

**REMARKS BY MEC OF ECONOMIC DEVELOPMENT AND PLANNING, MR CNM PADAYACHEE AT THE LAUNCH OF THE TOURISM FORUM ON 25 APRIL 2008 IN NELSPRUIT**

Programme director  
Members of the Executive Council  
Chairperson of MTPA  
Chairperson of the Tourism Forum, Dr Mkhize  
Members of the forum  
Acting Head of Department, Mr Lemmy Mdluli  
Acting Chief Executive Officer of MTPA,  
Honoured guests  
Members of the media  
Ladies and gentlemen

Program director, let me take this opportunity to welcome you and many of the honorable guests to this august event. It is indeed a pleasure to share this platform with all of you in this event which is a milestone in many ways. The launch of the tourism forum is a forerunner to an integrated response to challenges facing the tourism industry in the country and the province in particular.

Ladies and gentlemen - when we made the announcement during the Policy and Budget speech of last year (2007) that we will be establishing the tourism forum, we were mindful of the fact that tourism development is "*everybody's business*." This commitment was informed by our understanding that government, private sector and communities need to work together and put "*hands on deck*" for faster development of tourism. Today's launch of Tourism Forum is therefore a clear indication that we have heeded the call for working partnership in the quest to improve tourism as a united front.

The theme for this event which is "PARTNERING FOR SUSTAINABLE TOURISM ..." is even more appropriate as it transcends all that we hope to achieve today and for the future. It is an expression that communicates our commitment to work together and to utilize the wealth of experience and skills in the province to make ours, a destination of choice for domestic and international tourists.

Ladies and gentlemen - tourism is one of the most important leg of the Heritage, Greening Mpumalanga and Tourism flagship. The Heritage, Greening Mpumalanga and Tourism flagship represents our collective effort to grow economy by taking advantage of the tourism opportunities to ensure total empowerment of society. Referring to this element of the flagship at the second SALGA Provincial Members Assembly in March 2007, the Honorable Premier Thabang Makwetla said:

"Our tourism must educate the traveler, provide funds for conservation, directly benefit the economic and political empowerment of local communities, and foster respect for different cultures and human rights. It should, because it is nature-based travel, adventure travel, environmental and ecological travel, scientific expeditions, crosses cultural exchange, and earth restoration."

The Premier was actually calling on all of us, public and private sector, to play a role to put tourism in its rightful position in the domestic and international market, that we share the opportunities and benefits that accrues from the industry with ourselves and the tourists.

The international arrivals and domestic trips undertaken in the country reflect an increase in terms of volume in 2006. According to the statistics provided by the South Africa Tourism, this

increase translated into national revenue growth of 1.2% from R81.8billion to R83.1billion. The overall contribution of tourism to the Gross Domestic Products (GDP) also increased from 7.69% in 2005 to 8.3% in 2006. Our contention has been that each tourist that comes to the country and province, a job is created.

The country also recorded its highest number of foreign tourist arrivals in 2006 as we broke the 8 million mark nationally and recorded a 13.9% increase with over 8.3million foreign arrivals. This record moved South Africa up from 31 to 29 position in the global tourism destination world rankings.

Ladies and gentlemen, the SADC also presented us with huge opportunities for tourism growth. In terms of the statistics referred to above, the country recorded a biggest increase (16.9%) mostly from the neighbouring SADC markets of Lesotho, Mozambique Swaziland and Zimbabwe. There was also a strong growth from air markets of Kenya and Nigeria. This says a lot about the burgeoning success of regional co-operation both within SADC and in the context of NEPAD. With regard to other regions, the second highest growth (13.8%) was from Central and South America and in particular, Brazil, which increased its foreign arrivals to our shores by 27%.

Ladies and gentlemen - Mpumalanga still remained the no.4 province in terms of visits by international tourists. Although, our market share in the foreign tourism market dropped by 0.8% from 14.9% in 2005 to 14.1% in 2006, we need to also note however that the top three provinces all lost share of arrivals in 2006, which nationally means that we are beginning to see more spread in international tourists within our country. What is very important to note though is that total numbers of visitors to the province have increased during the same period.

As we have indicated in the recent past, we are in the last stages of developing our Tourism Growth Strategy. We believe that the strategy will assist us to *PIONEER* new ways to speed up the growth of tourism in the Province.

Ladies and gentlemen the province has managed to turn around the negative growth rate between 2004 and 2005 in terms of total bednights spent in the province. We have seen positive growth between 2005 and 2006 of close to 376 000, which means that we have begun to retain people to stay a little longer in the province. This still puts us in 4<sup>th</sup> position when compared to other South Africa's provinces.

Another positive was that the total foreign direct spend from international tourists increased from R4.1billion in 2005 to R4.5billion in 2006 which translates to approximately R6.4billion contribution towards the provincial economy.

We must be encouraged that within the domestic tourism market, the total number of trips into the Province was more than the total number of trips from the Province. Therefore we had a net gain of domestic trips of 359 000, coming 4<sup>th</sup> after Limpopo (*ZCC Pilgrimage*), Western Cape and the Eastern Cape.

Programme director the third quarter tourism statistics for 2007 indicate that Mozambique continues to be our main source of international tourists with 289 840 arrivals, followed by the UK (105 106) and the USA (98 034) respectively. Shopping, nightlife and social activities are the dominant activities undertaken by tourists in all destinations the world over. It is therefore notable that the Mozambique market needs to be consolidated and we need to increase our offerings in terms of night life.

One of areas that the forum will advice me on is the transformation of the tourism industry. In this regard, I would like to welcome the signing of an agreement by different sectors to promote Black Economic Empowerment (BEE) in the tourism sector, earlier this week. The announcement by Tourism Empowerment Council of SA (Tecsca) that it has signed a memorandum of

understanding with ten key players from the private sector to promote BEE gives all of us an opportunity to move with speed to ensure that we address inequity in the industry.

The Department of Economic Development and Planning and the Mpumalanga Tourism and Parks Agency (MTPA) will be participating in this year Tourism Indaba. Our participation in the Indaba is an indication that we believe in the objective of this meeting. We will be participating there because we agree with the principles underpinning the indaba because it epitomizes what we consider promoting tourism as important contributor to the provincial economy. The indaba indeed presents us with endless opportunities to engage local and international delegates to come and experience the scenic beauty of our province.

Ladies and gentlemen - the province will host the 2010 FIFA World Cup tournament in about 776 days. It is for this and other reasons that I believe that the forum will play an important role to enhance information flow among the roleplayers in both the private and public sectors in order to harness a wealth of ideas and knowledge to advance tourism development in the province. The province has a 2010 office which is our centre for all that involves the hosting of the beautiful game and its passionate supporters who will be traveling to the province.

It is important that all of us become ambassadors of all that is good about the province when we go and do business in other provinces, in other countries and across the globe.

I thank you

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