



# Tourism

The growth in tourism in the country after the peaceful elections of 1994 and the lifting of sanctions has confirmed the importance of tourism as a key economic sector. Its potential to generate an income resulted in an estimated increase in its contribution to South Africa's gross domestic product (GDP) from an estimated R104 billion in 2004 to an estimated R178.6 billion in 2008 (both directly and indirectly). Its potential to create jobs resulted in an estimated increase in the number of direct and indirect job opportunities in the economy through tourism from 841 000 in 2004 to 1 010 800 in 2008.

Tourism has been identified as a priority sector in the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), the National Industrial Policy Framework (NIPF) and the 2007/08 Industrial Policy Action Plan (IPAP). The tourism sector has overtaken gold mining as the leading earner of foreign exchange, and it has yet to reach its full potential. It has not been dubbed 'the new gold' without reason, as for every twelve foreign tourists that arrive in the country, one new job is created in local tourism. It should, therefore, be striving to attract even greater investments.

The continued and improved performance of this sector depends on the success with which conditions can be created for sustainable tourism growth and development in South Africa. This is the strategic driver of the department's Tourism Branch. The functions of this branch include tourism industry development through tourism research, business development and regulation, as well as tourism industry promotion through international tourism relations, human resource capacity-building and national tourism support services.

The development of responsible tourism in the country was one of the the outcomes of the White Paper on the Development and Promotion of Tourism in South Africa, which was developed in 1996. It established the vision of a tourism industry that would be led by government, driven by the private

sector and based in the community. A short-term plan for implementing some of the policy proposals of the White Paper was contained in Tourism in GEAR, a document that placed the development of tourism within the country's Growth, Employment and Redistribution (GEAR) macro-economic strategy. The outcome of the white paper was the amendment of the Tourism Act in 2000, which formalised tour guiding by making provision for the training and registration of tour guides, as well as a code of conduct and ethics for tour guides.

The key objective of tourism in South Africa over the past 15 years has been to enhance its role as a driver of socio-economic development. In this regard, the department has sought to develop the tourism industry and transform the sector by promoting the growth and competitiveness of the country as a tourist destination of choice both locally and internationally. Other strategic developments have included the formation of the Tourism Business Council of South Africa in 1996 to represent South Africa's tourism industry, the establishment of provincial tourism bodies and mechanisms in 1999 to develop the tourism sector, and Cabinet approval of the Tourism Transformation Strategy in 2001.

The department's Tourism Branch is supported in achieving its strategic objectives by the work of South African Tourism (SAT), a schedule 3A public entity



Sustainable tourism growth is important for the economy.

that markets South Africa domestically and internationally. This is also supported by the Tourism Grading Council of South Africa (TGCSA), which provides leadership in quality assurance by grading tourism accommodation establishments, and the Tourism Empowerment Council of South Africa (TECSA), which is responsible for monitoring and reporting on the transformation of the tourism sector. The TGCSA and the TECSA currently operate as business units of SA Tourism.

The department has endeavoured to strengthen cooperative governance in the tourism sector, promote regional and continental tourism growth and lead South Africans in coherent and effective engagement in international agreements and events in tourism. In 2002, South Africa ratified the SADC Tourism Development Protocol. International tourism agreements were signed with about 20 countries and South Africa joined various international tourism organisations. These included the United Nations World Tourism Organisation (UNWTO), the Regional Tourism Organisation of Southern Africa (RETOSA), the Indian Ocean Tourism Organisation (IOTO) and the African Travel Association (ATA).

In 2003, the first Tourism Growth Strategy was adopted by Cabinet. It addressed key problems in the international marketing of tourism in South Africa in order to achieve sustained growth in the sector. The mandate and strategic objectives of this strategy were based on the mandate of the Tourism Act, 1993, as amended: the promotion of sustainable GDP growth, sustainable job creation, and redistribution and transformation). This would be achieved through the following key objectives: to increase tourist volume, increase tourism spend, increase length of stay, improve geographic spread, improve seasonality patterns and promote transformation.

Coupled with this, was the launch of a three-year Domestic Tourism Growth Strategy in 2004. This strategy focused on three

categories of tourists: established, untapped and emerging tourists. It also concentrated on boosting tourism to some of South Africa's less-visited provinces by means of media campaigns such as the Sho't Left campaign, which focused on the emerging tourist market: those who traditionally did not have a history of holiday travel. Another campaign, the Welcome Awards, established collaboration with industry and government to improve service delivery standards.

In order to address the current challenges facing tourism and to prepare for the next five years, the department has developed a Draft Tourism Growth Strategy for 2010 to 2015 for managing tourism in the short, medium and long term. It will be presented to Cabinet in 2009.

The department has identified the tourism industry's global competitiveness as a critical success factor in growing the industry. The first phase of the Tourism Global Competitiveness Study was completed in 2004 to identify factors that hindered South Africa's competitiveness in the sector. The restricting factors identified in this study included aspects such as market access, air access, skills, public transport, transformation, information, innovation, product development, investment and SMME development. This resulted in the development of the Unblocking Tourism Strategy, whereby other government departments would assist in growing tourism in the implementation of their own mandates. The second phase of the Global Competitiveness Study focuses on diversifying the product offering to attract more tourists.

To achieve global competitiveness, DEAT is working with departments such as Transport, Home Affairs and Public Enterprises to reduce the constraints that prevent potential tourists from visiting the country (such as limited flights to portfolio market destinations, land transport challenges and visa restrictions). It also aims to address challenges related to tourism safety, promote a culture of service excellence, expand the product base and ensure quality assurance of products and services,

with particular emphasis on the grading of accommodation establishments.

Greater transport capacity is needed if South Africa is to reach its target of 10 million foreign visitors per annum by 2010. The Airlift Strategy of the Department of Transport, which was approved by Cabinet in 2006, addresses issues such as increasing flight frequencies to portfolio markets in order to promote international tourism and open up the skies. Bilateral negotiations on airlift agreements have been held with a number of countries, with input from the departments of Transport, Public Enterprises, Trade and Industry, Foreign Affairs, and Environmental Affairs and Tourism, as well as the airlines of the countries concerned.

The country's inland transportation infrastructure affects domestic tourism. The Department of Transport has developed the Land Transport Strategy in an endeavour to identify barriers to tourism growth arising from the National Land Transportation Transitional Act. DEAT made important inputs to ensure that the amended act would be sensitive to the needs of the tourism industry in order to achieve tourism growth. The Draft Land Transport Bill, which incorporates tourism, will be tabled in Parliament in 2009.

Tourist movement is not just hampered by air and land transport, but by delays and service delivery challenges in obtaining visas and passing through immigration points. The department has engaged with the Department of Home Affairs with a view to revising visa conditions in portfolio markets. The aim is to incorporate tourism needs into the visa process, alongside traditional factors such as security and managing immigration. The number of days it now takes to obtain a South African visa for India, China and Nigeria has been reduced from ten to five days, which is a major step in the reduction of tourism channel restrictions.

Safety has been identified as the second-most important criterion when considering travel. The department has been investigating ways

to improve the safety of tourists by working together with safety and security agencies like the South African Police Service (SAPS), the National Intelligence Agency (NIA) and the Department of Safety and Security. In 2007, the department contributed to the development of a National Tourism Safety and Awareness Strategy. The strategy comprises both proactive and reactive approaches to tourism safety and embraces a partnership approach to dealing with tourism safety and security issues. Provincial strategies have been developed, as well as a national framework for Tourist Safety and Awareness in partnership with the SAPS. Safety tips have been developed for dissemination to tourists. A draft tourism victim support framework has also been developed in collaboration with the Department of Social Development. A very successful campaign has been launched against illegal tourist guiding. To further improve safety in the sector, a checklist is being developed for destination and enterprise safety for use by provincial, local and individual enterprises to ascertain where they are in terms of safety.

To promote a culture of service excellence in the sector, the tourism service excellence initiative and framework was launched at the annual National Tourism Conference in November 2008. The strategy will focus on improving the skills of those involved in service delivery, including behaviour and attitude alignment at all service touch points, as well as implementing appropriate training programmes and other interventions to achieve sustained changes in behaviour and attitude. The strategy will also focus on public awareness initiatives related to service excellence to educate consumers on what world-class standards entail and to motivate South Africa to be a hospitable and welcoming nation. Delegates and representatives of various departments, associations and organisations signed a Tourism Service Excellence Pledge, whereby they committed themselves to ensuring the provision of quality service at all times. The rollout of the Service Excellence Strategy will include the training of more than 250 000



frontline staff members. About 8 000 guides are registered and active across the country.

Foreign arrivals to South Africa have grown significantly since the end of apartheid. From 3.7 million foreign arrivals in 1994, this figure increased to 9.6 million in 2008. This represents a faster growth rate than the compounded annual growth rate. The reduction in the restrictions placed on tourism in South Africa has played an important role in increasing the attraction of the country as a destination for foreign travel. In the branding of South Africa as a tourist destination, it is essential to establish brand alignment between the three spheres of government. By pursuing brand alignment and awareness, a concerted marketing and awareness strategy can promote tourism to the country. This will still take into account the need for geographic spread.

South African Tourism plays an important role in marketing South Africa locally and internationally. At the annual Tourism Indaba, international travel agents from around the world are introduced to the widest variety of tourism products and services in South Africa. In its promotion of South Africa as a destination of choice, the focus has shifted from destination tourism to events and business tourism in order to expand the existing product base. The 2010 World Cup is expected to attract vast numbers of tourists to South Africa.

More than 400 000 foreign visitors are expected to attend the tournament, along with more than 10 000 international media representatives, 5 000 VIP guests and more than 500 FIFA officials. Direct and indirect spending before and during the event is expected to support about 159 000 annual jobs. To maximise tourism and development, the department is working with MATCH – the official accommodation partner for the World Cup – and the TGCSA to assist small, medium and micro-enterprise (SMME) establishments to be graded and registered as official accommodation suppliers for the World Cup. This will provide a springboard for these SMMEs

2010 will boost the tourism industry.

to gain recognition through market exposure. The department will be recruiting and training tourism ambassadors for host cities. This programme particularly targets unemployed young people. Its desired impact is the transfer of skills, while enhancing the status of the host cities as future tourist destinations.

For the department, a successful World Cup should leave a 'green' legacy of hosting events of this magnitude. The department will be building on the existing body of knowledge to ensure that the World Cup leaves a world-class sustainable events-hosting legacy.

A draft tourism planning toolkit for municipalities has been developed in collaboration with the Department of Provincial and Local Government. This will serve as a planning framework document for local government to better manage tourism at a local level.

Another tool that is used to grow and develop the sector is the Tourism Satellite Account (TSA), which has been developed in collaboration with Statistics South Africa and other key organisations. Accurate and reliable data on tourist arrivals, expenditure and employment is critical to plan for growth. An improved understanding of new market segments and high-growth niche markets is also necessary. The country's tourism statistics need to address the information needs of both government and industry. Tourism research capacity therefore needs to be strengthened to enhance the existing knowledge base and facilitate diversified product development to improve competitiveness. It is also necessary to achieve a better empirical understanding of the role of climate change and environmental concerns in tourist destination choices.

The TSA is a statistical tool that is used to measure the contribution of tourism to the economy, using an international set of standards, concepts, classifications and definitions that is aligned with national accounts. It provides a wealth of information on tourism jobs created, as well as the direct contribution of tourism to the economy. It

consists of the formulation of 10 different tables to calculate the value of tourism to the economy. Eight tables have been developed since the start of the TSA in 2005, which will be launched at the Tourism Indaba 2009. This will enable better accounting of the contribution of tourism to the economy as the department currently uses estimates from the World Travel and Tourism Council (W TTC).

The United Nations World Tourism Organisation (UNWTO) has selected South Africa to be the hub for the capacity-building programme on tourism statistics and the TSA for English-speaking African countries. Two workshops were held in 2008 and 2009 and two more will be during 2009 and 2010.

The number of accommodation establishments to be graded by the TGCSA had increased from 4 604 in 2005 to 8 544 by February 2009. However, this represents only 34% of the accommodation facilities in South Africa. Challenges have been identified that relate to the quality of assessors. The focus will therefore be on ensuring that the training of assessors is improved to include training related to service excellence. The TGCSA's information technology infrastructure also needs to be improved to ensure effective implementation of the customer feedback system. The department will be working closely with all organs of state to encourage them to procure from graded establishments in order to encourage more establishments to apply for grading.

Since tourism is a service industry, there is a need to consider establishing a Tourism Quality Assurance Agency to oversee the implementation of the Tourism Quality Assurance Programme for South Africa. To ensure that all establishments adhere to minimum standards related to safety, health and truthful advertising, the department is investigating the introduction of legislation for mandatory registration of tourism businesses. In addition to this, a 'mystery guest' programme will be implemented to ensure that all graded establishments adhere to the criteria. To ensure the event spread of grading, provincial master assessors

will be appointed to oversee grading at provincial level. National minimum standards for responsible grading are currently being developed, which will serve as a base for implementing guidelines for responsible tourism in South Africa.

Geographic Information System (GIS) mapping of tourism products and services has been initiated with the production of a digital map (Arc Reader Disc) that displays over 6 600 graded accommodation establishments in nine provinces to facilitate access to tourism information locally and internationally for 2010 and beyond. This will be extended to all tourism products to be used as a base for planning and to guide tourists when they travel in South Africa.

To support the development of small enterprises in the tourism sector, the department has partnered with the Business Trust to fund the Tourism Enterprise Programme (TEP). The TEP was established in 2004 to empower SMMEs that are directly and indirectly involved in the industry in the form of business transaction linkages between established tourism enterprises and SMMEs in the sector. It endeavours to overcome the limitations faced by tourism SMMEs by introducing them to potential clients, compiling a database of SMME service providers for corporate clients, forging partnerships and linkages between SMMEs, and providing information on opportunities for SMMEs. The current grading system has been linked to assisting SMMEs to gain recognition as official accommodation providers for the 2010 World Cup.

In 2008, the newly founded and independent Tourism Enterprise Partnership (TEP) officially took over the management of the Tourism Enterprise Programme to facilitate the growth and development of SME tourism businesses in South Africa so that they can become internationally competitive. The TEP is the operating entity for a Section 21 (not-for-profit) company with a board of directors and a management team that delivers innovative leadership in tourism development

projects. Each year, the TEP invests millions in the development of SMME tourism businesses across South Africa. This is achieved through various projects aimed at product development (skills development, access to finance, operational efficiency, and quality and service improvement) and increased provision of market access.

This new company forms partnerships, establishes clusters of SMMEs, develops skills and links small businesses to the tourism channel. It has launched a number of new initiatives, including the 'hidden treasures' retail project, which aims to bring local crafters to the international market, focusing on quality products. Since the start of the project in 2004, 5 500 SMMEs directly benefited from the programme, including capacity building. A total of 65 000 persons worth of employment has been generated in high unemployment environments. Government's return on investment is R2.82 for every R1 that it has put into the programme. The actual beneficiaries are the SMMEs. A total of 4 708 SMMEs had been assisted by September 2008, resulting in transactions between SMMEs and big business worth R3.85 billion.

Like most other industries prior to democratisation, South Africa's tourism sector was marred and limited by exclusionist policies and minority ownership. There was little, if any, meaningful participation by black tourism business owners and entrepreneurs. With the enactment of government's Broad-based Black Economic Empowerment Act (Act 53 of 2003), industries have been encouraged to transform to ensure equitable industry ownership representative of South Africa's demographic and cultural diversity. In 2005, a process was initiated to approve and implement the Tourism Charter and Black Economic Empowerment (BEE) Scorecard.

After Cabinet approval, the Tourism Charter was formally launched at the Tourism Indaba in May 2005. Government and industry jointly signed their commitment to the charter in July 2005 and the Tourism Charter Council was appointed by the Minister in October 2005.

The task of the council was to communicate and popularise the objectives of the charter, to fast-track black economic empowerment in tourism, to provide transformation incentives to both the public and private sectors and set up a recognition system to reward those who contribute to fulfilling the goals of the charter. The extent of the Charter's criteria sets a platform that will drive broad-based benefits.

The BEE Scorecard rates ownership, alongside six other areas of empowerment: employment equity, strategic management, skills development, preferential procurement, enterprise development, and sector-specific factors, including social responsibility.

A process was initiated to gazette the Tourism Charter as Codes of Good Practice, so that it would be legally binding on all organs of state. The charter has been institutionalised and operates as the Tourism Empowerment Council of South Africa. This council envisions a growing and transformed, vibrant and globally competitive tourism sector that reflects the demographics of South Africa and contributes to the establishment of an equitable society. The targets of the Tourism Empowerment Council of South Africa are currently being aligned with those of the BEE Charter, which was gazetted as a sector code.

Skills development is another important aspect to ensure the sustainability of the sector. Learnership programmes have been established through the Tourism, Hospitality and Sport Education and Training Authority (THETA) to train and upgrade the skills of people working in the hospitality industry. This effort was boosted by the department's Welcome campaign and South African host programmes targeted at South Africans who frequently interact with tourists (for example, people in other government departments, banking, telecommunications, transport, conservation and catering). A total of 322 international and national training opportunities have been created for tourism personnel in all levels of government to ensure adequate capacity to lead the development of the sector.

In collaboration with THETA, the department has identified five programmes to address critical and scarce skills: customer care, foreign languages, management development, adult basic education and training and computer literacy training. A total of 1 457 unemployed tourism graduates and tour guides have already been trained as tourism ambassadors. The services of 92 tourism ambassadors were utilised during the Confederations Cup draw in 2008. Another 47 facilitators were trained in a Know Your Country, Know Your City module, while the skills of 275 tour guides were upgraded to improve competitiveness in light of the 2010 World Cup. Some 624 graduates entered the National Skills Fund Top-Up Programme in 2008 and 60% of them have already found employment. Furthermore, 439 have entered the THETA Graduate Development Programme.

A Tourism Sector Skills Plan was developed, and has been finalised in collaboration with the Department of Labour. Associated with this, is the launch of the Tourism Human Resources Development Strategy to encourage industry players to compete on the basis of excellence in human resources. Awareness-raising workshops will continue to be hosted in all provinces.

Tourism has not traditionally been considered a professional career option. With the introduction of Hospitality and Tourism Studies as a secondary school subject and tourism management being offered as a field of study at tertiary level, this perception is changing, with decided benefits for the tourism industry. The department hosted its first National Tourism Careers Expo in Durban in October 2008 to sensitise people to career opportunities in tourism. This attracted more than 17 000 delegates.

As part of a drive to increase an awareness of career options in the tourism sector, a survey on tourism and schools has been conducted to gain a better understanding of what should be done to encourage more school-leavers to study and work in the sector. A project has also been initiated to professionalise tourism guiding.

Tourism leadership dialogue, which provides a platform for tourism executives in the public and private sector, was held during Tourism Month in Mafikeng. The focus was on how to raise the profile of tourism in the media. The other session was held in March 2009, and the focus was on how to maximise benefits from 2010 from a tourism point of view.

South Africa was fortunate to be somewhat insulated from the first-round impacts of the current global economic crises. This has been due, particularly, to exchange controls and banking regulations. However, it may not escape the second-round effects, like the depreciation of the currency, the movement of money out of emerging markets, job losses, lower export quantities and slow global growth. The biggest challenge facing the tourism industry is to maintain the existing growth levels in this challenging time. In comparison to other economic sectors, however, tourism is the best instrument that the country has to generate foreign currency that does not require too much innovation. It provides a guaranteed source of income that will provide a competitive advantage going forward. The exchange rate also makes South Africa an attractive destination for foreign tourists.

Although an increase in tourism volume has been observed, the geographic spread of tourist activity needs to be improved. There has been a significant reduction in the number of provinces that are visited. Previously, Gauteng, the Western Cape and KwaZulu-Natal received the most visitors, but current statistics reveal that tourists to South Africa only visit an average of 1.3 provinces. Product development is linked to the competitiveness of the destination, which needs to be stepped up.

Crime is another significant deterrent to visiting the country. Measures therefore need to be put in place for visitors to regain their confidence in the country's safety and security, in order to improve its attraction as a tourist destination.

While the 2010 World Cup presents many opportunities for tourism to South Africa, it is

essential that the industry should deliver on its guarantees for hosting the World Cup in this country. South Africa should also focus on promoting the African market. Quality of products and services should be assured at all levels, which emphasises the importance of accurate quality assessment measures.

### South African Tourism

South African Tourism (SA Tourism) markets South Africa internationally as a preferred tourist destination. Its broad objectives are to increase the contribution of tourism to the gross domestic product (GDP), create jobs and transform the industry to be truly representative of the South African nation.

The work of SA Tourism is driven by six key objectives: increasing tourist volume, increasing tourist spend, increasing length of stay, improving geographic spread, improving seasonality patterns and promoting transformation. These are central to the Tourism Growth Strategy, which forms part of South African Tourism's mandate, as well as the Domestic Tourism Growth Strategy. A key element of the Tourism Growth Strategy was the decision to focus SA Tourism's marketing investment in markets with the highest returns in the short to medium term, as it would not be wise to invest in markets where there are an unclear or small number of foreign arrivals. Through this process, SA Tourism developed the Portfolio Review: a three-year review of data on all the markets across the world, with a view to deciding where to invest in the next business cycle.

This process enables SA Tourism to identify core markets (those that are attractive and easier to service, and where it can safely put 60% of its investment and resources, and expect to get a 60% return), investment markets (those that are attractive but more difficult to service, and where it can invest 25% of its effort), tactical markets (those that are easier to service, but less attractive for a number of reasons, where it invests 10% of its effort), and watch-list markets (those that are less attractive, but also difficult to service,

where opportunities exist to do limited work through embassies, airlines or trade partners without investing resources in the market, and only 5% of its budget).

The focus of the Domestic Tourism Growth Strategy, which was developed in collaboration with the provinces in 2005, is to get South Africans who have never travelled to start exploring their country, as it will build the nation and make all South Africans better hosts and ambassadors to foreign visitors.

According to SA Tourism's Portfolio Review for 2008 to 2010, the domestic market is a core market that forms the base on which tourism growth is built. The other core markets are Botswana, Kenya, Nigeria, the USA, the UK, Australia, India, France, Germany and the Netherlands. The investment markets for 2008 to 2010 are Angola, the DRC, Mozambique, Zimbabwe, Canada, China (including Hong Kong), Japan, Italy and Sweden. The tactical markets have been identified as Ghana, Lesotho, Swaziland, Tanzania, Singapore, Ireland and Switzerland. The watch-list markets are Egypt, Namibia, the United Arab Emirates, Brazil, Malaysia, New Zealand, the Republic of Korea, Australia, Belgium, Denmark, Norway and Spain. Countries of strategic importance are Bahrain, Oman, Qatar and Saudi Arabia, while strategic links have been established with Ethiopia, Zambia, Senegal, Argentina, Thailand and Greece.

Tourist arrivals are one of the most efficient tools to measure tourism growth, as well as to indicate a decline in the performance of the sector. The increase in tourism volume since 1994 has been exceptional, with foreign arrivals increasing almost threefold, from 3.7 million in 1994 to 9.6 million in 2008. There were over 54 million foreign arrivals to South Africa between 2002 and 2008. Leisure travel accounted for 65% of all arrivals, while there were over 12 million arrivals from long-haul markets in this period. The growth in total arrivals has been driven by the increase in arrivals from Africa land markets. Arrivals in South Africa have grown at a faster rate than the compounded annual global growth rate. Foreign arrivals contributed R282 billion to the economy between 2003 and 2007.

Although foreign arrivals have continued to grow since 2003, with the current financial crisis there has been a slowdown since August 2008. SA Tourism is optimistic of recovery in 2010, but this will depend on the success of the northern hemisphere countries to work their way out of recession. South Africa is fortunate in these hard times to be the host to so many premier sports events. It is also developing strategies to build the country as a conference and business destination to increase the number of arrivals.

Foreign arrivals have continued to grow since 2003.



Along with the increase in foreign arrivals, tourist spend has also continued to increase. Statistics reveal a 7% growth in revenue generated from all markets between 2003 and 2007. This increase in total foreign direct spend (excluding capital expenditure) has been driven primarily by the increase in arrivals and average tourist spend per day.

However, there has been a decline in all SA Tourism's other performance indicators (length of stay, geographic spread and seasonality). Between 2002 and 2007, there was a steady decline in the overall length of stay for all arrivals due to the decline in average length of stay of tourists from African markets. The average length of a trip to South Africa was 8.2 nights in 2008. The average length of stay for long-haul arrivals has increased. The average length of a long-haul trip to South Africa was 16.6 nights in 2007. The average length of stay has decreased for most provinces, except for the Western Cape, with a slight increase for the Eastern Cape. The average length of stay in each of the provinces for 2007 was as follows: Western Cape – 12 nights, Eastern Cape – 8 nights, KwaZulu-Natal – 6 nights, Gauteng – 5.2 nights, Limpopo – 4.1 nights, Northern Cape – 4.4 nights, Free State – 4.1 nights, Mpumalanga – 4 nights, and North West – 3.2 nights.

In terms of geographic spread, there has been a steady decline in the number of provinces visited by tourists overall since 2002, with tourists visiting an average of 1.3 provinces during their stay in South Africa in 2007. The Western Cape has seen a decline in the number of long-haul tourist visitors, as well as the nights spent by tourists. African visitors visited fewer provinces, but spent more nights in the provinces visited. Seasonality has worsened for all foreign arrivals due to the worsening performance of air arrivals. However, there has been an improvement in the seasonality of land arrivals, as well as across overseas markets. Air markets are more seasonal than land markets.

One of the critical factors in the sustainability of tourism is to ensure a steady stream

of arrivals throughout the year. This is as important for airlift as for employment. The perfect seasonality for any market is a 0% deviation. SA Tourism has had some success through deal-driven campaigns to reduce the low season in the air markets, but while the increased seasonality from the land markets is still low, it is being monitored closely.

Over the past 10 years, SA Tourism has invested in in-depth consumer understanding in all its focus markets. It tracks its progress on brand marketing twice a year through a brand tracking study in its global focus markets. It also monitors quarterly and biannual progress through a monthly survey of departing foreign tourists at the major international airports and the top 10 land border posts, and measures domestic travel in terms of the incidence and types of travel on a monthly basis. It undertook the Global Competitive Project in 2004 to benchmark tourism internationally and against other economic sectors, in order to understand the barriers to and drivers of growth.

From this, it set three projects: the channel project to improve the way in which it deals with the intermediaries between the consumer/traveller and the destination, the airlift unblocking process to address the barrier posed by limited and constrained access to travel, and a product development project (led by DEAT) that investigates the development of tourism products in poor rural areas.

SA Tourism participates in major travel shows, presents workshops for members of the travel industry and coordinates media and public relations campaigns. It markets on a global level to increase the awareness of Brand South Africa, as well as on a country level to convince travellers who are interested in South Africa to travel as soon as possible. One of the most significant achievements has been the work done over the past 18 months to align the brands of South Africa into one unified brand that communicates the same message about South Africa globally in one logo and one pay-off line. The agency is in

the second year of a multi-faceted global television and online campaign that reaches 600 million potential travellers.

Against this campaign, SA Tourism has focused campaigns in the country aimed at targeted consumers, while developing relationships with the trade to make sure that they are able to sell the country more effectively and efficiently. In order to do this, SA Tourism has developed the [www.southafrica.net](http://www.southafrica.net) platform for global travellers. It has moved into the social networks of YouTube and Facebook, as well as 'word-of-mouth' platforms in all its focus markets. A trade extranet has been developed for its trade partners, as well as a media extranet for its media partners and a stakeholder portal to liaise with partners in the Department of Foreign Affairs and tourism officers across the globe. SA Tourism hosts more than 1 000 trade-on-familiarisation trips every year, excluding those who attend mega-familiarisation or association meetings in South Africa. It has 10 000 trade contacts registered for its South Africa expert programme, Fundi, of which 2 900 have qualified. It hosts more than 500 media-on-familiarisation trips every year and each year trains more than 60 Department of Foreign Affairs tourism officers at the Tourism Indaba. The Tourism Indaba has grown into one of the top five travel trade shows in the world and is the biggest in Africa. SA Tourism bought Meetings Africa a year ago and aims to grow it into the premier business tourism show in Africa.

The return on marketing spend over the past five years has been positive, with an average return of R135 for each rand spent on tourism marketing. The agency's marketing budget fluctuates with the movements in foreign exchange. There is a need for a clear management strategy going forward in this regard.

#### **Tourism Grading Council of South Africa**

The Tourism Grading Council of South Africa (TGCSA) is a public-private partnership that was established in September 2000 by the

then Minister of Environmental Affairs and Tourism, Mr Valli Moosa. The mandate of the TGCSA is to provide a framework and process for grading across all relevant sectors of the tourism industry in South Africa. By doing this, it will achieve its vision of contributing towards sustainable tourism growth by managing an internationally recognised tourism grading star system that assesses, monitors and brands South African tourism products.

It is representative of the entire tourism industry and performs a vital role in ensuring that a standard of quality is achieved across all the services and facilities offered by the South African tourism industry. The achievement of this goal is made possible through the willing participation of the many establishments who choose to continuously improve and update the services they offer their customers. To ensure credibility and independence in measuring this grading system, a consumer feedback mechanism monitors customers' expectations. This valuable and impartial tool guides the grading system, always ensuring that the best established practices are followed and, where adjustments or improvements are required, the establishment concerned is advised accordingly.

Because the grading system is market-driven and voluntary, it stimulates improvement throughout all levels of service offering. This process continuously encourages the industry to re-invent, revalue and grow itself. In doing so, it provides another key in the overall development and transformation of tourism in South Africa.

From its inception, the TGCSA has achieved a number of significant goals. What began as an ambitious programme to measure the quality offered by the tourism industry has, through its star grading system, evolved into the recognised national standard.

In its first year of operation, it graded 986 establishments, which grew steadily each year, with a record 88% growth in the number of establishments graded in the 2005/06

financial year. The figures of the latest financial year (2008/09) indicate a growth of 34%, which represents 1 542 new gradings and 5 667 renewals – a total of 7 209 graded establishments. Since more than three quarters of available accommodation rooms on offer has already been graded, the TGCSA aims for an average of 6% growth in graded establishments per year for the future, keeping in mind that a drop of gradings is predicted after 2010. The priority markets targeted for growth are hotels, lodges, and bed-and-breakfast and self-catering establishments.

The TGCSA does not only grade accommodation establishments. It has broadened its scope to include meetings, exhibitions and special events in 2004. This was a world first. In 2005, the introduction of food and beverage as a sector began with restaurants as the starting point. Currently, the council is engaged in the development of a system to grade the tourism transport sector. It is the objective of the TGCSA to extend its system to encompass all relevant sectors of the tourism industry.

However, the objectives of the council cannot be achieved without appropriate systems and human resources. As the organisation has been in existence for seven years, and has to ensure that it still performs optimally,

a comprehensive review of its operations was conducted in 2008/09. Key issues for the effective operation of the TGCSA are the effective performance of all accredited assessors, grading skills, client feedback management and regaining financial control of its clients.

With regard to the effective performance of assessors and grading skills, a formal service provider agreement (SPA) was signed between the TGCSA and all grading assessors, who are self-employed entrepreneurs, in 2008/09. This is seen as the most critical achievement of this financial year, as the agreement will assist in ensuring a more professional relationship between the TGCSA and assessors, as well as between assessors and graded establishments. Furthermore, the SPA will protect all graded establishments and ensure professional service from TGCSA-accredited assessors. The TGCSA will also, for the first time ever, be able to monitor and measure assessor performance on an annual basis, which will be used to influence their annual accreditation as grading assessors.

The TGCSA embarked on a public tender process to appoint a professional training service provider that will deliver internationally benchmarked quality assessment training

for all grading assessors. This training will be recognised and certified by a tertiary institution, which will add more credibility to the quality of its assessors. A skills audit of all assessors is in the pipeline. Furthermore, at least two workshops per year with assessors are planned to enhance communication between the TGCSA and grading assessors. Annual achievement awards will also be introduced for assessors.

The TGCSA Advisory Board further approved the creation of new, additional positions in the organisation, called provincial master assessors. They will be based in the provinces and will assist not only with representing the TGCSA at grass-roots level, but will also ensure that graded establishments have easier access to the TGCSA and an improved turnaround time on enquiries. The appointment of these provincial master assessors will go a long way towards ensuring that the TGCSA maintains firm management of quality issues in tourism accommodation establishments.

Great progress has been made on client feedback management and media and marketing in general. The council recently launched a brand new website that is more user-friendly and provides establishments with a better content format, more pictures and a world-class search engine facility with an interactive map that can be used by tourists when searching for accommodation. National and international tourists are also able to voice their opinions on the graded establishments, as customer feedback is the single-most important aspect of the management of an effective quality grading system. An SMS system has also been introduced to enable tourists to give feedback on accommodation establishments.

Furthermore, the annual accommodation guide has been given a make-over in terms of look, content layout and design. It also has a new name, *The Star Guide*. It is the official tourism accommodation guide in South Africa and will be launched at the Tourism Indaba in May 2009.



South Africa has some of the world's most impressive beaches and coastlines.