



# STRATEGIC PLAN 2020/21 - 2024/25

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**tourism**

Department:  
Tourism  
REPUBLIC OF SOUTH AFRICA



*Inspiring new ways*

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# LIST OF ACRONYMS AND ABBREVIATIONS

<b>AfCFTA</b>	Africa Continental Free Trade Area
<b>AGSA</b>	Auditor-General South Africa
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>Coronavirus</b>	COVID-19
<b>GDP</b>	Gross Domestic Product
<b>MTSF</b>	Medium-Term Strategic Framework
<b>RMU</b>	Risk Management Unit
<b>SACU</b>	Southern African Customs Union
<b>SARB</b>	South African Reserve Bank
<b>SA Tourism</b>	South African Tourism
<b>SMME</b>	Small, Medium and Micro Enterprises
<b>SONA</b>	State of the Nation Address
<b>Stats SA</b>	Statistics South Africa
<b>TID</b>	Technical Indicator Description
<b>UK</b>	United Kingdom
<b>UNWTO</b>	United Nations World Tourism Organisation
<b>WEF</b>	World Economic Forum
<b>WTTC</b>	World Travel and Tourism Council

## FOREWORD BY THE MINISTER



*“ To deepen the economic impact of the tourism industry on the lives of South Africans in rural and urban areas, the Department will establish a facility to assist major projects to undertake project preparation, starting from concept development, through to project packaging for funding and investment. ”*

The global tourism sector has for the past 10 years outperformed the global economic growth. This is a clear demonstration that the tourism sector is made up of economic activities that contribute to three high-priority objectives of developing countries: the generation of income, employment, and foreign-exchange earnings. Accordingly, the tourism sector can play an important role as a driving force of economic development most importantly development of rural economies.

For a country such as South Africa which has placed economic transformation at the centre of its programmes, tourism is a vital sector towards achieving this goal. It is in this context that the 6<sup>th</sup> Administration has placed economic transformation as the second most important priority in the South African economy. The impact this industry can have in the different provinces and communities in our country depends on the specific characteristics of each area. Thus, the Department of Tourism will implement its programmes with the framework of the District Development Model led by the Department of Cooperative Governance and Traditional Affairs.

To deepen the economic impact of the tourism industry on the lives of South Africans in rural and urban areas, the Department will establish a facility to assist major projects to undertake

project preparation, starting from concept development, through to project packaging for funding and investment. Initial projects include some that have been identified as the next logical next step to the master planning processes that are being concluded. The agreed-upon concepts will be followed by feasibility analysis, also as part of the project preparation suite of services. The implementation of these projects will change the face of communities by stimulating economic activities anchored around tourism.

Transforming the sector through increased participation of blacks, women and youth will continue apace. Working together with the Tourism Black Economic Empowerment Council, which is working towards becoming an autonomous body within this Medium-Term Strategic Framework (MTSF) period, we will implement initiatives to achieve the sector Broad-Based Black Economic Empowerment (B-BBEE) provisions. These will include support for Small, Medium and Micro Enterprises (SMMEs), skills development, market access programmes and incubation programmes.

In 2020, we will launch the United Nations World Tourism Organisation (UNWTO) Women in Tourism Pilot Project situated in the Limpopo province at Vhembe and Mopani Districts. The focus of this pilot will be on women within the areas of the Ribola Art Route, to the

Rixile-Kruger Route. This is where there is a number of community tourism that includes arts and craft projects that are in need of support to ensure their sustainability, and scaling up to make them commercially viable, while promoting Leadership and Skills Development; Supplier Development and Market Access, as well as SMME Development and Mentorship. The lessons drawn from this pilot will be used to inform launch this programme countrywide.

Responsible Tourism is of paramount importance to the tourism sector. In 1996, South Africa was the first country to include “Responsible Tourism” in its national tourism policy. The 1996 White Paper on the Development and Promotion of Tourism in South Africa guides the sustainable development of tourism in the country. Sustainability of the tourism sector will also be a guiding principle that will inform the review of the White Paper and other policies in the 2020/2021 financial year.

In addition, the Department is currently working on developing the second edition of the Tourism Environmental Implementation Plan (TEIP) for the period 2020 to 2025. The TEIP has, as its primary objective, the management of the environmental impacts of tourism policies, programmes and plans. The Department’s Climate Change Response Programme focuses on both mitigation and adaptation measures. Our mitigation efforts are centred on tourism resource efficiency, focusing on energy and water efficiency.

The underlying goal of the Strategic Plan is the pursuit of the achievement of 21 million tourist arrivals in 2030. This will require that we grow the number of international arrivals at 6% annually until 2030. This is a challenge that I believe that working together with all the tourism stakeholders, we will be able to achieve.

Overall tourism is expected to continue to grow faster than world economic output as a result of enabling factors such as population growth, rising incomes and employment, shorter work weeks in many parts of the world, and the increasing integration of the world’s economies and societies. The sector might experience short-term shocks such as the COVID-19 which might cause short-term decline but the long-term trend is an upward growth trajectory. The Strategic Plan is designed to take advantage of this prospective growth so that we can achieve economic inclusion and transformation through wider participation of all the demographics of our country.



**Ms Mmamoloko Kubayi-Ngubane, MP**

Minister of Tourism

## MESSAGE BY THE DEPUTY MINISTER OF TOURISM



*“ As we grow tourism’s contribution to the economy, we are committed to taking along our communities as valuable participants in this sector. Some of the critical initiatives we will undertake with local communities as key partners include development of tourism projects. ”*

We set off to begin the implementation of the 2019–2024 MTSF of Government, committed to ensuring tourism plays its part as an important contributor to economic transformation and job creation in South Africa. We are aware of the complexity of the task ahead in an environment that includes modest expectations from the World Bank about global economic growth, recent statistics about South Africa entering into a recession in the fourth quarter of 2019, and the emergence of health risks that impact on global travel. The tourism sector has experienced some declines in arrivals in the recent past, with 2019 tourism statistics reporting a 2.3% decline in international arrivals.

Cognisant of the impacts of the global economy as well as global risk events on outbound tourism from our important international markets only serves to emphasise the already critical work we need to do of focusing on the development of the domestic market. South Africa’s beauty, uniqueness and diversity must be made accessible to all our citizens. Improving the culture of travel amongst South Africans must be supported by the availability of affordable and suitable opportunities for recreation and leisure, near home and further afield from home for our citizens. In addition to this being important to Government’s agenda for wellbeing of South Africans, domestic tourism also has the potential to act as a buffer for tourism sector

performance when international events affect international arrivals to the country. As such, growing domestic tourism remains central to our strategy for this five-year term.

As we grow tourism’s contribution to the economy, we are committed to taking along our communities as valuable participants in this sector. Some of the critical initiatives we will undertake with local communities as key partners include development of tourism projects. These will unlock tourism potential and opportunities at community level, with the inclusive participation and beneficiation of local communities. These tourism projects will also have the effect of unlocking other economic opportunities in the tourism value chain for the local communities.

Visitor experience at a destination has a significant impact on the reputation of the destination, affecting return visitation and word-of-mouth marketing. A single bad experience for a visitor in this age of viral messaging, can have immeasurable cost to reverse impacts. We will continue to focus on developing the skills required by the sector to provide excellent service to our visitors, ensuring their experience surpasses their expectations and has a positive influence on our brand reputation as a country. Our skills development programmes are also aimed at drawing

a significant number of unemployed South Africans into the productive space. Young people targeted by these programmes gain skills that increase their employability as well as to contribute to community development. The training programmes will focus on the capacity of tour guides, foreign language training, the National Youth Chefs Training Programme, the Food Safety Training Programme, Wine Making Youth Training Programme, Coastal Marine Tourism Skills, Hospitality Youth Programme as well as the Executive Development Programme for Women.

Another important contributor to visitor experience is the quality of the establishments that service our visitors. A credible quality assurance system is central to protecting the reputation of our destination. We will review the quality assurance policy to ensure that it provides appropriate guidance to our efforts in this area.

Through our National Conventions Bureau, we will continue to attract business events to our shores. Taking advantage of our hosting experience and events infrastructure in the country,

we have the opportunity to attract international delegates. We will support bidding for, and hosting of international meetings, incentives, conventions and events.

I'd like to express my appreciation to the team in the Department of Tourism, led by the Director-General, Mr Victor Tharage, for the work thus far. I look forward to a strategy-focused term with the team under the leadership of Minister Kubayi-Ngubane, towards 21 million tourists by 2030.



**Fish Mahlalela**

Deputy Minister: Tourism

## STATEMENT BY ACCOUNTING OFFICER



*“ The Department will strengthen the tourism mandate for the accelerated development and radical socio-economic transformation of the sector by ensuring that Government mobilises and effectively utilises all the resources and policy instruments at its disposal and control in a coherent manner. ”*

The overall legislative and policy direction for the Department is provided for in the Tourism Act, 2014 (Act No 3 of 2014) and the National Development Plan (NDP) accordingly, the Department’s mandate is to grow South Africa’s tourism sector and its contribution to the country’s economy and its transformation; to promote greater quality of tourism products and services; and to promote the practice of responsible tourism. The key strategies focus on creating conducive policy instruments, developing the capacity to support sector growth, and creating a welcoming, value-for-money destination.

The NDP recognises tourism as one of the main drivers of employment and economic growth. The Plan implemented in 2018/19 financial year was focused especially on tourism job creation, tourism infrastructure development, and tourism support to SMMEs, with a bias towards designated groups (i.e. youth, women and people with disabilities) as beneficiaries. The Plan was implemented in a manner that ensured strategic investment of limited resources, and in a targeted manner to maximise impact.

The MTSF for 2019–2024 forms the basis for our plans for this term. The Department will align its work with the provisions of the MTSF in order to deliver on Government’s objectives

for this term. Key to our strategy is the need to intervene to realise improvements in the tourism offering, visitor experience, access to the destinations, and to grow tourist arrivals while deliberately ensuring that the tourism sector transformation levels improve significantly. The must be supported by a capable, ethical and efficient organisation.

As indicated in the situational analysis above, there are substantial challenges in the environment that our strategy must be alert to in order to be tactically agile and effective. These include global economic performance, the competitiveness of Destination South Africa, public health and climate change-related emergencies as well as a global trade environment. Plentiful opportunities also exist with the anticipated global growth in outbound tourism over the next 10 years. Africa as a regional destination as well as a market for South Africa promises to show continued growth. Growth of arrivals to the continent aligns positively with our aspirations for a Better Africa in a Better World, whilst the outbound African market presents a huge opportunity for South Africa to grow its arrivals.

As part of encouraging transformation in the tourism sector, the Department recognised the development of SMMEs as a key strategy for transformation of the sector. The Department



implemented a range of incentive programmes aimed at encouraging the development and sustainability of tourism enterprises. The Tourism Incentive Programme (TIP) was implemented to facilitate enterprise growth and expansion, and thereby stimulate job creation and transformation in the tourism sector. The focus of these incentives includes the following:

- enhancing quality of tourism products through incentivising participation in the tourism grading system;
- enabling qualifying SMMEs to access international tourism markets;
- unlocking investment by black entrepreneurs in viable tourism projects by reducing funding gaps that may exist between loans and own contributions;
- encouraging enterprises to become more energy efficient; and
- supporting the growth of the green economy through job creation and enterprise development.

Amongst other accomplishments, the Department has expanded its Enterprise Development and Transformation Programme to transform the tourism sector and provide developmental support to tourism enterprises. This programme forms part of the key strategy for introducing new players in the tourism economy in order to achieve the transformation objectives. It supports the growth of tourism enterprises in a manner that facilitates inclusive participation, job creation and contributes to the competitiveness of tourism destinations. Included in the programme is implementation of Incubation Programme, which is projected to create 10 incubators over the medium-term period ahead to support emerging enterprises. These are platforms aimed at facilitating the provision of remote business support interventions to SMMEs in the Industry.

The Department has developed the National Tourism Information and Monitoring System in line with the Tourism Act, 2014 which will go live in the 2019/20 financial year. It will enable the Department to quantify the size, extent and variety of tourism businesses, services and products to inform planning, policy development, decision making and strategic interventions that seek to contribute meaningfully to inclusive and sustainable growth and development of the tourism sector, including transformation agenda imperatives.

To promote improvement in destination planning practices, the Department developed a destination planning manual as a tool that provides guidance in respect of tourism destination planning. The tool focuses particularly on local and district municipal officials working on municipal planning and local economic development to assist with a better understanding of tourism and how it can be integrated into the planning for the municipality. Master planning is also currently underway for the following regions: Port St Johns to Coffee Bay, Port Nolloth to Hondeklipbaai, Sutherland to Carnarvon, and Orange River Mouth to Vioolsdrift. The process is expected to be finalised in March 2020.

The Department will continue with the implementation of five incentives annually under the Tourism Incentive Programme (market access, tourism grading, energy efficiency, sector transformation and one additional incentive will be piloted) over the medium term. Over the medium term, 7.6 per cent (R577.0 million) of the Department's total budget is allocated to the Tourism Incentive sub-programme

The Department will make good on its ambition, in line with commitments for the tourism portfolio made in the President's State of the Nation Address (SONA) 2019, to more than double international tourist arrivals to 21 million by 2030. This will require collaboration with relevant partners to ensure the renewal of the country's brand, introduction of a world-class visa regime and a significant focus on specific markets (China and India) and air arrivals from the rest of our continent as well as ensuring that tourists who come to our country are safe.

Tourism continues to offer many, real opportunities for growth and with that, transformation at various points along the value chain, with relatively low entry barriers. Key enablers that must be in place to ensure that this potential is realised include:

- Improving our tourism assets and infrastructure making South Africa a diverse and unique tourism destination. A diversified tourism product offering can contribute to broadening participation and can encourage tourists to interact with hosts and services providers beyond the mainstream providers.
- Offering excellent service and creating memorable experiences, which meet and exceed the expectations of tourists. This includes the following: addressing safety concerns of

visitors; marketing our destination effectively domestically and internationally in order to achieve growth in arrivals.

- Importantly, developing a culture of travel amongst South Africans supported by a diverse and responsive product range is necessary in order to fully benefit from the domestic market.
- Improving access for tourists through an enabling immigration facilitation and an enabling air transport capacity.
- Transforming the entire tourism value chain in order to expand participation, improve ownership patterns and ensure that all South Africans share the benefits that accrue from the tourism economy.
- Sustainability of Working for Tourism capital projects to ensure that communities benefit from tourism development.

We are encouraged by the vision of Minister Kubayi-Ngubane. We appreciate the leadership and support of our Minister and Deputy Minister, as well as the oversight role played by our Portfolio and Select Committees.

We continue to enjoy, and are grateful for the support and cooperation of the industry and communities in the execution of the mandate of growing and developing tourism.

I would like to express my gratitude to the work and commitment shown by our management and staff as we decide on the strategic choices for this next medium term in line with the 6<sup>th</sup> Administration mandate. This Strategic Plan and its Annual Performance Plan defines the outcomes and interventions that will deliver on our mandate.



**Victor Nkhumeleni Tharage**

Director-General

# OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- was developed by the management of the Department of Tourism under the guidance of the Minister Mmamoloko Kubayi-Ngubane; MP
- takes into account all the relevant policies, legislation and other mandates for which the Department of Tourism is responsible
- accurately reflects the Impact, Outcomes and Outputs which the Department of Tourism will endeavour to achieve in 2020/21 – 2024/25

**Ms Lulama Duma**



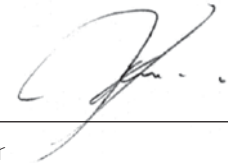
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Deputy Director-General: Corporate Management

**Ms Morongoa Ramphele**



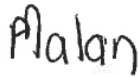
Signature: \_\_\_\_\_  
Deputy Director-General: Tourism Sector  
Support Services

**Mr Nkhumeleni Victor Tharage**



Signature: \_\_\_\_\_  
Accounting Officer

**Ms Anemé Malan**



Signature: \_\_\_\_\_  
Deputy Director-General: Tourism Research,  
Policy and International Relations

**Mr Ralph Ackermann**



Signature: \_\_\_\_\_  
Chief Financial Officer

**Mr Fish Mahlalela, MP**



Signature: \_\_\_\_\_  
Deputy Minister

**Ms Shamilla Chettiar**



Signature: \_\_\_\_\_  
Deputy Director-General: Destination Development

**Ms Nomzamo Bhengu**



Signature: \_\_\_\_\_  
Chief Director: Strategy and Systems

**APPROVED BY**

**Ms Mmamoloko Kubayi-Ngubane, MP**



Signature: \_\_\_\_\_  
Executive Authority

# PART A

## OUR MANDATE



## 1. CONSTITUTIONAL MANDATE

Part A of Schedule 4 to the Constitution of the Republic of South Africa, 1996, lists tourism as a functional area of concurrent national, provincial and local Government legislative competence.

## 2. LEGISLATIVE AND POLICY MANDATE

### 2.1 Legislative mandate

The Tourism Act, 2014 (Act No 3 of 2014) aims to promote the practise of responsible tourism for the benefit of the Republic and for the enjoyment of all its residents and foreign visitors; provide for the effective domestic and international marketing of South Africa as a tourist destination; promote quality tourism products and services; promote growth in and development of the tourism sector, and enhance cooperation and coordination between all spheres of Government in developing and managing tourism.

### 2.2 Policy mandate

- The NDP is the 2030 vision for the country. It envisions rising employment, productivity and incomes as a way to ensure a long-term solution to achieve a reduction in inequality, an improvement in living standards and ensuring a dignified existence for all South

Africans. The NDP recognises tourism as one of the main drivers of employment and economic growth.

- The re-imagined Industrial Strategy identifies tourism as one of the seven national priority sectors.
- The National Tourism Sector Strategy (NTSS) provides a blueprint for the tourism sector.
- The White Paper on the Development and Promotion of Tourism in South Africa, 1996, provides a framework and guidelines for tourism development and promotion in South Africa.

## 3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

- NTSS
- White Paper on the Development and Promotion of Tourism in South Africa, 1996
- Tourism Draft Amendment Bill
- Tourism B-BBEE Charter

## 4. RELEVANT COURT RULINGS

Not applicable.

# PART B

## OUR STRATEGIC FOCUS



## 5. VISION

Leading sustainable tourism development for inclusive economic growth in South Africa.

## 6. MISSION

To grow an inclusive and sustainable tourism economy through:

- good corporate and cooperative governance;
- strategic partnerships and collaboration;
- innovation and knowledge management; and
- effective stakeholder communication.

## 7. VALUES

### 7.1 Performance values

- **Innovative:** Leveraging of resources and partnerships to optimise delivery to our stakeholders, and being responsive to change.
- **Ethical (good corporate governance):** Encapsulating the principles of integrity, transparency and accountability.
- **Customer focus:** Providing services and solutions in a manner that is efficient, effective and responsive.

### 7.2 Organisational values

- **Empowerment:** Create an environment conducive to growth and development for our people.

- **Integrity:** Act with integrity by maintaining the highest standards for accountability, serving with respect, honesty and trustworthiness.
- **Recognition:** Be an organisation that values its own people by ensuring fairness of systems and processes, being supportive as well as recognising and rewarding performance.

## 8. SITUATIONAL ANALYSIS

### 8.1 External Environment Analysis

The tourism and travel sector, comprised of a wide range of industries, aims to serve and support domestic, international, business and leisure visitors. Tourism holds immense potential to change the fortunes of the country and contribute to the achievement of Government's economic objectives. When managed well, the growth of tourism brings with it jobs, boosts economic growth, foreign exchange earnings and provides opportunities for economic participation at all levels, to all citizens. The 6<sup>th</sup> Administration has prioritised the tourism sector as a key sector to drive economic transformation.

The tourism sector is characterised by high labour intensity and offers great growth opportunities that are critical to addressing the challenges of unemployment, inequality and poverty. In its January 2020 publication,<sup>1</sup> the World Bank revised downwards the forecasted global economic growth by -0.2% to 2.5% for the year 2020. The South African Reserve Bank (SARB) observes that the third quarter of 2019 saw the global economic growth remaining subdued and slowing slightly further to 2.8%. This was due to decreasing economic activity in both the advanced and emerging economies.<sup>2</sup>

Downside risks in the global environment include potential escalation of trade tensions, sharper growth deceleration in major economies than expected, a reappearance of financial stress in large emerging markets, escalation of geopolitical tensions, a series of extreme weather events, high debt levels and subdued productivity growth.<sup>3</sup> Further significant

<sup>1</sup> World Bank. 2020. Global Economic Prospects: Slow Growth, Policy Challenges. Washington, DC: World Bank. January 2020. p.xvii, at <https://www.worldbank.org/en/publication/global-economic-prospects>, accessed on 21/02/2020.

<sup>2</sup> South African Reserve Bank. 2019. Quarterly Bulletin No. 294. December 2019. Pretoria: SARB. p.1, at <https://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/9632/01Full%20Quarterly%20Bulletin.pdf>, accessed on 20/02/2020.

<sup>3</sup> World Bank. 2020. Global Economic Prospects: Slow Growth, Policy Challenges. Washington, DC: World Bank. January 2020. pp.6-7, at <https://www.worldbank.org/en/publication/global-economic-prospects>, accessed on 21/02/2020.

downwards revisions are expected globally and domestically due to the impact of the COVID-19 outbreak on the global economy. This global context creates a constraining income effect that is critical to improving the global international tourist outbound market.

Domestically, the Gross Domestic Product (GDP) contracted by 1.4% in the fourth quarter of 2019, considering the growth rate of the economy in preceding quarters of 2019 resulted in a growth of 0.2% for the previous year. It is important to note that the South African economy has experienced two consecutive quarters of negative growth, -0.8% and -1.4% for 2019 Q3 and 2019 Q4, respectively. It is important to note that subdued economic growth restricts the stimulation of domestic tourism from a disposable income standpoint.

This, in part, sets the scene for the work required to in the medium term in order to achieve our aspirations for 21 million foreign tourists by 2030.

The National Treasury projected that over the next three years, consolidated spending will total R6.3 trillion, with 48% of this amount earmarked for social expenditure. A fiscally constraint environment presents an added challenge to Government's drive to maintain current levels of service provision and to improve infrastructure investment. The consolidated budget deficit is projected to average 6.2% of the GDP over the next three years. Debt and debt service costs are projected to increase, with the debt-to-GDP ratio now estimated to reach 71.3% in 2022/23.

National Treasury (2019) states that South Africa has a scarcity of capital as well as oversupply of certain kinds of labour, and it has not sufficiently focused on harnessing the expertise. There is a need to increase the supply of capital (by creating an investor-friendly environment), increase the supply of skilled labour (this increases the absorption of unskilled and semi-skilled labour) and improve know-how (by supporting export-orientation, increasing competition and better supporting innovation).

The World Tourism and Travel Council (WTTC) records that the direct contribution of Travel and Tourism to GDP in 2018, globally, was recorded at \$2, 750.7 billion (3.2% of GDP), and was forecast to rise by 3.6% to \$2, 849.2 billion in 2019. The direct contribution of Travel and Tourism to GDP globally is expected to grow by 3.6% pa to \$4, 065.0 billion (3.5% of GDP) by 2029. This mirrors the economic activity generated by industries that include hotels, travel

agents, airlines and other passenger transportation services (excluding commuter services). Other activities such as those of the restaurant and leisure industries directly supported by tourists are also included.

The total contribution of Travel and Tourism to the GDP globally (including wider effects from investment, the supply chain and induced income impacts, was recorded at \$8, 811.0 billion in 2018 (10.4% of GDP) and is expected to grow by 3.6% to \$9, 126.7 billion (10.4% of GDP) in 2019. It is forecast to rise by 3.7% per annum to \$13, 085.7 billion by 2029 (11.5% of GDP).

Travel and Tourism generated 122 891 000 jobs directly in 2018 globally (3.8% of total employment) and this is forecast to grow by 2.2% in 2019 to 125 595 000 (3.9% of total employment). Employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services) are included. Also included are the activities of the restaurant and leisure industries directly supported by tourists. It is predicted that Travel and Tourism will account for 154 060 000 jobs directly by 2029, signalling a 2.1% per annum increase over the next 10 years.<sup>4</sup>

International tourist arrivals (overnight visitors) across the world grew by 4% in 2019 to reach 1.5 billion arrivals; about 54 million more than in the previous year according to data reported by destinations worldwide. 2019 was the 10th consecutive year of sustained growth since 2009. All regions experience increase in arrivals. Growth was led by the Middle East (+8%), Asia and the Pacific (both +5%). International arrivals in Europe and Africa (both +4%) grew in line with the world average, while the Americas (+2%) saw moderate growth.

In 2019, international arrivals in Africa grew to reach 71 million, at an estimated growth of 4%. Stronger growth was recorded for North Africa at 9%, while Sub-Saharan Africa saw growth at 1%. In Sub-Saharan Africa, island destinations like Madagascar saw double-digit growth in arrivals, while Cabo Verde and the Seychelles took advantage of increased air connectivity. South Africa, the sub region's most visited destination, witnessed a decline of 2.3% in 2019. Drivers of this decline included safety concerns by potential visitors. The United Nations World Travel Organisation (UNWTO) forecasts a growth of 3% to 4% in international tourist arrivals worldwide in 2020, based on current trends, economic prospects and the UNWTO Confidence Index.<sup>5</sup>

<sup>4</sup> WTTC. 2019. Travel & Tourism Economic Impact. March 2019, p.4

<sup>5</sup> UNWTO. 2020. World Tourism Barometer. 1(18), January 2020, p.1



The recent COVID-19 outbreak globally in 2020 illustrates the vulnerability of travel and tourism to the effects of public health emergencies. Tourism is already being affected by this outbreak. The UNWTO is closely monitoring developments related to the outbreak of COVID-19, both in China and worldwide, and is cooperating closely with the World Health Organisation. For example, on 5 March 2020, China reported a 6.8% decline in its domestic tourism numbers since the beginning of the outbreak in December 2019. Furthermore, Lufthansa announced the grounding of 150 planes from its fleet in response to the outbreak. Notably, as at March 2020, this outbreak has affected key source markets for South Africa. The effect of the COVID-19 outbreak is expected to be significant on the global arrivals in 2020 and in terms of arrivals to South Africa, foreign currency earnings, and jobs in tourism.

During times of crisis, such as in this public health emergency, tourism has to live up to its responsibility as an integral part of wider society. The sector must put people and their wellbeing first. This requires agility, effectiveness and efficiency in responding as well as strong, effective collaborations to attend to emergencies when they occur.

The global economic slowdown, trade tensions and rising geopolitical challenges, social unrest, and lower business confidence have weighed on growth in international tourism. The European Union (as a bloc is South Africa's largest trading partner. Total trade between the South Africa and the United Kingdom (UK) in 2017 amounting to R79.6 billion, excluding gold. The UN calculates that the UK is South Africa's eighth-largest import and export market in global terms. The Southern African Customs Union (SACU) and the UK concluded a SACU-UK economic partnership agreement in 2019. As a party to SACU, South Africa's trading relationship with the UK is expected to continue without disruption when this agreement comes into effect, regardless of Brexit.

South Africa is party to the agreement establishing the African Continental Free Trade Area (AfCFTA) which entered into force on 30 May 2019. The AfCFTA brings together all 55-member states of the AU covering a market of more than 1.2 billion people, including a growing middle

class, and a combined GDP of more than \$3,4 trillion.<sup>6</sup> The agreement is critical for growth and job creation for Africa and its 1.27 billion people.<sup>7</sup> Through facilitating the movement of goods and services among African countries, AfCFTA will create opportunities to accelerate intra-Africa trade, grow local businesses, create jobs and increase infrastructure development on the continent. As a game changer, the free trade agreement will act as a catalyst for economic growth and will benefit entrepreneurs, including medium-to-small businesses.<sup>8</sup> Tourism should be poised to enhance competitiveness at the industry and enterprise level through encouraging exploitation of opportunities for scale production, continental market access and better reallocation of resources. The AfCFTA has the potential to put in place mechanisms to address many of the non-tariff challenges frustrating intra-African trade. It could do so in a manner that will provide more certainty and predictability and improve the trade facilitation environment.<sup>9</sup> The negotiation of relevant instruments (particularly for services sectors, including travel and tourism) are still to be concluded. The agreement presents opportunities for various sectors of the South African economy including the tourism sector given the opportunity to increase international tourist arrivals from the continent.

The failure and collapse of major travel group Thomas Cook on 26 September 2019 illustrates the adverse impact of high market concentration. As a result of the group's collapse, some small European airlines disrupted some tourism flows, and temporarily affected some key tourism destinations. The collapse of the group also led to 600 000 travellers around the world were left stranded, which included 150 000 British travellers. Some 38 countries were affected, particularly in Europe and the Americas. The implication was that more than 8.5 million seats would be cancelled from September 2019 until August 2020, according to inbound flight seats scheduled by Thomas Cook.<sup>10</sup>

South Africa dropped eight places in its overall ranking in the latest World Economic Forum (WEF) Travel and Tourism Competitiveness rankings from 53 in 2017 to 61 in 2019 relative to 140 countries between 2017 and 2019.<sup>11</sup> The report indicates that South Africa has made improvements in the following indices: ICT Readiness, International Openness, Price

<sup>6</sup> Tralac . 2020. African Continental Free Trade Area (AfCFTA) Legal Texts and Policy Documents, at <https://www.tralac.org/resources/our-resources/6730-continental-free-trade-area-cfta.html>, accessed 23/02/2020

<sup>7</sup> Cloete, K. 2019. WEF. 2020. Africa's new free trade area is promising, yet full of hurdles. 6 September 2019, at <https://www.weforum.org/agenda/2019/09/africa-just-launched-the-world-s-largest-free-trade-area/>, accessed 24/02/2020.

<sup>8</sup> Williams, P. 2019. AfCFTA: The dream of our founding fathers coming to life. 9 July 2019, at <https://www.gov.za/blog/afcfta-dream-our-founding-fathers-coming-life>, accessed 24/02/2020.

<sup>9</sup> Tralac . 2020. African Continental Free Trade Area (AfCFTA) Legal Texts and Policy Documents, at <https://www.tralac.org/resources/our-resources/6730-continental-free-trade-area-cfta.html>, accessed 23/02/2020

<sup>10</sup> UNWTO. 2019. World Tourism Barometer, Issue 17(4), November 2019, p.4.

Competitiveness, Ground and Port Infrastructure as well as Natural Resources. The move downwards is largely attributable to scoring poorly in the areas of safety and security, environmental sustainability, and health and hygiene. Sub-optimal scores were also attained in respect of international openness and Government prioritisation of tourism. The sub-indices that are scoring low point to the areas that require attention in order to improve South Africa's competitiveness.

As a response, the Medium-Term Expenditure Framework has a focus on key projects such as the implementation of prioritised initiatives from the Tourism Safety Strategy, finalised in collaboration with the South African Police Services and other stakeholders. Efforts are also being intensified on fostering an integrated whole-of-government approach to tourism working with our public sector partners. This will provide a platform for the facilitation of interventions in areas such as environmental sustainability and health and hygiene.

The current prioritisation of tourism as part of the country's Re-imagined Industrial Strategy, is further expected to significantly improve the country's performance against the indicator on prioritisation of travel and tourism going forward. The four priorities identified for the Tourism Master Plan; namely travel facilitation, driving international tourism growth, tourism infrastructure investment and revolutionising domestic tourism, will help address other areas of decline in the ranking such as tourist service infrastructure, and overall brand strength. A comprehensive tourism infrastructure plan to address future growth of the sector is also prioritised, and will support the matching of supply with current and future demand.

The patterns of ownership and control remain largely unchanged in the tourism sector. Whilst large enterprises, particularly in the accommodation sector, have shown improvement with the incentive of Government consumption, more work still needs to be done to transform the sector.

Domestically, President Cyril Ramaphosa outlined the focus for the tourism portfolio in SONA 2019, which marked the beginning of the 6<sup>th</sup> Administration. He stated that: "We will make good on our ambition to more than double international tourist arrivals to 21 million by 2030. This will be achieved through the renewal of the country's brand, introducing a world-

class visa regime and a significant focus on Chinese and Indian markets and air arrivals from the rest of our continent. We are determined to ensure that tourists who come to our country are safe." In addition to specific focus on China and India, Nigeria as well as other markets on the African continent cannot be left behind.<sup>12</sup>

The WTTC stated that an unprecedented number of people travelling has been observed, with international travels reaching 1.4 billion in 2018. While the majority of travel still occurs between developed nations, outbound travel from Africa, Asia-Pacific and the Middle East is forecasted to grow exponentially in the next decade. It is also noted that emerging and developing countries are not only growing into larger source markets, but they are also enhancing their Travel and Tourism competitiveness to position themselves as more attractive destinations. That the 1.4 billion recorded for 2018 is expected to increase to an estimated 1.8 billion travellers in 2030, and a staggering 5 billion by 2050, indicates the need for competitive edge by South Africa too.<sup>13</sup>

## 8.2 Internal Environment Analysis

The revision of the departmental strategy for the 2020/21–2024/25 period was prepared taking into consideration priorities of Government's MTSF 2019–2024. Our work is affected by all seven priorities in general but, specifically:

**Priority 1:** Capable, Ethical and Developmental State;

**Priority 2:** Economic Transformation and Job Creation; and

**Priority 7:** A Better Africa and World.

The strategy detailed further in this document is supported by detailed plans contained in the Annual Performance Plan for 2020/21–2022/23. In order to ensure an organisation's readiness to effectively implement the new strategy, the Department must be reviewed and repurposed to find a suitable operating model, fit for purpose. We will also support the process of rationalising and repurposing of South Africa's marketing and brand entities.

The Department has institutionalised mechanisms and capacity necessary to promote

<sup>11</sup> WEF. 2019. The Travel and Tourism Competitiveness Report – Travel and Tourism at a Tipping Point, at [http://www3.weforum.org/docs/WEF\\_TTCR\\_2019.pdf](http://www3.weforum.org/docs/WEF_TTCR_2019.pdf), accessed 22/03/2020.

<sup>12</sup> State of the Nation Address, 2019. <https://www.gov.za/speeches/2SONA2019>

<sup>13</sup> WTTC. 2019. Prioritising the sector, at <https://www.wttc.org/agenda/best-practices/prioritising-the-sector/>, accessed 23/02/2020.

good governance in conducting its business. These include internal control mechanisms, combined with assurance procedures, promoting good ethical conduct necessary to combat and prevent fraud and corruption, implementing risk management, proper delegation of authority, proper management of information, communication, technology and other mechanisms required to entrench good governance.

This notwithstanding, the Department's system of internal control may be exposed to weaknesses that could result in deficiencies and failure to detect potential problems. This was evidenced by the audit opinion with regard to capital projects, which pointed to challenges related to poorly conceived projects, poor project management practices, and poor performance by implementing agents. The implication of the recent audit opinion pointed the Department to certain areas that needed strengthening. These include, amongst others, capability to conduct feasibility assessments independently.

An assessment of the projects implemented within the infrastructure programme of the Department revealed that many of the projects did not meet objectives in terms of cost, time and quality. The Department has to improve its project management capacity, and align its processes to the Government's infrastructure procurement and delivery management regulations to ensure value for money.

There is a need for continuous development of the organisation's capacity in order to deliver on the strategy including digital skills, analytics capabilities, spatial planning skills as well as leadership and management development. In this regard, the Workplace Skills Plan and the personal development plans should reflect the needs of the Department in developing these capabilities. Initiatives that build cohesion and strengthen teams are critical to the department's ability to deliver on its mandate.

Significant constraints to the fiscal framework and the policy position of Government to contain the public service wage will always have implications for the Department's human resource capacity. This requires of the Department to explore all possibilities for creating adequate capacity to implement its programmes and to introduce efficiency and effectiveness improvements, i.e. doing more with less. It requires of the Department to improve its procurement capacity and planning capabilities.

The Department is mandated to comply with the South African Constitution and recognises the rights of all South Africans as set out in the Bill of Rights. The Department develops annual implementation plans and purposeful interventions to empower women, youth and persons with disabilities in its employment as well and in the tourism sector with the purpose of sustainable tourism development for inclusive economic growth in South Africa.

# PART C

## MEASURING OUR PERFORMANCE



## 9. INSTITUTIONAL PERFORMANCE INFORMATION

### 9.1 Measuring the Impact

**Table 1: Impact statement**

**IMPACT STATEMENT** Tourism to and within South Africa grows and increasingly contributes to GDP, job creation, inclusive economic participation, and is enjoyed by all South Africans.

### 9.2 Measuring Outcomes

**Table 2: Measuring Outcomes**

OUTCOME	MTSF PRIORITY	MTSF OUTCOMES	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
<b>Increase the tourism sector's contribution to inclusive economic growth.</b>	<b>Priority 7:</b> A better Africa and the World.	Growth in tourism sector resulting in economic growth.	Increase in international tourist arrivals.	10.4 million in 2019.	Increase international tourist arrival with 6% annually by 2024.
	<b>Priority 2:</b> Economic transformation and job creation.	Re-industrialisation of the economy and emergence of globally competitive sectors.	Increase in the number of domestic holiday trips.	7.1 million domestic holiday trips in 2019.	10 million domestic holiday trips.
			Percentage increase in capital investment in tourism.	2.88% increase in capital investment in tourism in 2019.	2.50% increase in capital investment per annum by 2024.
			Percentage increase in tourism's direct contribution to employment.	3.19% tourism's direct employment increase in 2019.	Tourism's direct employment increase by a rate of 2.67% per annum by 2024.
			Percentage growth in tourism's direct contribution to the GDP.	4.53% growth in tourism's direct contribution to the GDP in 2019.	3.23% growth in tourism's direct contribution to the GDP per annum by 2024.
			Maintain or improve ratings in the Competitiveness Index.	SA ratings in the 2019 WEF Travel and Tourism Competitiveness rankings.	SA ratings improved in the 2021 WEF Competitiveness Index.

OUTCOME	MTSF PRIORITY	MTSF OUTCOMES	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
			Increase diversification of South Africa's product offering. <sup>14</sup>	Currently, there is no reliable information on the level of diversity to use as a baseline.	Set baseline by 2021.
			Improved transformation levels in the sector in terms of management control, skills development, enterprise and supplier development and socio-economic development.	Management control – 18.64.	20.00
				Skills development – 14.68.	25.00
				Enterprise and supplier development – 11.30.	50.00
				Socio-economic development – 2.34.	5.00
<b>Achieve good corporate and cooperative governance.</b>	<b>Priority 1:</b> Capable, ethical and developmental State.	Improved governance and accountability.	Audit outcomes on financial and non-financial performance.	2018/19 Audit outcome – qualified.	Unqualified audit outcomes.
		Functional, efficient and integrated Government.	High standard of professional ethics promoted and maintained.	Implementation of the departmental integrity management programme (including management of gifts, anti-corruption, code of conduct, remunerative work outside of public service, doing business with the State, financial disclosures).	100% implementation of all initiatives to promote integrity and ethical conduct (including management of gifts, anti-corruption, code of conduct, remunerative work outside of public service, doing business with the State, financial disclosures).

<sup>14</sup> Diversification (assets, products, and facilities) reflects the extent to which a wider market has been attracted, and how it has in turn increased expenditures, and thus contributing to inclusive economic growth and broadened participation.

### 9.3 Planned Performance over the Five-year Planning Period

The Department will make good on its ambition to more than double international tourist arrivals to 21 million by 2030. This will be achieved through the renewal of the country's brand, introducing a world-class visa regime and a significant focus on specific markets (China, India and Nigeria) and air arrivals from the rest of our continent. The Department is determined to ensure that tourists who come to our country are safe.

The impact of our contribution towards ambition (within the context of SONA and the Re-imagined Industrial Strategy) will be measured by:

- Direct contribution to the GDP.
- Direct contribution of tourism to job creation.
- International tourist arrivals
- Total tourist foreign direct spend
- Length of stay by international tourists
- Domestic holiday trips

#### a) Enablers to achieve the five-year targets.

Key change enablers that must be in place to ensure that the 6<sup>th</sup> Administration objectives for tourism growth are met include:

- Improving our tourism **assets, products and facilities** making South Africa a diverse and unique tourism destination. A diversified tourism product offering can contribute to broadening participation in that it could encourage tourists to interact with hosts and services providers beyond the mainstream providers. Expand to reflect expansion of market share.
- Offering **excellent service** and creating **memorable experiences** meet and exceed the expectations of tourists. This includes addressing safety concerns of visitors.
- Grow **foreign and domestic arrivals** our destination effectively domestically and international in order to achieve growth in arrivals. Importantly, developing a **culture of travel amongst South Africans** supported by a diverse product range that responds to

the needs of the domestic market is necessary in order to fully benefit economically from the domestic market.

- Improve access for tourists through an enabling **visa regime** and an enabling **air transport capacity**.
- **Transforming the tourism sector** in order to expand participation, improve ownership patterns and ensure that all South Africans share the benefits that accrue from the tourism economy.

Key change enablers that must be in place to ensure that the 6<sup>th</sup> Administration objectives for a capable and ethical State are met include:

- 1) **Strategic Leadership** - Visionary and transformational leaders that are able to clearly articulate the vision of the Department to achieve Government outcomes, and provide leadership through all stages of transition in the ever changing operating landscape of the Department.
- 2) **Management** (systems) - Proper systems, processes and procedures that ensure the achievement of good performance, and effective, efficient, economic and equitable service delivery.
- 3) **Human Resources** - capacitation, empowerment and motivation of all staff.
- 4) **Governance** - Effective and highest standards of governance (processes and structures of the organisation and as part of the oversight function).
- 5) **Technology** (digital transformation).
- 6) A **collaborative approach** through stakeholder engagement and customer focus (internal; intra; entity; intergovernmental relations; private sector).
- 7) **Monitoring and Evaluation** - To provide information on key aspects of how the Department is operating and the extent to which its objectives are attained, through periodic checks conducted to check the direction towards achieving the set targets.

- 8) **Strategic Communication** - capacity to communicate effectively with stakeholders, and focus on people-centred development through implementation of awareness drives, profiling the services and programmes of the Department; and mobilising community and stakeholder support and participation in the Department's initiative.
- 9) **Ethics** - governing in a manner that supports the creation of an ethical culture and integrity, transparency and accountability.

**b) Contribution of the outcomes to the achievement of the impact.**

The contribution of tourism in the economy is measured by **jobs created, GDP contributed and revenue generated** from tourism activity. In the South African context, this growth should be underpinned by principles of **inclusivity to drive sector transformation**. Tourism's performance is largely driven by the size and nature of demand (number of tourists and how much they spend in the country). The **experience** of the tourists is a key factor in success of

the destination. Tourists' experience affects the destination's reputation. The experience is a factor of **quality in both offerings and services**. Effective quality management is therefore essential for the destination's competitiveness. As a service industry, tourism growth requires development of **memorable experiences and enhanced visitor experience** around these resources there is a need to improve the quality and assure the diverse product offering. **Safety and security** are vital to providing quality in tourism. More than any other economic activity, the success or failure of a tourism destination depends on being able to provide a safe and secure environment for visitors.

Therefore, the outputs related diversity of offering, capacity building and skills development are intended to affect positively the tourist experience that will affect the destination's reputation, increasing volumes and spend. This will result in the increase of the tourism sector's contribution economic growth. The **transformative interventions**, particularly SMME development and incentives, will contribute **to expanding participation, and achieving inclusivity**.

## 10. KEY RISKS

**Table 3: Key Risks**

OUTCOME	KEY RISK	RISK MITIGATION
<b>Increase the tourism sector's contribution to inclusive economic growth.</b>	Tourism B-BBEE Sector Code targets to facilitate radical economic transformation within tourism sector not met.	Establish mechanism for monitoring and reporting of sector transformation targets.
	Inadequate infrastructure planning and implementation.	Create capacity to plan and implement infrastructure development projects.
	Inability to create an enabling legislative and regulatory environment for tourism development and growth.	<ul style="list-style-type: none"> <li>Policy review on tourism development.</li> <li>Amendment of the Tourism Act, 2014.</li> </ul>
	Key markets' access to South Africa constrained due to limited aviation capacity.	Collaborate with aviation sector to achieve an enabling air capacity strategy.
	Key markets' access to South Africa constrained due to limited visa processing capacity.	Collaborate with Home Affairs to achieve a world-class visa regime.
	Poor brand reputation, and potential visitors' perceptions about safety of Destination South Africa.	<ul style="list-style-type: none"> <li>Develop policy directives to SA Tourism regarding strengthening of the destination brand.</li> <li>Collaborate with Police Services to improve safety for tourists.</li> </ul>
	Negative effect of public health emergencies due to global outbreaks.	<ul style="list-style-type: none"> <li>Strengthen performance of domestic market.</li> <li>Collaborate with health authorities to ensure appropriate messaging about South Africa is communicated.</li> </ul>



OUTCOME	KEY RISK	RISK MITIGATION
	Negative impacts of climate change (including natural disasters).	Create awareness about vulnerability of Destination South Africa and necessary mitigations.
	Capacity of SA Tourism to implement effective marketing strategy.	Strengthen oversight on SA Tourism.
<b>Achieve good corporate and cooperative governance.</b>	Inadequate capacity for management of infrastructure projects.	Ensure availability of professional built environment expertise for departmental projects.
	Inadequate Contract management.	<ul style="list-style-type: none"> <li>Awareness on conclusion of quality contracts, vetting processes, guarantees and warranties.</li> <li>Strengthen contract enforcement capacity.</li> </ul>
	Monopoly and collusive practices by suppliers.	<ul style="list-style-type: none"> <li>Monitor supplier patterns.</li> <li>Encourage supplier rotation.</li> <li>Supplier development initiatives.</li> </ul>

## 11. PUBLIC ENTITY

Table 4: Public Entity

NAME OF PUBLIC ENTITY	MANDATE	OUTCOMES	CURRENT ANNUAL BUDGET (R'000)
<b>South African Tourism (SA Tourism)</b>	<p>Chapter 3 of the Tourism Act, 2014 stipulates the following as the functions of the South African Tourism Board:</p> <ul style="list-style-type: none"> <li>Market South Africa as a domestic and international tourist destination.</li> <li>Market SA tourism products and facilities internationally and domestically.</li> <li>Develop and implement a marketing strategy for tourism that promotes the objectives of the Act and the NTSS.</li> <li>Advise the Minister on any other matter relating to tourism marketing.</li> <li>With the approval of the Minister, establish a National Conventions Bureau to market South Africa as a business tourism destination by: <ul style="list-style-type: none"> <li>Coordinating bidding for international conventions</li> <li>Liaising with other organs of State and suitable bodies to promote South Africa as a destination for business events; and</li> <li>Reporting to the Minister on the work performance of the National Conventions Bureau.</li> </ul> </li> </ul> <p>Additionally, the Minister assigned, in terms of section 44 of the Tourism Act, 2014, the implementation and management of the National Grading System for Tourism to the Board.</p>	<ul style="list-style-type: none"> <li>Increase the tourism sector's contribution to inclusive economic growth.</li> <li>Achieve good corporate and cooperative governance</li> </ul>	<ul style="list-style-type: none"> <li>2020/21 R1 304 306</li> <li>2021/22 R1 372 673</li> <li>2022/23 R1 425 682</li> </ul>

# PART D

## TECHNICAL INDICATOR DESCRIPTIONS



**Table 5: Technical Indicator Description**

Indicator title	Increase in international tourist arrivals.
<b>Definition</b>	<p>Measures the number of international tourists arriving at South African borders.</p> <p>A tourist: is defined as a visitor who stays at least one night in the place visited. This indicator measures foreign tourist arrivals rather than domestic tourists.</p>
<b>Source of data</b>	Statistics SA's (Stats SA) release P0351: Tourism & Migration
<b>Method of calculation / assessment</b>	<p>Each person entering the borders of South Africa gets their passport stamped and recorded at immigration control by the Department of Home Affairs. These records are then made available on a monthly basis to Stats SA for processing and reporting on Tourism &amp; Migration. SA Tourism obtains the information directly from Stats SA.</p> <p>The Tourism &amp; Migration report is available three months after the reported month of travel.</p>
<b>Assumptions</b>	Reliability of data published by Stats SA on tourism arrivals.
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial transformation (where applicable)</b>	Not applicable.
<b>Reporting cycle</b>	Quarterly with a three-month lag.
<b>Desired performance</b>	An increase in the number of international tourist arrivals in South Africa.
<b>Indicator responsibility</b>	Deputy Director-General: Tourism Research, Policy and International Relations

Indicator title	Increase in the number of domestic tourism holiday trips (towards 7.1 million by 2030)
<b>Definition</b>	<p>Measures the number of all trips taken within the borders of South Africa by an adult resident in South Africa for the main purpose of a holiday.</p> <p>A trip refers to the travel by a person from the time of departure from his/her usual residence until he/she returns: a round trip. Trips taken by visitors are tourism trips.</p> <p>The usual environment of an individual, a key concept in tourism, is defined as the geographical area within which an individual conducts his/her regular life routines. To be outside the usual environment, the person should travel more than 40 km from his/her place of residence (one-way) and the place should not be visited more than once a week. This includes place of work and place of study. Leisure and recreational trips are included irrespective of frequency.</p>
<b>Source of data</b>	SA Domestic Tourism Survey
<b>Method of calculation/ assessment</b>	<p>A monthly interviewer-administered national survey of South African residents aged 18 years and older. The sample is stratified by province, population group and geographic location. The results from the obtained samples are then reweighted to the broader population statistics, based on Stats SA's population estimates.</p> <p>Using the Statistical Package for the Social Sciences system, we calculate the number of domestic trips using the question "In the past 12 months how many trips did you take inside South Africa that lasted at least 1 night, but less than 365 nights?" "How many of these trips were for holiday?"</p> <p>Results of the survey are available three months after the reported month.</p>
<b>Assumptions</b>	Reliability of data published by SA Tourism on domestic holiday trips.
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial transformation (where applicable)</b>	Not applicable.
<b>Reporting cycle</b>	Quarterly with a three-month lag.
<b>Desired performance</b>	Increase in the number of domestic holiday trips undertaken
<b>Indicator responsibility</b>	Deputy Director-General: Tourism Research, Policy and International Relations

Indicator title	Increased capital investment in tourism infrastructure
<b>Definition</b>	Measures the investment in the tourism sector by public, private and foreign direct investment.
<b>Source of data</b>	WTTC
<b>Method of calculation / assessment</b>	<p>Calculates funding provided publicly through Government, or privately to build or expand capacity, maintain or enhance infrastructure and to stimulate demand. It includes spending across all industries in the following roles:</p> <ul style="list-style-type: none"> <li>▪ Accommodation development and major maintenance, including provision of new building structures;</li> <li>▪ Furniture and equipment to fit out or refurbish existing hotels and holiday homes;</li> <li>▪ Passenger transport, such as aircraft and cruise ships, for specific tourism use;</li> <li>▪ Capital projects and refurbishments designed to attract visitors;</li> <li>▪ Information and communication technology (ICT) projects; and</li> <li>▪ Sustainability-oriented investments within the industry, such as solar and retrofit schemes, designed to enhance energy efficiency.</li> </ul>
<b>Assumptions</b>	Reliability of data published by WTTC on capital investment in tourism infrastructure.
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial transformation (where applicable)</b>	Not applicable.
<b>Reporting cycle</b>	Annually.
<b>Desired performance</b>	Increase in public, private and foreign direct capital investment in the tourism sector.
<b>Indicator responsibility</b>	Deputy Director-General: Tourism Research, Policy and International Relations for reporting

Indicator title	Direct contribution of tourism to job creation
<b>Definition</b>	Measures the total number of direct jobs and total jobs supported by the tourism sector.
<b>Source of data</b>	WTTC
<b>Method of calculation/ assessment</b>	Calculates jobs generated by industries that sell products and services directly to tourists, such as hotels, travel agents, transportation and souvenirs.
<b>Assumptions</b>	Reliability of data published by WTTC on contribution of tourism to job creation.
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial transformation (where applicable)</b>	Not applicable.
<b>Reporting cycle</b>	Annually.
<b>Desired performance</b>	Increase in the number of jobs supported by the tourism sector.
<b>Indicator responsibility</b>	Deputy Director-General: Tourism Research, Policy and International Relations for reporting.

Indicator title	Direct contribution of tourism the Gross Domestic Product (GDP)
<b>Definition</b>	Measures the direct and total contribution of tourism to national GDP.
<b>Source of data</b>	WTTC.
<b>Method of calculation / assessment</b>	Calculates the money generated by industries that sell products and services directly to tourists, such as hotels, travel agents, transportation and souvenirs.
<b>Assumptions</b>	Reliability of data published by Stats SA, SARB, WTTC on contribution of tourism contribution to national GDP.
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial transformation (where applicable)</b>	Not applicable.
<b>Reporting cycle</b>	Quarterly and annually towards the five-year target
<b>Desired performance</b>	Increase in the direct and total contribution of tourism to national GDP.
<b>Indicator responsibility</b>	Deputy Director-General: Tourism Research, Policy and International Relations for reporting.

Indicator title	Maintain or improve ratings in the Competitiveness Index
<b>Definition</b>	Measures extent to which the country's competitiveness in WEF Travel and Tourism Competitiveness Index is maintained or improved.  The Index measures the destination's progress on drivers of travel and tourism competitiveness in four areas: enabling environment, travel and tourism policy and enabling conditions, infrastructure as well as natural and cultural resources.
<b>Source of data</b>	WEF Travel and Tourism Competitiveness Index.
<b>Method of calculation / assessment</b>	"Two-thirds of the dataset for the TTCI is statistical data from international organisations, with the remaining third based on survey data from the WEF Forum's Annual Executive Opinion Survey, which is used to measure concepts that are qualitative in nature or for which internationally comparable statistics are not available enough for countries" <sup>15</sup>
<b>Assumptions</b>	Reliability of WEF surveys on ratings in the Competitiveness Index.
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial transformation (where applicable)</b>	Not applicable.
<b>Reporting cycle</b>	Once in two years.
<b>Desired performance</b>	Improved ratings in the WEF Travel and Tourism Competitiveness Index.
<b>Indicator responsibility</b>	Deputy Director-General: Tourism Research, Policy and International Relations for reporting.

<sup>15</sup> WEF. 2019. The Travel and Tourism Competitiveness Report – Travel and Tourism at a Tipping Point. p.xi. [Web:] [http://www3.weforum.org/docs/WEF\\_TTCR\\_2019.pdf](http://www3.weforum.org/docs/WEF_TTCR_2019.pdf)



Indicator title	Increased diversification of South Africa's product offering
<b>Definition</b>	Measures the improvement in tourism assets and infrastructure that make South Africa a diverse and unique tourism destination.  The baseline is yet to be determined. Baseline setting exercise will include the development of a framework for measuring diversity.
<b>Source of data</b>	To be determined in line with the development of a framework for measuring diversity.
<b>Method of calculation/ assessment</b>	To be determined in line with the development of a framework for measuring diversity.
<b>Assumptions</b>	Urgent finalisation for the development of the framework for measuring diversification.
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial transformation (where applicable)</b>	Spatial planning to promote geographic spread of tourism growth through diversified products and offerings.
<b>Reporting cycle</b>	To be determined.
<b>Desired performance</b>	Increased diversification of South Africa's product offering.
<b>Indicator responsibility</b>	Deputy Director-General: Destination Development.

Indicator title	Improved transformation levels in the sector in terms of management control, skills development, enterprise and supplier development and socio-economic development
<b>Definition</b>	<p>Measures the extent of advancement of transformation in the tourism sector through progress made towards the targets relating to four core elements of the B-BBEE Sector Codes.</p> <p>Measures progress in the following four elements: Management Control, Skills Development, Enterprise and Supplier Development, as well as Socio-economic Development.</p>
<b>Source of data</b>	Quarterly reports.
<b>Method of calculation / assessment</b>	Tourism sector survey.
<b>Assumptions</b>	Reliability of the study assumes high levels of integrity, reliability, transparency of survey participants.
<b>Disaggregation of beneficiaries (where applicable)</b>	In line with the aspirations of the B-BBEE Sector Codes.
<b>Spatial transformation (where applicable)</b>	Not applicable.
<b>Reporting cycle</b>	Quarterly and annually.
<b>Desired performance</b>	Improved transformation levels in the tourism sector.
<b>Indicator responsibility</b>	Deputy Director-General: Tourism Sector Support Services.

Indicator title	Audit outcomes on financial and non-financial performance
<b>Definition</b>	Maintenance of clean administration characterised by compliance with laws and regulations, no findings on pre-determined objectives, and no findings on financial management.  The Auditor-General performs audit procedures that concludes on reliability and usefulness of financial and non-financial performance information.
<b>Source of data</b>	Auditor-General's report.
<b>Method of calculation/ assessment</b>	Audit procedures by the Auditor-General South Africa (AGSA).
<b>Assumptions</b>	Effective audit procedures by AGSA on conducting audit.
<b>Means of verification</b>	Final Audit Report and the Final Management Report issued by the AGSA
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial transformation (where applicable)</b>	Not applicable.
<b>Desired performance</b>	Unqualified audit as a result of clean administration.
<b>Reporting cycle</b>	Annual with a four-month lag.
<b>Indicator responsibility</b>	Deputy Director-General: Corporate Management and Chief Financial Officer.

Indicator title	High standard of professional ethics promoted and maintained
<b>Definition</b>	Measures the extent to which professional ethics are promoted and maintained.
<b>Source of data</b>	Risk Management Unit (RMU).
<b>Method of calculation / assessment</b>	Monitoring of Integrity Management Programme.
<b>Assumptions</b>	Reliability of reports from RMU.
<b>Means of verification</b>	Audit procedures undertaken by Internal Audit.
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable.
<b>Spatial transformation (where applicable)</b>	Not applicable.
<b>Desired performance</b>	High standards of professional ethics promoted and maintained.
<b>Reporting cycle</b>	Annual.
<b>Indicator responsibility</b>	Deputy Director-General: Corporate Management.





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