

Tourism minister presents budget, outlines key priorities

South Africa's Tourism Minister, Patricia de Lille, presented her budget to Parliament on 24 May 2023. In her speech, de Lille outlined the key priorities for the tourism sector in the coming year.



Tourism performance

South Africa's tourism sector is showing signs of recovery, with international arrivals increasing by 152% in 2022 and 102.5% in the first quarter of 2023. The African continent is the leading source market, followed by Europe and the Americas.

In the first quarter of 2023, foreign direct spending soared to R25.3 billion, marking a 143.9% increase compared to Q1 of 2022. The top source markets in Q1 of 2023 were Zimbabwe, Mozambique, Lesotho, and Eswatini.

So far in 2023, South Africa has secured 10 bids for MICE events. According to new data from the UN World Travel Organisation (UNWTO), the sector's swift recovery has continued into 2023 and shows that:



Minister's optimism sparks hope for sector growth and expansion

9 May 2023



Overall, international arrivals reached 80% recovery in the first quarter 2023 with African countries show an 88% recovery rate on 2019 visitor numbers.

Minister de Lille said that she is pleased with the progress that has been made in the tourism sector and is confident that the sector will continue to recover in the coming years. She is also committed to working with the private sector to ensure that South Africa remains a top destination for tourists from all over the world.

The tourism sector is a major contributor to the South African economy, generating billions of rands in revenue and creating thousands of jobs. The recovery of the tourism sector is essential to the country's economic recovery.

Here are the key priorities listed by Minister de Lille for the tourism sector:

- **Convert the Tourism Sector Recovery Plan into a Master Plan:** The Tourism Sector Recovery Plan was developed in response to the Covid-19 pandemic. The Master Plan will build on the Recovery Plan and will focus on long term growth and sustainability of the tourism sector.
- **Improve the e-visa turnaround time for tourists:** The e-visa system was launched in 2014 to make it easier for tourists to visit South Africa. However, the turnaround time for e-visa applications has been a source of frustration for many tourists. de Lille has said that she is working with the Minister of Home Affairs to improve the turnaround time for e-visa applications.
- **Improve the turnaround time for tour operator licenses:** The Department of Tourism issues tour operator licenses to businesses that provide tourism-related services. The turnaround time for tour operator licenses has been a source of frustration for many businesses. de Lille has said that she is working to improve the turnaround time for tour operator licenses.
- **Unlock the implementation of the Tourism Equity Fund:** The Tourism Equity Fund was established in 2003 to provide financial assistance to emerging tourism businesses. However, the fund has not been fully implemented. de Lille has said that she is working to unlock the implementation of the Tourism Equity Fund.
- **Improve tourism infrastructure:** The Department of Tourism is working with Infrastructure South Africa (ISA) and DBSA to improve tourism infrastructure. This includes upgrading roads, airports, and other tourism-related facilities.

"The implementation of these key priorities will be critical to the continued growth of the tourism sector in South Africa," said Minister de Lille. "The tourism sector is a major contributor to the South African economy, and it has the potential to create jobs and boost economic growth."

In addition to the key priorities outlined by the Minister, the tourism sector is also facing a number of challenges, she said. These challenges include the Covid-19 pandemic, the ongoing conflict in Ukraine, and the global economic slowdown. "Despite these challenges, the South African tourism sector has shown resilience and is expected to continue to grow in the coming years".

“ SA Tourism shows slight recovery after COVID-19 pandemic. After a drastic drop in tourist arrivals in 2020 and 2021, the volume of tourist arrivals in South Africa is showing improvement.

Read more here: <https://t.co/5FtaPpKCsu> #StatsSA #tourist #tourism pic.twitter.com/ZPe9Mrec3R— Stats SA (@StatsSA) May 23, 2023 ”

SA tourism

Minister de Lille added that she is pleased with the progress that has been made in the tourism sector and is confident that the sector will continue to recover in the coming years. She is also committed to working with the private sector to ensure that South Africa remains a top destination for tourists from all over the world.

The Minister also announced a number of new initiatives to support the tourism sector, including:

- A new Tourism Incentive Programme (TIP) to stimulate the growth, development and transformation of the South African Tourism sector.
- A new Market Access Support Programme (MASP) to provide financial support to small tourism enterprises that wish to participate and exhibit at selected tourism trade platforms.
- A new Green Tourism Incentive Programme (GTIP) to offer partial grant funding on the cost of retrofitting tourism facilities with energy and water efficiency equipment/ systems.
- A new Tourism Grading Support programme (TGSP) to offer discounts on grading assessment fees for accommodation and meeting venues that apply for star grading by the Tourism Grading Council of South Africa (TGCSA).
- A new Tourism Transformation Fund (TTF) to offer a combination of grant funding, debt finance and equity contributions to facilitate capital investment in new and expansion projects in the tourism sector.
- A new Township Tourism initiative to ensure that communities enjoy the full economic benefits of tourism.

The Minister also announced that the Department of Tourism is working with the private sector to develop a national mechanism to increase air access for destination South Africa. The government has a number of initiatives in place, including:

- Working with the private sector to develop a national mechanism to increase air access.
- Participating in provincial air access forums to ensure that insights into inbound global markets are made available to support efforts to secure new entrants.
- Encouraging airlines to add new routes to South Africa.

The government's efforts are paying off. Air capacity has risen since last year, with a 56% increase in Q1 2023 compared to the same quarter in 2022. In 2023, South Africa welcomed around 1.8 million seats, and the country added around 23 new routes.

New direct flights, such as Cape Town to New York and Washington by United Airlines commenced last year and Air China resumed its direct flight to OR Tambo International Airport in March. The upcoming LATAM flight from Brazil to OR Tambo International Airport in August will also contribute to South Africa's appeal.

Minister de Lille said that government is confident that its efforts to increase air access will help to boost tourism and make South Africa a more attractive destination for tourists from all over the world.

The Minister added that she is confident that these new initiatives will help to support the recovery of the tourism sector and make South Africa a more attractive destination for tourists from all over the world.

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