tourism services", are prevalent within the accommodation and travel sub-sectors. Within accommodation, they have offered broader market exposure whilst increasing the cost of doing business for small enterprises. This is due to commissions charged for the market exposure and pressure to list on several platforms to increase the opportunity to secure sales. Benefits highlighted by the platform operators include access to markets by micro and emerging enterprises and the unlocking of authentic enterprises.

Challenges have emerged, however, including flooding of supply, including that which is unregulated. This can drive down prices to unsustainable levels, particularly for formal Tourism entities carrying operational costs.

The monitoring and regulation of sharing platforms has been implemented by countries and cities. Some cities introduced rules limiting the number of properties that owners can list on booking platforms to manage tourist flows. Fines to platforms for marketing lodgings without permits to host tourists were also imposed, and limits to the length of rental through platforms ranging from 30 to 120 days (London, Santa Monica) have been imposed. Paris introduced a limit for owners renting primary residences to no more than 120 days per year and imposed rezoning requirements for properties being rented out for more than four months. Nairobi sought to register and license all serviced apartments, houses and villas

[17] OECD Tourism Trends and Policies, 2020

[18] Netherlands 2030 Vision: Perspective Destination, the Netherlands 2030.

subject to inspection and approval prior to the commencement of operations. Those who successfully register will be issued with the regulatory license. Other responses include the creation of a registry (Greece) and the collection of tax and tax data. A clear, coordinated approach to integrating the digital economy into the wider sector economy is critical to maximising benefits for industry access and participation.

Problem Statement

- Lack of support mechanisms for the sector, particularly SMMEs, to adapt to a digital future and other technological advancements.
- Small entities have limited and varied ability to adapt to the demands of the digital revolution and risk extinction and poor destination competitiveness
- An unregulated sharing economy due to misalignment between existing policy framework with current technological development
- Insufficient information about this unregulated subsector to inform policy decision making
- Potential increase in cost of doing business for regulated accommodation entities due to listing on multiple booking platforms incurring unregulated commission costs

Policy Proposals

Policy approaches should incorporate:

- A framework for holistic digital integration of the Tourism workforce and enterprises incorporating innovation opportunities to be developed.
- Structured awareness and skills development programmes targeted at the youth, women and persons with disabilities to increase the understanding and access to new career and entrepreneurship opportunities arising from current and future technological advancements.
- A differentiated system for the regulation of short-term rental accommodation to be established;
- A Framework for improved reporting by accommodation, transport and other platforms within Tourism to ensure access to relevant information on services provided in South Africa; and
- Consider Implementing thresholds on short-term rentals in line with internal best practices
- Collaborate with relevant departments and agencies to safeguard the rights of entrepreneurs and workers in the platform economy.

9.2 EMERGING ISSUES AND OPPORTUNITIES: Crisis Management

The Tourism sector is subject to various shocks and disruptions such as economic crises, health pandemics and weather events. Despite the historical resilience of the Tourism sector and the ability for some destinations to recover, the irregular occurrence of these crises can potentially undermine long-term sustainability.

Previous major crises include the Spanish flu of 1918, the global financial crisis of 2008/2009 and recently, the 2019 Coronavirus pandemic. The events have revealed poor preparedness from destinations to comprehensively handle the impact of crises. Other crises include post-

election violence (Kenya 2007/8), volcanic eruptions (Iceland, Chile), hurricanes (Katrina, USA), the Indian Ocean Tsunami, the 9/11 attacks (USA), foot and mouth disease outbreaks (UK) and the Severe Acute Respiratory Syndrome epidemic in Asia. Effective responses to some of these crises were limited, resulting in significant disruption to travellers.

The 2008/2009 global financial crisis led to significant declines in tourist activity and changes in travel habits, including a decrease in long-haul travel in favour of intraregional and domestic trips in the short term. The COVID-19 pandemic led to significant adverse impacts to Travel and Tourism due to travel restrictions and related responses to the crisis.

The World Tourism Organisation has consistently advocated for the creation of a resilient Tourism sector. Following the 2008 economic crisis, the UNWTO established the Tourism Resilience Committee, which developed the roadmap to recovery with recommendations for countries. The recommendations broadly highlight the significance of the green economy, stimulus measures and resilient measures through strengthened market intelligence. Through the *One Planet Vision*, the UNWTO has also called for responsible recovery measures focusing on balancing the needs of the people, planet and prosperity.

The 2017 Risk and Crisis Management in Tourism Sector by Member states of the Organisation of Islamic Cooperation (COMCEC) acknowledges the impact any significant crisis might have on the sector's ability to operate normally either because of damage to infrastructure and facilities or because the destination will be perceived as unsafe. Although the impact may be limited to a specific geographic location, the market concern about the safety of travel and negative image may apply to the whole country. This may break the established mould of tourism and create opportunities to develop in the new directions. Destinations can therefore develop new products according to available resources in line with emerging market trends[19].

Problem Statement

- The Tourism sector currently lacks a comprehensive national crisis management framework to manage and respond to crises in a coordinated manner, and responses tend to be ad hoc.
- There appears to be a lack of appreciation that disruptions and disasters periodically affect all sectors and that crisis management is not the sole responsibility of the Disaster Management Centre.
- Tourism crisis management and building resilience have not been sufficiently prioritised by the Tourism sector, and a Tourism crisis management strategy with the institutional arrangements to guide proactive responses is lacking.

Policy Proposal

The certainty of crisis re-occurring demands that the sector:

- Develop and regularly review Tourism crisis management framework to enable the destination to manage and respond to crises.

[19] COMCEC (2017). Risk and Crisis Management in the Tourism Sector. Recovery from crisis in the OIC member countries

- Monitor emerging market trends out of crisis and explore new products in line with available resources.

9.3. EMERGING ISSUES AND OPPORTUNITIES: Accessing the Destination

The facilitation of travel to and within the destination is a major driver for securing visitor numbers. This relates to both transport and visa frameworks, which may put the destination at a disadvantage relative to competitors. Transport networks and admission policies either support or undermine the ease with which potential visitors can access the country. This impacts travel decisions, including how domestic travellers reach their destinations. Support for domestic Tourism requires the maintenance of domestic flight routes, domestic roads and an efficient integrated transport system.

The importance of air connectivity is also influenced by the country's location as a long-haul destination relative to major source markets. Visitors from these markets can be efficiently facilitated into and out of the destination through air travel. The Department of Transport is mandated to negotiate air traffic rights with other states, which are thereafter designated to airlines to operate routes and frequencies. In collaboration with other players, Tourism authorities have adopted strategies to develop new Air Services to help connect destinations or ease access through direct flights or additional frequencies on existing routes. These Air Service Development initiatives are, however, uncoordinated, with the potential of being counter-productive. They are also not guided by a destination level strategy to balance localised aspirations with overall national imperatives. Provinces such as the Western Cape (Cape Town Air Access), KwaZulu-Natal (Durban Direct), Eastern Cape (Nelson Mandela Bay Air Access) have initiated air service development structures.

Globally, countries such as the USA (Essential Air Service & Small Community Development Grant), Scotland (Air Route Development Fund), Wales (Route Development Fund), Spain (Canary Island Fund), Germany (Frankfurt Airline Incentives), Belgium (Brussels Airport Incentives Program), and Malaysia (Incentive programme) provide support for air service development to support the competitiveness of their destinations. The initiatives generally involve financial and non-financial incentives to support route development.

A ground transport sector “not geared to service tourists” was identified as one of the key constraints to Tourism in the 1996 White Paper. This assessment largely remains relevant, with enabling infrastructure still poor in the less developed parts of the country and rural areas. Road networks enable movement and access to the destination and contribute to seamless travel through interconnectivity with other transport modes. Infrastructure development and maintenance, in general, is also required to support the geographic spread of tourists into less visited regions through better connectivity of tourist experiences. The development, enhancement and maintenance of Tourism and public infrastructure responsive to the needs of tourists is a key input for the overall tourist offering. The infrastructure development and maintenance should always be guided by the universal access principles as outlined in the UNWTO Global Code of Ethics in Tourism and South Africa’s universal access framework.

Destinations have prioritised investment in infrastructure as a tool for regional dispersal of visitors and implemented regional Tourism infrastructure programmes to attract more

DRAFT

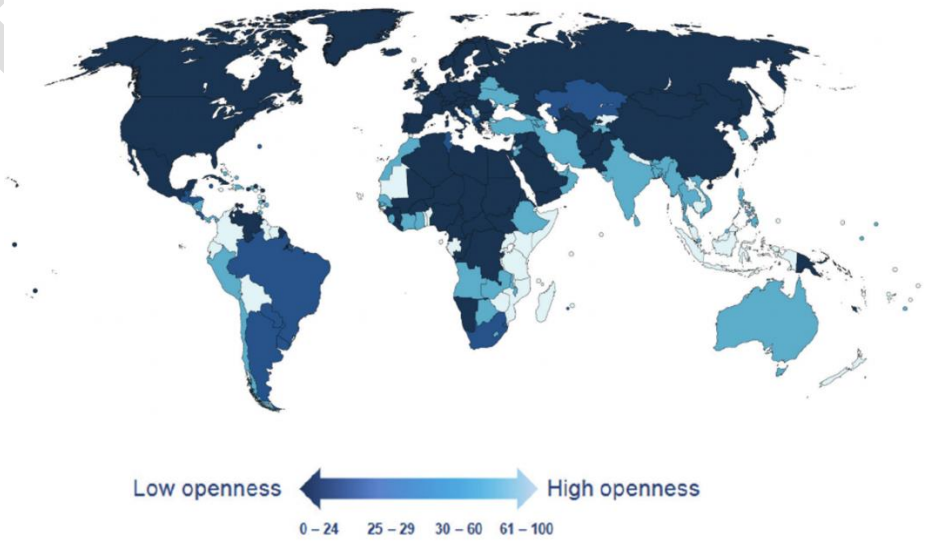
tourists beyond major metropolitan areas. (Australia)[20]. Others develop Tourism and Transport Action plans to inter alia influence transport planning at a strategic national and local level to accommodate visitor requirements, take advantage of "once in a generation infrastructure projects", and generally improve the ability of domestic and international visitors to reach their destinations. (VisitEngland)[21]

The National Development Plan[22] highlights the need for a "strong network of economic infrastructure" to support the economy's growth objectives. It advocates for targeted development of transport and other networks. For Tourism, the targeted approach can be consolidated through Tourism and transport plans developed with the transport authorities for Tourism regions and routes.

The OECD Trends and Policies 2020[23] cautions that tourism growth can put pressure on infrastructure, the environment and local communities in particular [if it undergoes] rapid and unplanned growth. Managing the effects of Tourism on the destination as growth is pursued is therefore vital.

Regionally, land transport is the dominant mode for visitors from the Southern African Development Community (SADC) region, which form the bulk of South Africa's key defend source markets. Facilitation of movement in the border environment is therefore critical in supporting Tourism flows. The initiative to ease traffic congestion at land ports and expedite the movement of goods and persons through the One-Stop-Border-Post project by the DHA is encouraging.

Visa policies remain a crucial part of visitor attraction. The UNWTO's 2019 Visa Openness report provides a global view of the world population affected by visa policies of different regions around the world. The 2018 numbers are depicted below:



[20] OECD. (2020). Tourism Trends and Policies.
[21] Strategic Action Plan for Tourism 2010-2020.
[22] NDP, Chapter 4

	No visa	Visa on arrival	eVisa	Traditional visa
World	**21**	**16**	**10**	**53**
Advanced economies[b]	24	0	6	70
Emerging economies[b]	20	20	11	49
By UNWTO region				
Africa	**10**	**33**	**12**	**45**
Americas	35	5	5	56
Asia and the Pacific	22	21	17	41
Europe	24	4	7	66
Middle East	6	17	17	60

Source: Data compiled by UNWTO based on information of national official institutions

The Department of Home Affairs (DHA) works collaboratively with the Department of Tourism, implementing an approach of visa waivers where feasible and easing visa processes where a waiver is considered not to be appropriate. DHA accreditation of tour operators in China is an example of easing visa processes through eliminating in-person applications. The DHA is further implementing an e-Visa system pilot for the period up to 2022 in select visa-requiring markets, including China, India, Kenya and Nigeria.

Visa waivers are an effective policy measure used by countries to facilitate ease of access. The United Nations World Tourism Organisation conducted studies examining the impact of visa facilitation in the Asia Pacific Economic Cooperation (APEC) region. They found that visa waiver programmes are the most effective policy intervention significantly impacting international tourist arrivals.

Other programmes focus on selected travellers. Qatar facilitates ease of access for first class and business class passengers arriving in Doha by allowing them access to immigration lounges for expedited immigration processes. Passengers are required only to present their business or first-class ticket in order to gain access to the immigration lounge. Ghana introduced a business class immigration facility at its new Kotoka Airport terminal in 2018. The US Custom and Border Protection Facility in Abu Dhabi allows US bound Etihad Airways passengers to process all immigration, customs and agriculture inspections in Abu Dhabi before departure to the USA. After such processing, there is no need for further checks when arriving in the USA. This process is seen as the fastest way to get through the airport and on to the final destination in the US.

As of March 2019, the majority of South Africa's key source markets enjoyed visa waivers, as illustrated in Figure 2 below:

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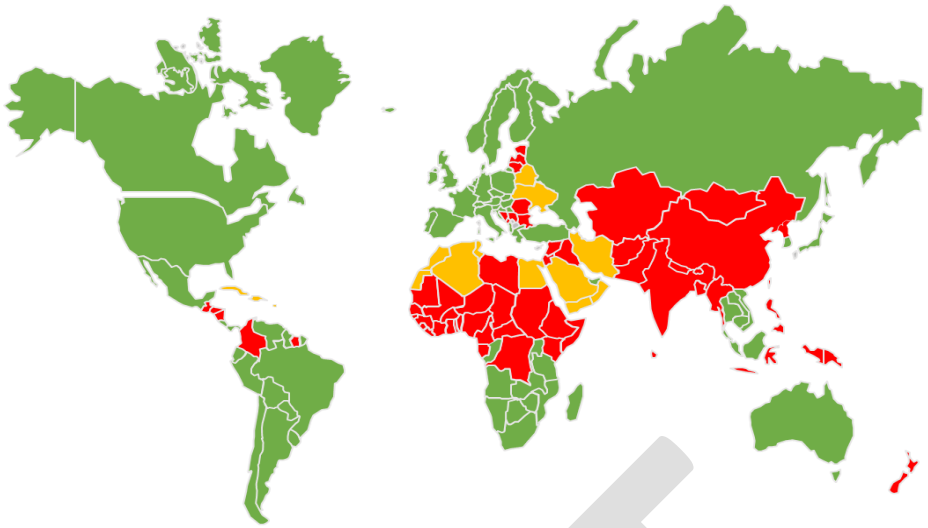

Figure 2: Visa Status for Travel to South Africa, 2019. Green= visa waiver, Yellow=visa regime under review and Red= visa required

Visa-free regimes have since been extended to a further seven countries, including Ghana on the continent and New Zealand (NZ), after visa restrictions were imposed on NZ in 2017. The concentration of visa-requiring countries in Africa is out of sync with the aspirations of a better-connected continent with ease of movement for people and goods as outlined in the African Union's Agenda 2063. Tourism is one of the priority sectors for the liberalisation of trade in services under the African Continental Free Trade Area (AfCFTA) framework. This requires an environment of improved access to all countries and better movement of people and goods within the Continent.

Problem Statement

Overt challenges exist as regards the fundamentals of traveller accessibility, including:

- Need for enhanced ease of travel facilitation for visa requiring growth Tourism source markets, manual visa processing and inadequate visa processing capacity in some centres
- Lack of a coherent national approach to air access facilitation and air service development for the country;
- Limited air and land infrastructure to support accelerated intra Africa travel;
- General low investment in tourism supportive infrastructure, poor maintenance, competing infrastructure priorities, and planning and implementation taking place outside tourism prism

Policy Proposals

Establishment of critical enablers for safe, smooth, seamless travel into and around the destination, including:

- Support the easing and digitalisation of immigration procedures including e-visa processing for key growth source markets in collaboration with immigration authorities,

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- Facilitate the establishment of a nationally driven air access strategy for the coordination and support of air service development for the country,
- Making it easier for regional travellers to travel into and around the destination and encourage seamless travel within the SADC Region
- Economic infrastructure needs analyses per region be undertaken, and Tourism and transport plans developed to inform investment cases;
- A medium to long term programme to implement renewable energy infrastructure to ensure that South Africa is recognised as embracing a vision for a low carbon economy, particularly within the Tourism sector;
- Target the inclusion of Tourism priorities in municipal development plans through mechanisms such as local infrastructure development for a;
- Facilitate the inclusion of universal access principles in the Travel and tourism infrastructure development.

9.5 EMERGING ISSUES AND OPPORTUNITIES: Quality Visitor Services

The provision of quality services is central to a competitive visitor economy. A capable SMME sector with a commitment to quality standards can enable the delivery of a quality Tourism product. An appropriately skilled, visitor-centric workforce, good quality establishments, attractions and facilities catering to all market segments, and support infrastructure that facilitates seamless travel to and within the destination, all enable the most optimal visitor services. The experience is further influenced by cleanliness levels and perceptions of safety by actual and potential visitors.

On the demand side, mechanisms for Tourism protection need to be strengthened to support redress in case of unmet quality and service standards. The Tourism Act (Act No. 3 of 2014) allows the Minister of Tourism to designate a Tourism Complaints Officer. The Complaints Officer is responsible for resolving tourist complaints relating to Tourism services, facilities or products. Complaints are to be dealt with mainly through referral to an accredited scheme or arrangement.

A framework for incorporating mediation into the role of the Tourism Complaints function is required for equitable resolution of consumer complaints.

9.5.1 EMERGING ISSUES AND OPPORTUNITIES: Quality Assurance Frameworks

Quality initiatives produce many benefits for a destination, including improving its image and capacity to compete against other destinations. A quality-oriented approach also induces substantial changes to management and planning.

A voluntary quality assurance scheme initially focused on the accommodation sub-sector is administered by the Tourism Grading Council of South Africa (TGCSA), a government entity established in 2000. Properties are assessed on set criteria, and a star grading is issued to indicate the level of service that can be expected by visitors and used to market the value proposition. The grading is valid for one year only, after which an assessment must be made to either retain or amend the grading status.

Challenges with the system include the level of uptake and continued subscription. Partly due to advances in technology and access thereto over the past decade, in particular, there has been a shift towards online and real-time feedback from customers or users of Tourism products. TripAdvisor and Expedia are some of the key "instant" feedback tools, and reliance on these and other consumer-driven quality assurance channels by potential visitors have therefore taken hold. The illegal use of the insignia by entities whose grading has expired is a further issue of concern.

South Africa has the shortest validity period for the grading outcome alongside Kenya, requiring renewal annually. Other destinations' renewal periods range from two (mainly on the African Continent) to five years, with most ranging from three upwards as follows: Brazil-3 years, France -5 years; Malaysia- 3 years; Switzerland-4 years and the EU broadly ranging from the 3 to 5-year renewal period.

The majority of countries have voluntary quality assurance frameworks. Those with compulsory grading (Botswana, Ireland, Kenya, Mauritius and Namibia) also register compulsory Tourism business with the relevant Tourism authority. Australia implements "Star Ratings", an independent standards scheme. Although participation is voluntary, an estimated 90% of Australian travellers rely on the Star Ratings scheme to measure the quality of guest facilities. The scheme also offers various benefits such as access to a free online dashboard of guest reviews across all major Online Travel Agencies, review sites and social media platforms and free access to business development templates and tools.

Problem Statement

An absence of the ability to monitor and measure quality across the Tourism sector ecosystem exists as a result of:

- Inconsistent standards due to lack of a universally applied framework,
- Options for broadening subscription to quality assurance schemes to promote consistency in service standards required,
- Grading costs that are unaffordable to some Tourism entities,
- Reduced perception of value due to increased reliance on online review tools, and
- Value proposition of the quality assurance framework not being adequately motivated.

Policy Proposal

Step-change enhancement of national Tourism quality standards and structures through:

- Retaining the current voluntary TGCSA grading system and explore the notion of quality assurance inspectorate
- Supporting mechanisms for the system such as improving the value proposition and considering extended validity periods for reduced administration to be developed,
- Establishing partnerships with relevant parties and agencies to improve compliance with the grading framework amongst participants

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- Explore the establishment of a system of licensing for designated categories of tourism services
- Creating a framework for incorporating mediation, adjudication and rulings into the role of the Tourism Complaints function to be finalised.

9.5.2 EMERGING ISSUES AND OPPORTUNITIES: Skills Supply and Employment

As is the case in the broader economy, Tourism suffers a skills mismatch. This undermines the overall offering as skilled and service-oriented staff and enterprises are a major component of any destination. Women constitute 63% of employment within the food and beverage sub-sector and approximately 60% of employees in the accommodation sub-sector. Effective skills programmes can therefore support the inclusive development of the Tourism workforce. People development helps support increased participation in the sector through career growth and entrepreneurship, which is vital for the sector's growth.

A thriving sector needs multi-functional skilled persons for its advancement, balanced with the nurturing of entrepreneurship skills to contribute to further growth. Interventions should include the mainstreaming of experiential learning through effective collaboration between industry, the higher education sector, the Culture, Arts Tourism and Hospitality Sector, and other institutes under DOEC, TVET Education Authority (CATHSSETA). The coordinated approach is currently lacking, and lack of interest from industry, other than paying the skills levy, is dominant. CATHSSETA has also experienced challenges that impacted on the ability to fulfil its mandate.

Current skills development programmes are focused on training, most of which cannot equip graduates with the requisite skills needed by the industry. Links with industry throughout the value chain to safeguard the relevance and appropriateness of programmes are ineffective. There are also proposals to establish an authority to regulate standard requirements and further professionalise the hospitality industry. The supply of skills also needs to keep up with changes in the macro environment and the associated new skills requirements.

Positive examples of training and skills development in the Tourism business sector in South Africa have been observed. Such programmes tend to be more effective in skills development than some tertiary education based courses and could be encouraged via BEE recognition for skills development. The skills training could also be shared for broader applicability across the sector using technology;

For example, the Brazil's Pronatec training programme is funded by the government. It focuses on courses directly linked with the skills requirements of each region using specific requests from individual enterprises in the whole Tourism value chain. Courses are offered by both the private and public sectors. The approach has proven to be responsive to emerging skills shortages and minimises mismatch.

The Critical Skills List published by the Department of Home Affairs included the following occupational skills as being in short supply: Chef; Food and beverage scientist; Marketing Practitioner; Market Research Analyst; Travel Agency Manager; Travel Accommodation Inspector and Property Manager.

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The Department working with relevant role-players conducted a skills audit in 2017, which informed the Tourism Sector Human Resource Development Strategy 2017-2027. The Strategy envisages an appropriately skilled Tourism workforce offering excellent visitor experiences and contributing to the inclusive growth of the Tourism economy in South Africa.

Problem Statement

The sector has inadequate skills supply to meet industry needs as a result of:

- Poor conceptualisation of skills needs in the sector, which results in poor training of learners;
- Inadequate opportunities for internships, learnerships, coaching and mentorships, whilst some are unregulated for quality and relevance purposes;
- Lack of transformation in the skills and human resources space, which helps upskill and prepare the youth and young adults to enter various sectors of the Tourism economy and receive support in the form of coaching and mentorships,
- Inadequate opportunities for previously disadvantaged individuals (PDIs) to access and acquire skills and training in the Tourism sector,
- Production of inadequately skilled graduates by some institutions of higher learning, resulting in significantly reduced employment opportunities,
- Weaknesses associated with the CATHSSETA system,
- Training that is too narrow and too specific, thereby missing the development of other interdisciplinary skills such as Tourism forecasting (economics-based), logistics, marketing and business management,
- Poor coordination between government departments and agencies, training institutions and employers,
- Insufficient links with international professional body standards,
- Poor career guidance at school level not aligned with students' aptitude,
- Determination and consolidation of industry needs in the context of a wide range of mainly small enterprises is complex,
- A training lens to skilling geared towards entry-level jobs is dominant, with insufficient attention to higher-level skills and entrepreneurship,
- Language barriers to travel to South Africa for some key markets, and
- Future skills for Tourism brought on by digitalisation necessitating responsive skilling programmes.

Policy Proposal

Clear, coordinated and consistent prioritisation of skills development and training through:

- Review of the secondary and tertiary education curriculum and approach to Tourism training to better incorporate intrinsic skills relevant to industry needs and to align with changing skills demands due to digitalisation,
- Implementation of a simplified process of gathering industry skills needs,
- Development of an enterprise development framework to enable the advancement of the skills base of small and micro enterprises in the sector outlining the contribution of both public and private sector role-players,

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- Encouragement of skills development by Tourism enterprises and the sharing of best practices across the sector. Quality approved internal training courses to be considered for recognition in the transformation scorecard,
- Leveraging technology to scale up ease access to affordable, ongoing learning, and
- Positioning Tourism as a viable career within communities and fostering a greater understanding of the utility of service skills that the sector helps develop long-term personal growth.

9.5.3 EMERGING ISSUES AND OPPORTUNITIES: Tourist services (Tour Guiding, tour operators and travel agents)

The visitor experience can be significantly influenced and transformed into a unique and memorable encounter through good quality tourist guiding. Tourist Guides provide critical services as frontline professionals sharing information about a destination, story-telling and interpreting to tourists. The sector's development has led to new forms of guiding and an evolving need for standards and enhanced professionalisation of the guiding enterprise.

South Africa's offering is significantly dependent on the tourist guide input, which comprises over 10 000 registered guides. Since guide education transitioned from module-based courses and panel assessments under South African Tourism (SATOUR) to formal qualifications in line with the National Qualifications Framework (NQF), much of the influence that the Tourism department/authorities had in informing the guiding curriculum and maintaining the standard of guide education is no longer in place. Instead, over the years, there has been a proliferation of guiding qualifications and skills programmes with no clear entry and exit points or options for articulation across categories or with other qualifications in the Tourism sector. A lack of continuous professional development, restrictions on areas of operation, constant challenges with accreditation, quality assurance and certification, content being left to training providers to develop and teach with no prescribed minimum content in place or oversight on existing content to determine if it is factual, objective and representative of South Africa, has characterised guiding training.

This has led to many challenges, including the lack of quality education and guiding, the skewed and sometimes incorrect information provided by some guides and the inconsistency among guides that have undergone similar qualifications/programmes. If not addressed, the challenges will affect the credibility and the brand of the Tourism sector.

Tourist guiding has been a regulated profession for decades, including through the Tourism Act 72 of 1993. The Act not only defined the scope of tourist guiding but also provided a framework for the conduct and governance of the tourist guiding profession. Further efforts to enhance the legislative landscape of the guiding sector continued through various pieces of supporting legislation, including the Tourism Act of 3 of 2014, which includes a chapter dedicated to tourist guiding. Among others, the Act makes provision for key office bearers such as the National Registrar of Tourist Guides who is appointed by the Minister of Tourism to implement various overarching functions at a national level and Provincial Registrars of Tourist Guides who are appointed by the respective Members of Executive Council (MECs) to undertake the overall administration, including the registration of tourist guides and maintaining a register of guides. The current institutional arrangements in the guiding sector lack uniformity and consistency across provinces. Although legislation is in place to

standardise registration functions, most processes, systems and service offerings are not uniform. The human and financial resources allocated to the guiding function also varies with each province, which has created further problems in how the guiding function is administered.

A reflection on the new forms of guiding is vitally important. The Northern Ireland Consumer Sentiments Survey highlights the need for online presence by Tour Guides due to increased appetite for virtual tours, "sofa safaris", and live feeds. The Tourism industry has seen steady growth in virtual tours. Amsterdam offers a comprehensive virtual tour of Ann Frank's house. China's virtual tours during the pandemic enabled visitors to "walk" through the Great Wall of China whilst in their homes. Egypt offers a virtual museum tour allowing exploration of the Egyptian antiquities, and Hawaii offers a virtual tour allowing people to fly over active volcanos and other hot spots.

With the exception of Tour Guides, the tourism policy has been silent on other tourism services subsectors. This has led to information gaps and unscrupulous service providers in some instances tainting the image of the industry. In the context of pandemic and frequent climate change challenges and sustainability, understanding the supply side will be vitally important.

Historically, travel agents and travel agencies were regulated through the Travel Agents and Travel Agencies Act of 1983. The Act sought to develop a sound travel agency industry by providing for registration of travel agents and the licensing of travel agencies; establishing the travel agents board; ensuring that services rendered by travel agents to the travelling public, conform to the highest possible standards and protect the interest of the travelling public by the board in so far as they are affected by the actions of travel agents. In light of the critical role that travel agents/tour operators play as the first point of communication with tourists there is a need to consider expanding the role of the Tourist guides registrar to register travel agents.

Similarly, the accommodation sub-sector in South Africa was first regulated comprehensively through the Hotels Act of 1965. The objective was to provide for the development and improvement of accommodation establishments including establishing the Hotel Board. Overall, the 1965 Act sought to achieve and promote high standards in quality accommodation, meals and services; to enable authorities to call for information and obtain statistics regarding hotels as may be deemed necessary; grade hotels and determine requirements to be complied with; and deal with administrative issues such as registration of hotels, obtaining liquor license and inspection of hotels for compliance.

To understand the supply side capacity and improve quality of tourism services, it is vitally important that subsectors such as Travel agencies, tour operators go through some form of registration / regulation with the existing tourism registrar regime.

Problem Statement

Weaknesses in tourist services offerings in South Africa as a result of:

- Numerous administrative challenges confronting the guiding sector profession (these include lack of foreign speaking guides; low representation of some demographic groups in

the profession; quality of education for guides; emerging forms of guides; lack of incorporation of technology into guiding; seasonal character of the profession deterring retention of young guides; illegalisation of indigenous guides without professional training; lack of a united body representing the needs of all guides; and low employment and market access opportunities)

- Lack of attention on other tourism services sub-sectors such as the tour operators and travel agencies in the current policy framework

Policy Proposal

There should be focus on:

- Strengthen the powers of the registrar to review the overall process of administration of Tourist Guiding
- Consider expanding the powers of tourist guide registrar to include tourism services
- Explore a system of classification of products ensuring that they are in the registrar
- Implement a framework guiding the tourism levy regime in South Africa

10. FURTHER POLICY ISSUES FOR TARGETED GROWTH

Over and above the aforementioned areas of policy evolution and focus on emerging issues and opportunities, several Tourism growth and development targets have been identified, which are deemed vital to raising the baseline for the sector:

- Awareness,
- Attractiveness,
- Competitiveness,
- Resilience, and
- Transformation.

10.1. FURTHER POLICY ISSUES FOR TARGETED GROWTH: Prioritising Rural and Peri-Urban Tourism

The Tourism potential of many rural and peri-urban regions is not reflected in the country's Tourism offering as Tourism is mainly concentrated in urban centres. According to the TTCI, South Africa has a competitive advantage globally, ranked 23rd and 15th out of 140 countries for its cultural and natural resources, respectively.[24] These resources are typically hosted by rural and peri-urban settings, representing an opportunity for the areas to benefit from the competitive edge. Currently, outside of the main Tourism areas, the exploitation of Tourism potential is mostly limited to localities hosting iconic Tourism products, mainly national parks.

Security of land tenure is one of the main constraints to the growth of Tourism in rural areas. Development Finance Institutions and commercial banks are reluctant to finance accommodation establishments where land leases are granted for less than ten years and prefer leases of 20 years or more. The rationale is that hotels are capital intensive and have a longer investment horizon with material return to investors /equity partners generally delivered after ten years or longer. Supply to meet the anticipated demand is often hindered

[24] WEF Travel and Tourism Competitive Index

by these constraints and compounded by rural municipalities not geared to cater to investors' needs.

The varied and unique experiences offered by these regions can help diversify the overall offering, encourage repeat visits and enhance the destination's resilience. A developed rural Tourism economy supports geographic spread to distribute broadly the benefits of Tourism to all high potential areas. It further promotes skills retention at SMME and employee levels in rural areas. Digital technologies can be leveraged to improve significantly market access, product enhancement and the overall experience.

Demand for less crowded and unspoilt environments is gaining renewed momentum and provides an opportunity for product development outside the main centres. Studies have also been conducted on the development needs of high potential tourist regions such as the Drakensberg in the KwaZulu-Natal Province.

In 2020, the UNWTO launched the Best Tourism Villages to make Tourism a force for transformation, rural development and community well-being. The initiative seeks to advance the role of Tourism in valuing and safeguarding rural villages along with their associated landscapes, knowledge systems, biological and cultural diversity, local values and activities, including gastronomy. To guide governments, the UNWTO recommendations include placing Tourism as a strategic pillar in policies for rural development. This includes:

- Undertaking Tourism for the benefit and well-being of rural communities;
- Exploring new Tourism opportunities for the benefit and well-being of rural communities through technology; and
- Fostering sustainable policies and practices in rural destinations.

There are several examples from different parts of the world that demonstrate the potential of rural and peri-urban tourism. For instance, rural focused Tourism is explored through Malaysia's Home Stay Program, New Zealand's rural offerings such as farm tours, and farm shows with local Tourism organisations and regional councils actively involved in the development of rural Tourism by addressing barriers.

Austria has one of the most successful rural Tourism initiatives focusing on farm holidays known as Urlaub am Bauernhof. With the high number of farms closing down, sustainable agro-tourism was used to counter the rate of enterprise contraction. The Austrian Farm Holiday marketing group played an important role in the successful promotion of farm holidays with suggestions that the model can be adapted across Europe. The project has been able to attract two million visitors annually, 50% being repeat bookings, with gross income estimated at 1.2bn Euros

Challenges for rural Tourism development in South Africa include those associated with land claims. A reportedly protracted land claim involving a hotel in the Eastern Cape Province is an example of how the lack of security of tenure can deter investment. During the 20-year legal process, investors initially willing to work with the land claimant communities withdrew due to lack of certainty.

Problem Statement

With Tourism traditionally attracting visitor activity in urban centres, rural and peri-urban Tourism has suffered:

- Low levels of Tourism activity,
- Poor profiling and visibility of rural products,
- Inadequate investment in outlying high Tourism potential areas,
- Poor coordination of the rural offer,
- Inefficient infrastructure to facilitate access,
- Weak connectivity between main Tourism centres and rural products to facilitate Tourism flows,
- Unresolved land disputes which hinder Tourism development, and
- Uncontrolled development, often not demand-driven, also acts as a deterrent to investors.

Policy Proposal

Rural and peri-urban Tourism as a driver of sustainable and inclusive development should be elevated through:

- Investment in rural routes of high Tourism potential,
- Support of balanced zoning within the Spatial Planning and Land Use Management Act (SPLUMA), which has the levers to provide certainty to investors, and
- Tourism clustering, nodes or zonal approach to align with relevant models and frameworks such as Integrated Urban Development Framework and Small-Town Regeneration Programme
- Develop tourism niche framework (e.g. homestays) and packages to improve rural and peri-urban tourism offer
- Strengthen the mechanisms for community participation and beneficiation from the tourism value chain
- Working with the Rural Development and Land Reform department and other partners to develop a support framework and identify priority areas for intervention to resolve land matters affecting investment.

10.2 FURTHER POLICY ISSUES FOR TARGETED GROWTH: Enhancing Domestic Tourism for Destination Resilience

The balanced development of both the international and domestic market is critical for strengthening the sector's resilience. The segment is a safeguard for current and future external shocks, making further investment in its growth crucial.

Domestic Tourism flows locally are dominated by the Visiting Friends and Relatives (VFR) segment, followed by holidays and business. Of the three, VFR has the least average spend per trip, hence the imperative to stimulate holiday and business travel to increase revenue generation.

The top three reasons for residents not undertaking domestic Tourism are:

- "Cannot afford travel (33.6%)",
- "No reason to take a trip (22.4%)", and
- "Unemployed/ no income (19.3%)". [25]

Other explanations are lack of knowledge about available products and services and inadequate matching of supply and demand as an obstacle to growing the segment[26]. In view of the overall local economy being further undermined by the global economic crisis, the barriers related to affordability and lack of income will likely persist amongst the relevant groups.

On the other hand, recent reports indicate an increase in domestic leisure Tourism by the middle-class segment, attributable to the closure of international borders and associated suspension of outbound Tourism. This positive development has, however, not alleviated low average hotel occupancy rates, which are reported despite drops in tariffs.[27]

Domestic promotion during low season periods allowing locals to access experiences at lower cost bases and with reduced crowds, is well promoted globally. Since the onset of the covid-19 pandemic, destinations have introduced and implemented initiatives to promote domestic Tourism in the context of travel restrictions and the reduced appetite for long-haul travel. This has resulted in a strong recovery of China's domestic market stimulated by aggressive flight deals, among other initiatives. Cuba shifted all public holidays to Mondays for a two-year period to secure more long weekends and stimulate domestic travel.

Problem Statement

The need is clear. To stimulate domestic demand and to maximise its growth and development, the following needs to be addressed directly:

- Sub-optimal matching of supply and demand,
- Few Tourism channels being geared to grow and support domestic travel,
- Insufficient products, especially in the accommodation industry to support low-income domestic travel,
- Affordability (partly argued to be linked to pricing),
- Low awareness about what is available for the domestic market,
- Unemployment/lack of income as a contributor to low domestic Tourism activity,
- Maintenance of standards and diversity in respect of lodges, chalets and camping products can better meet domestic demand and further inspire the desire for more domestic travel,
- School holiday related travel being curtailed by the synchronised school timetable,
- Limited analysis of the VFR segment, which dominates the domestic market to identify opportunities for product offerings meeting its needs, and
- Limited disposable income due to the weak performance of the economy.

Policy Proposal

There should be prioritisation of Domestic Tourism with emphasis on:

[25] State of Tourism Report, 2018
[26] University of Pretoria, 2020
[27] Smith Travel Research, 2021

- Product-market match framework
- Enhancement of market segmentation of the domestic market to better formulate strategies in order to inspire revenue-generating Tourism amongst all segments with potential,
- Cultivation of a passion for travel among the youth to generate future demand,
- Exploration of the feasibility of differentiated pricing as a tool for stimulating domestic travel, and
- The important role of government and community-owned products to expand access and facilitate affordability for lower-income groups.

11. DESTINATION MARKETING AND BRANDING

Stimulating Tourism demand is a complex undertaking, requiring effective marketing approaches whilst maximising benefits from available resources. The imperative to position South Africa as a globally recognised Tourism destination brand is critical to regaining regional and international market share through conversion to support the performance of the destination.

An appropriate destination marketing policy approach is critical to recover from the current contraction and to support the Tourism economy's future growth and contribution to GDP. Currently, South Africa identifies 24 markets as strategic for marketing investment. These comprise eight Africa land markets, two Africa air markets, three American markets, seven European markets and four Australasian and Middle East markets. Of the total targeted, eight are defend markets whilst the rest are growth markets.

Amongst the principles that should support marketing efforts are the following:

- Diversified product under a unified brand prioritises our unique attractions
- Differentiated approaches for domestic and international marketing,
- Cohesion in international marketing, and
- Investment in selected markets to deliver volume and value.

The National Tourism Sector Strategy acknowledges South Africa's position as a global competitor for events in particular business, sporting and lifestyle. In addition to economic spinoffs, the hosting of major events can be used as an effective tool to help promote, position, and brand a destination, including improving geographic spread. The Meetings, Incentives, Conferences and Exhibitions (MICE) sub-sector is coordinated by the South African National Conventions Bureau, which manages and supports all event bids.

During the period 1 April 2018 to 1 April 2019, South Africa hosted 207 international conferences, attracting 87000 delegates, contributing R2.5bn to the economy.[28] Recently, hybrid events are gaining traction due to the impact of the Covid-19 pandemic. This imposes new infrastructure and facility requirements, which may necessitate structural changes, equipment upgrades, hosting skills, enhanced Wi-Fi connectivity and internet speeds and other equipment.

[28] South African Tourism, 2019

Problem Statement

A shared destination vision is yet to be achieved by the sector, which is:

- Supportive of demand,
- Achieving substantial growth in volume and value through enhanced competitiveness of the brand,
- Integrating marketing of the country between public entities and private sector,
- Leveraging emerging global market trends such as preference for short-haul destinations have the potential to impact the inbound market, and
- Supported by Tourism research and insights to enable accurate forecasts and support marketing and branding strategies.

In addition, South Africa has not been positioned actively as a leader in hosting international events in the continent despite hosting major international events. There is a lack of a national strategy that is informed by a comprehensive analysis of a global calendar of events. This includes poor coordination of MICE across the country thus undermining South Africa's international competitiveness.

Policy Proposal

A unified Tourism competitive identity for South Africa must be developed focused on:

- Marketing programmes and investment based on evidence-based, priority market segmentation, and unique assets
- Adoption of a targeted approach to marketing and branding by country and region,
- Establishing hosting of international business events enabling geographic spread and reduction of seasonality, and
- Programmes for strengthening brand awareness and preference as a prelude to conversion.
- Positioning South Africa as a leader for international business events in Africa and in the Southern Hemisphere,
- Leveraging the geographic spread of Tourism benefits as its imperative.

12. A SUSTAINABLE GROWTH MODEL

South Africa seeks growth that is sustainable, founded on responsible Tourism practice and prioritises the promotion of commercial, social and environmental interests. The new policy reaffirms this commitment and undertakes to implement the United Nations 2030 Agenda for Sustainable Development throughout the Tourism value chain.

Sustaining the destination's competitive edge and maintaining the capacity to identify and take advantage of growth opportunities are also dependent on a sound system of gathering, processing and applying timeous information and insights.

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12.1 A SUSTAINABLE GROWTH MODEL: Responsible Tourism for the Destination

The Tourism White Paper of 1996 committed South Africa to Tourism development underpinned by sustainable environmental practices. Consequently, the Tourism sector embraced Responsible Tourism ahead of many destinations, with various initiatives implemented since then.

Current changes in traveller trends indicate accelerated re-orientation towards sustainable travel and living. This provides the impetus for destinations to intensify and expand responsible practices throughout the destination and with participation of the whole value chain.

The UNWTO and G20 Tourism Working Group developed recommendations to transition to a Green Travel Economy through One Planet Vision. The programme recommends responsible recovery of the Tourism sector from the Covid-19 crisis founded on sustainability. The vision strives to enhance the resilience of Tourism, balancing the needs of the people, planet, and prosperity. Accordingly, the UNWTO and the G20 Tourism Working Group developed recommendations providing guidance for the transition to a green Travel and Tourism economy.

The Department of Environmental Affairs and Tourism (DEAT) published the National Responsible Tourism Guidelines in 2002 as a framework for the sector to incorporate responsible Tourism into their operations.

Currently, the Department Tourism implements a Green Tourism Incentive Programme with the Industrial Development Corporation (IDC). It promotes energy efficiency through a retro-fitment programme, encouraging SMMEs to move towards cleaner and renewable energy sources by using energy-efficient equipment and practices.

Studies indicate that Tourism has been growing as a polluter, with worldwide Tourism accounting for 8% of global Greenhouse Gas Emissions from 2009 to 2013. This makes the Tourism sector a bigger polluter than the construction industry, for example. One of the studies that examined travelers' spending habits in 160 countries indicates that the impact of Tourism on global emissions could be four times larger than previously thought.

The UNWTO's One Planet Vision outlined various recommendations to enable the Green Transition of Tourism for Planet.

Recommendations relating to biodiversity include capturing the value of Tourism through conservation, supporting conservation efforts through Tourism and investing in nature-based solutions for more sustainable Tourism.

Climate change recommendations include monitoring and reporting CO2 emissions from Tourism operations, accelerating the decarbonisation of Tourism operations, and engaging the Tourism sector in carbon removal.

Valencia acted towards becoming a carbon-neutral destination by 2025 by using the SDG Compass. The roadmap to decarbonisation comprises of three phases, namely:

- Initial calculation of the footprint of the destination and its actors,

- Implementation of a digital management system, and
- Development of compensation projects in the territory.

VisitScotland embraces a low carbon pathway by adopting sustainable practices in its operations. Through its quality assurance program, *VisitScotland* provides energy advice on issues such as energy efficiency, food waste and low carbon transport. Certification schemes such as Green Tourism, with over 800 business members, demonstrate the range of sustainable practices within the sector.

Mauritius set a vision to become "a leading and sustainable island destination" and used innovation to incorporate sustainable practices throughout the value chain. Sector tools were also developed to educate Tourism entities and used innovation to incorporate sustainable practices throughout the value chain. Sector tools were also developed to educate Tourism entities on sustainable intervention opportunities.

Switzerland adopted the "Swisstainable" strategy to focus on fulfilling the visitor needs alongside those of the local population and the environment through detailed coordinated action. The emphasis is also on positioning and marketing the destination as the most sustainable destination worldwide, and various programmes are implemented in this regard.

Problem Statement

Despite the implementation of energy and water efficiency and universal access programmes in South Africa, scope remains for the mainstreaming of responsible Tourism practices throughout the sector.

The upfront cost of assessing and implementing modifications to operations to achieve resource efficiency may be prohibitive for small enterprises.

Policy Proposal

- Adoption of Sustainable Development Goals in planning for tourism
- Tourism development to include universal accessibility guidelines
- Create value proposition for tourism development applying responsible tourism guidelines

12.2 A SUSTAINABLE GROWTH MODEL: Knowledge Management, Research and Insights

There are constant shifts in trends in Tourism, which need to be researched, analysed and understood to sustain competitiveness. This is especially true when significant disruptions occur at industry and general society levels, as with the global pandemic. The emergence of a knowledge-driven economy further elevates the role of accurate, timeous information as a critical source in decision making and core input for achieving and sustaining destination competitiveness. The public and private sectors require up-to-date data to make decisions on all aspects of Tourism and to reduce uncertainty in the context of constant, rapid changes.

Systems aimed at capturing, sharing, and effectively using information to gain a competitive edge are vital. Destinations seeking to gain a competitive edge are developing and enhancing data hubs to identify and collect important, correct and authentic information. Multi-

DRAFT

stakeholder agreement on how to organise, process, share and use information in decision making is also a key input in the institution and effective management of hubs.

The 2011 National Tourism Sector Strategy noted the importance of enhancing the capacity of Tourism research and knowledge management through strategic collaboration with academic institutions. The Department also has close collaboration with government research institutions with a view to supporting evidence-based decision making.

In order to ensure a knowledge-centric Tourism sector and unlock volumes of information existing in different Tourism sub-sectors, various countries have moved towards knowledge-driven Tourism economies.

The United Kingdom, through the UK Tourism Sector Deal, created a new independent Tourism Data Hub to assist the industry in understanding visitor preferences for location, activities and products in real-time. The Data Hub is also for the UK to gain insights on all searches for UK as a holiday destination, including those ending up in the traveller visiting another destination.

Denmark launched the Tourism Tech Data Lake project to better use the global digitalisation and technology trends in 2017. The first national Tourism related data strategy, with the concept of a data lake as a central part, aims to collect data from Tourism stakeholders, use these data for developing new Tourism business models and create insights into what attracts international tourists to Denmark.

France invested in collating information available in many different regional product databases with the development of its National Data Tourism System. This government backed platform collects and harmonises information on Tourism activities, attractions, and events from across the country. Since 2017, this has made data accessible to users in a single location and in a single format, under open license. The platform contains over 300 000 Tourism-related entries from 12 regions and 90 departments and can serve as a basis for designing Tourism packages and many other requirements.

Problem Statement

Despite excessive amounts of industry information available through open source and official intelligence entities, there is:

- A lack of readily available, verified market intelligence to inform decision making in the Tourism sector,
- Limited utility of research due to fragmentation in the identification of research gaps,
- No central repository of information enabling a better understanding of visitors, their habits and motivation,
- Lack of easy access to Tourism information held in individual organisations in the public and private sectors,
- Lack of entrenchment of knowledge management driven processes resulting in inefficiencies and lost opportunities for utilising Tourism analytics and data to ensure competitiveness, and

- Fragmentation of knowledge management across the sector, with pockets of knowledge scattered across individual Tourism subsectors.

Policy Proposal

Develop an agreed upon knowledge management framework and approach for Tourism, including:

- A regularly revised research agenda identifying research gaps and prioritised research focus areas formulated in collaboration with partners, and
- Private and public sector establishment of a Tourism Data Hub where all Tourism stakeholders share their data- to enhance decision making whilst bridging the information gap between small and large Tourism players for Tourism growth.

12.3 A SUSTAINABLE GROWTH MODEL: Tourism Diplomacy

The White Paper declared South Africa's commitment to working with Southern African countries to develop its Tourism industry, particularly the Southern African Development Community. Cooperation was to be encouraged in many areas, including the environment; marketing; education& training; health & disease control; and the easing of visa restrictions.

Significant progress has been made in collaborating on a regional basis in a number of areas, such as the Transfrontier Conservation Areas (TFCAs), which are cross-border conservation areas that facilitate seamless experiences for tourists. The first TFCA in the region was developed in 1999 with the establishment of the Kgalagadi Transfrontier Park between Botswana and South Africa. Currently, there are 18 TFCAs across the SADC region that are in different stages of development. TFCAs create an enabling environment for collaborative management of shared ecosystems within the region, and they incorporate well-known tourist destinations in the region.

Numerous international instruments and regional blocks have emerged since the adoption of the Tourism White Paper of 1996. Tourism Ministers from the G20 countries focus on the role of Tourism in stimulating the global economy. This is done through dialogue and the exchange of knowledge and best practices within these countries. South Africa has been a critical player in the forum.

BRICS (Brazil, Russia, India, China and South Africa) was established a decade after the 1996 Tourism White Paper (RSA joined in 2010) with the intention of expanding multilateral cooperation. BRICS identified the potential of Tourism contribution to the economies of these five countries and established the BRICS Tourism Working Stream to align Tourism activities within the Forum.

The Department has signed numerous bilateral agreements with other countries, particularly in the African continent, on Tourism cooperation. Areas of cooperation range from heritage and cultural Tourism, Tourism investment, research and planning, marketing, quality assurance, human resource development, to sustainable Tourism development.

South Africa signed and ratified the agreement that established the African Continental Free Trade Area (AfCFTA), which came into effect in May 2019. As the first phase, negotiations in

the five priority services sectors (business, financial, communication, transport, and Tourism services) commenced. South Africa resolved to extend its existing General Agreement on Trade in Services (GATS) commitments to the AfCFTA that the initial offer should extend to commitments undertaken in the Southern African Development Community (SADC). The free trade area provides opportunities for the Tourism sector to access more business opportunities in the continent.

The UNWTO Global Code of Ethics for Tourism has been converted into an international convention to reinforce its effectiveness. The Code provides a frame of reference for the responsible and sustainable development of world Tourism. The UNWTO General Assembly adopted the UNWTO Framework Convention on Tourism Ethics at its 23rd session held in September 2019. The framework was opened for signature until the 15th of October 2020, thereafter subject to ratification, acceptance, approval or accession by all member states of UNWTO and United Nations will follow.

Regionally, SADC has developed a Tourism Programme 2020-2030, which serves as a roadmap to guide and coordinate sustainable Tourism development in the region. The tourism programme is aligned with the African Union's Agenda 2063 which is a framework for socio-economic transformation of the continent. The SADC programme seeks to facilitate the removal of barriers to:

- Tourism development and growth in the region and to stimulate visitor movement;
- Improving Tourism reputation and the image of the region;
- Developing tourism in Transfrontier Conservation Areas;
- Improving the quality of the visitor experience and satisfaction and maximise Tourism partnerships and collaboration.

Problem Statement

No clear articulation of South Africa's Tourism international relations approach at bilateral and multilateral levels (e.g. Africa strategy):

- The Tourism sector has not yet developed an international relations position articulating its stance for both the African continent and the World, and
- Limited use of Tourism diplomacy to drive the country's Tourism economic aspirations.

Policy Proposal

Tourism is a pillar of economic diplomacy. South Africa is the destination within the region boasting products spanning beyond its borders needs to:

- Implement the SADC Tourism programme aligned to Agenda 2063.
- Implement a framework to support missions for tourism development and promotion.
- Strengthen the role of the global marketing office networks including the system of appointing the attaches

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12.4 A SUSTAINABLE GROWTH MODEL: Tourism Trade and investment

The 1996 White Paper pointed to the importance of attracting foreign investment and emphasized that investment should be encouraged to promote responsible Tourism, geographic spread and rural Tourism. The need to encourage investments that diversify Tourism products, contribute to skills transfer and involve locals with a proven track record in Tourism was also advanced.

The OECD Tourism Trends and Policies had, prior to Covid-19, forecast global Tourism growth and noted the importance of significant investment to meet the demand. The areas that needed investment included accommodation, transport, and other Tourism-related services and infrastructure. According to OECD, such investment would require a coordinated approach across levels of government with input from the industry. Potential policy approaches proposed to support investment include promoting access to finance for sustainable Tourism investment projects of all sizes, incentivising transition towards low carbon, climate-resilient investments and building capacity to better coordinate actions across government.

The Department of Tourism facilitates investment promotion and aftercare through the development of a pipeline of nationally prioritised Tourism Investment projects. Investment ready projects are to be prioritised for presentation in investment platforms. The initial pipeline of investment projects was drawn from more than 200 projects received from provinces and state-owned entities. Challenges confronting building a pipeline of investment projects include lack of market analysis and dated feasibility studies; lack of integration of Tourism plans into Integrated Development Plans; inadequate project preparation; and poor local economic and Tourism performance data.

In 2021, the UNWTO noted the impact of Covid-19 on investment in the Tourism sector. Foreign investment in the Tourism sector fell from $48.5bn in 2019 to $12.6bn in 2020. According to fDi intelligence from the Financial Times, the figures represented a 73.2% drop in the first half of 2020 compared to the same period in 2019. The drop in the Tourism sector was, according to UNCTAD, the highest when compared with Global Foreign Direct Investment, which dropped by 42% in 2020. This led the sector to lose between $910bn and $1.2trn in export revenues in 2020.

The fDi Intelligence developed a publication, in partnership with UNWTO, on Tourism Foreign Direct Investment (FDI) analysing data on Greenfield investment trends. The publication is critical to governments and investors, given that it provides data on flows of capital and destinations for investments providing insights on market trends for Tourism recovery.

The Top five recipient countries for Tourism FDI projects, calculated by number of FDI Projects between 2015-2019, is led by the United Kingdom with 173 FDI. The USA follows this with 164 FDI; Germany at 127 FDI; China at 111 FDI; and Spain at 105 Tourism FDI. Almost half of all Tourism investments globally are made in the top 10 countries. From which 30% of projects are concentrated in five (5) countries. Construction was identified as the main driver for around 57% of total Greenfield investment from 2015 to 2019.

Potential investors to South Africa highlighted some of the constraints to investing in the Tourism economy. Development in rural and peri-urban areas with high Tourism potential is

severely undermined by the absence of critical infrastructure such as access roads, airports, telecommunication infrastructure. Airports are critical in attracting some of the high-value tourists who prefer to land closer to main attractions.

The Draft Investment Mobilisation Strategy (2001) flagged the following macro-economic issues as requiring attention: currency devaluation, exchange rates, ability to repatriate profits, tax holidays, real/perceived work ethic of the local population, the productivity of the labour force, availability of reasonably priced land and construction costs.

Investors in the Gulf Cooperation Council (GCC), a prioritised market for Tourism investment, shared similar concerns mainly relating to the repatriating funds/profits (deemed complex, requiring the expertise of expensive lawyers). Some investors also flagged the exchange rate as a huge risk, although the weakening currency tends to make the country attractive to inbound tourists, especially from countries with stronger currencies.

Problem Statement

Inadequate safeguarding of financial leakages from trade and investment in the Tourism economy constrains Tourism growth, resulting in:

- Lack of investment in rural and peri-urban areas located near major attractions,
- Limited appreciation of the potential of Tourism to contribute significantly to economic development,
- Limited and incoherent national Tourism investment strategy partly underpinned by the split competence between national and provincial government,
- Urban bias in investment interest,
- Lack of Tourism demand scenarios to inform supply

Policy Proposal

- Promote South Africa as a preferred destination for Tourism investment by packaging solid investment opportunities;
- Incorporate rural and peri-urban opportunities for investment;
- Promote Tourism as an appealing sector for domestic investors;
- Develop capacity to package high impact Tourism projects;
- Continuously work towards policy certainty by facilitating removal of regulatory barriers;
- Strengthen the capacity of government to monitor investment trends, including supply gaps.

13. CONCLUSION

This draft policy discussion document covers a wide array of policy, institutional and administrative issues. The adoption of this comprehensive approach reflects mainly the complexity of the Tourism sector and the interconnectedness between policy, institutional, regulatory and administrative matters. While the emphasis in the document is on policy

issues, the Panel has, where appropriate, made recommendations that touch other areas beyond policy.

A thread that runs through the policy discussion document is the increasing significance of the Tourism sector for economic growth, employment creation, and identity formation. For a country such as South Africa with a long history of economic and social exclusion, massive joblessness, anaemic economic growth rates, and social divisions the value of a thriving Tourism sector has never been greater. The policy review as well as the proposals that are made in the document are driven fundamentally by the imperative to ensure that the Tourism sector in South Africa lives up to its promise and potential.

The comprehensive policy review process that was undertaken reveals that there are various factors that have prevented the sector from reaching its potential. These range from weak coordination across the different spheres of government as well as lack of a harmonised approach to Tourism growth and development. In order to address this shortcoming, the document contains bold proposals, which, if implemented fully, should lead to significant improvement. The policy review also identified slow transformation of the sector as one of the significant barriers to its growth and development. Consequently, the document contains detailed proposals on how to accelerate equity and inclusion in the sector.

There have major technological and other changes that have taken place in the past three decades since the 1996 White Paper on Tourism that have significant bearing for the Tourism sector. The advent of digital technologies has spawned new areas of business and economic activity that would have been inconceivable hardly a decade ago. If harnessed well, these technological changes present significant opportunities for growing the sector in a manner that is inclusive and opens up access to those disadvantaged by previous regimes of exclusion and marginalisation. The accent of proposals as far as digitalisation is concerned is to promote essential and fair regulation that does not stifle the growth of the sector.

Finally, the process of policy review and development of proposals contained in this policy discussion document has been driven and informed by consultation with sector stakeholders and experts in various aspects of the sector. The contributions of sector stakeholders and experts is evident in the richness of the analysis in the document as well as in bold and comprehensive proposals herein contained. The growth, transformation and adaptation of the Tourism sector in South Africa will depend on continued engaged of all affected parties in government, the private sector, and South Africans as a whole.

End

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