

SPEAKING NOTES FOR MEC MN MOKOENA ON THE OCCASION OF THE BRAND SOUTH AFRICA STAKEHOLDER SUMMIT HELD AT PROTEA HOTEL NELSPRUIT

2 August 2011

- **IMC Deputy Chairperson, Ms Chichi Maponya**
- **CEO of the IMC, Mr Miller Matola**
- **Distinguished speakers**
- **Representatives of labour and business, big and small**
- **Representatives of the media**
- **Ladies and gentlemen and especially to all the ladies just ahead of National Womens' Day...**

Good Morning, Abusheni, Dimashironi, Goie More!

You may not know it, but you are now in the place where the sun rises!

Welcome to Mpumalanga the Pioneering Spirit, the Province where the sun rises, the tourism heartbeat of Africa and the world, a tourism destination of choice.

Mpumalanga is undoubtedly a world class tourism destination endowed with a myriad of global attractions and experiences. The main offerings are wildlife, scenic beauty, adventure, culture and heritage.

The province's tourism jewels included amongst others are, the Kruger National Park which offers 2 million hectares of fauna and flora, the Blyde River Canyon, which is the third largest in the world and the only evergreen, the Makhonjwa Mountain range in Barberton with rock formations dating back 3.5 billion years, the iconic mining village of Pilgrim's rest and the majestic waterfalls, cultural and heritage landscape.

Furthermore, Mpumalanga boasts a spectacular array of archeological richness, enchanting landscapes and historical battle sites that smoothly blend to make this Region an eternal wonder.

The Makhonjwa mountain range in Barberton is currently vying for world heritage status; scientists have recorded fossils in this area that record the earliest forms of life on the planet from as far back as 3.5 billion years and also that it be kept in mind that a first stock exchange in country was hosted by Barberton.

We are happy to welcome the International Marketing Council of South Africa to our province to share ideas on improving the image or the brand, if you wish – of South Africa.

This will help to build a better country and would be to the benefit of all of us in the east of the country.

Mpumalanga's economy rests on three pillars - tourism, agriculture and mining. To grow, we need access to export markets, we need investors, and we need more tourists.

The image of our country makes a vital contribution to this.

In recent years, the tourism sector has emerged as a primary driver of economies of many countries, especially in developing countries. The United Nations World Tourism Organization (UNWTO) indicates that 935 million tourists travelled across international boundaries in 2010.

In its tourism growth forecast, Tourism 2020 Vision, the UNWTO also predicts that the tourism sector will grow by an average of 4.1% per year for the next two decades. Projections for the year 2020 indicate that tourist arrivals will grow to 1.8 billion.

In 2009 South Africa attracted 9.9 million international tourists, while 30 million domestic trips were taken. In terms of the National Tourism Growth Strategy, South Africa will attract 12 million international tourists by 2014. .

Mpumalanga attracted 1.4 million international tourists in 2009 and generated 800 000 domestic trips in 2009. Our 2016 vision is to attract 2.8 million international tourists and generate 8 million domestic trips.

The combined behaviour of a country's people and its attributes make up our brand identity. A positive identity or favourable reputation will promote and consolidate our global competitiveness.

The IMC is using the legacy of South Africa's hosting last year of the most-successful FIFA World Cup ever, to build Brand South Africa to be globally competitive. The year 2010 was, in this regard, an exceptionally good one as our global visibility reached unprecedented levels. We have demonstrated that we have the capabilities, the welcoming culture and the authentic offerings that the world's ever more discerning travellers demand. Indeed, we have made our mark.

The IMC legacy campaign defines the values that make South Africans unique whilst entrenching the principles of pride, patriotism and solid citizenship.

This will ultimately contribute to the country's rating in internationally competitive studies. The IMC doesn't just **“write”** about **“how”** citizens should behave, but persuades people to **behave differently** to achieve its goals.

South Africa's economy is relatively small. It accounts for less than 1% of global GDP. We have to expand our export base if we are to create jobs and reduce unemployment which is one of our biggest challenges.

Apart from its social implications, an unemployment rate of over 25% is a sad waste of human capital. Unemployment among the youth risks our social and economic stability.

Unemployment robs people of hope, and causes persistent poverty and inequality.

To gain economic and employment growth we need investment. For an economy to grow sustainably at a rate of over 5% per annum, an investment rate of 25% of GDP is required. Our rate is about 22% of GDP.

Quite simply, we need to attract more foreign direct investment (FDI), but as the latest UN Conference on Trade and Development (UNCTAD) report shows our FDI inflows have dropped by 70% in the past year to just US\$1,5bn in 2010.

We have slipped from 4th to 10th in Africa from a peak of over US\$ 10bn in 2008. We can argue over the causes, but the point is that we need to regain that investment.

This means that people have to like South Africa and we have to create a favourable investment climate.

This is where a strong national brand plays such an important role.

Globalisation means greatly intensified competition - for exports and for attracting everything worth attracting from investment and tourism to foreign students and skilled labour.

There are several indices that are used to gauge the global competitiveness of a country. They include:

The Global Competitiveness Index (GCI):

South Africa is the most competitive sub-Saharan African country in the GCI 2010–2011 and ranks 54th out of a total of 139 economies measured.

The World Bank's Ease of Doing Business Index:

South Africa ranks 34th out of 183 economies.

The Mo Ibrahim Index of African Governance is an attempt to statistically monitor African governance levels.

We are ranked 5th out of 53 countries.

So what does this all mean for brand South Africa?

As I said, we have to remain globally competitive.

Government must play its role in ensuring that we have enabling policies to remain attractive as an investment and trade destination.

But more importantly is that **“global competitiveness”**, whilst championed by Government and the IMC, it is the responsibility of every one of us South Africans.

Being globally competitive allows us to address our socio-economic challenges at home, while building our reputation to take our rightful place in the global community.

Perhaps in his 93rd year we might reflect what that great icon of the world, Nelson Mandela has achieved for South Africa. As a brand he is globally as well-known as Coca-Cola. He represents moral authority, reconciliation and progress in our world.

We would all do well to strive to be a tiny bit like Madiba, when he says and I quote

“As we dream and work for the regeneration of our continent, we remain conscious that the African Renaissance can only succeed as part of the development of a new and equitable world order in which all the formerly colonized and marginalized take their rightful place, makers of history rather than the possessions of others.” Close quote.

Emphasis is placed on the regional economy of the entire African continent, so Brand South Africa should give meaning to the African continent first.

In conclusion, let me reiterate our appreciation for the active engagement of the IMC in our efforts to create a globally competitive and mutually beneficial platform to market our destination. It is this spirit of collaboration that will give further impetus to South Africa’s premier global status as both the leisure and business tourism destination of choice.

It is up to all of us to pool our significant resources; our experience; our depth of knowledge and our creativity to collectively market our destination to an exceptionally lucrative global tourism market.

I call on all of you to **“play your part”** and do your national service to respond when the IMC calls so that we can work together to create a truly great South Africa for all.

Ngiyabonga!

Thank you!