

Publication		
BUSINESS DAY		
Page	Date	AVE (ZAR)
7	Fri 28 July 2017	54117.49



TRAVEL

Tourism has the ability to pull the economy and society out of the mire

The public and private sectors must work together with the people for this key industry to realise its potential

Mmatšatši Ramawela

The South African economy has been hit by a perfect storm of rising unemployment, a widening budget deficit and credit ratings downgrades, and has recently entered a technical recession. This is happening in a world that is struggling to regain some form of socioeconomic and political equilibrium.

The situation in SA is compounded by an unacceptable political environment of state capture, corruption and succession debates, which is causing continual internal focus rather than parties taking a global view of competitiveness and economic growth. Consequently, business and investor confidence are at their lowest levels since 2008.

Although the ANC's national policy conference wrapped up in June, the leadership infighting and the consequent "introspection" are likely to continue given that its elective conference in December, as well as the 2019 general election, are on the horizon. In such an environment, the prognosis for the economy – and consequently the levels of unemployment, poverty, criminal activity and social unrest – is extremely worrying as virtually any economic sector needs time to boost growth once basic confidence is restored.

Tourism, however, is one "sunrise" sector that can not only switch on rapidly and generate swift growth but also – societal upheaval aside – can be immune to many of the local issues and challenges, provided that the visitor experience is not compromised.

Tourism is a vibrant and vital sector whose total contribution of R492.2bn amounted to 9.3% of GDP in 2016. The World Travel and Tourism Council forecast that this would rise by well above the current GDP growth levels: 2.5% in 2017 and a 4.5% in 2018.

In addition, in 2016, the sector provided 1,533,000 jobs (9.8% of total employment), a figure that is projected to rise 6.7% in 2017, notwithstanding the recessionary pressures.

Looking at the specific employment figures, it is critical to remember that this is the one sector with the ability to provide a broad range of job opportunities, right from the very technical to the soft skills and the unskilled.

Tourism has the ability to generate jobs across the board in rural areas, semi-urban areas and major cities. It has the potential to encourage the direct development of entrepreneurial opportunities in all its subsectors, not forgetting all the other indirect employment and entrepreneurship opportunities generated elsewhere in the country's economic value chain.

But, despite recognising tourism's immense economic potential, we are yet to scratch the surface with respect to leveraging this potential. Instead, the lack of cohesion and alignment in our planning and policy implementation has resulted in the unintended consequence of creating barriers to the growth of the sector.

To illustrate this point, one only needs to refer to the immigration regulations that were changed in 2014, and the negative effect on the tourism sector. Tourist vehicle permit requirements, as well as the provision of bespoke investment incentives, are among the key areas that need particular attention if we are to reap the economic benefits of a thriving tourism sector

What is needed is a complete change in mind-set, a change in view and a single vision

we can all work towards as the private sector, public sector and society at large. The recent process of reviewing the National Tourism Sector Strategy is a step in the right direction.

However, as we interrogate the strategy, it is critical that we guard against our responses descending into a list of problems, with the subsequent bashing of key elements that normally fall within the public sector. This is, of course, neither constructive nor encouraging as it merely generates a negative mind-set and inevitable hostility and mistrust among stakeholders that need each other.

What we need is frank and robust discussion regarding the challenges and barriers we face as a sector, guided by positive and innovative thinking by all roleplayers working together towards developing tourism solutions to the economic challenges the country faces.

We need a fresh approach to find solutions that can help align the components of the tourism value chain, from the supply side and the demand side to the enablers of a viable operating environment. We need to work collectively behind a tourism manifesto that can help SA break out of the recessionary cycle in the short- to medium-term.

Let us investigate a few examples and assess whether collaborative and positive thinking can generate sustainable solutions:

- Growth in inbound and domestic tourism: International arrivals are increasing, although we are still in the recovery phase following poor performance in the past two years. We must continually examine what are the critical success factors that will enable us to sustain this positive showing.

On the domestic front, tourism numbers are declining, a situation that will certainly be exacerbated by the economic stasis. The technical recession and less disposable income may well lead to less discretionary spend on travel, which raises the question of what is the best approach for us to ignite a local travel culture among all South Africans.

- Integrated public transport: Successful tourism destinations virtually all enjoy fully integrated, convenient, affordable and safe public transport systems. This is one key area that requires serious focus and investment as it directly affects the ability to enable tourism activity within the country.

- Personal safety: SA has always enjoyed a reputation of having warm, friendly and welcoming people. However, recent media coverage of airport follow-home robberies is putting a damper on this reputation and requires attention by all the relevant parties.

The annual brand-tracking research by South African Tourism indicates that the top reason potential visitors to SA don't convert their awareness, interest and desire into action is a concern for their personal safety. We should strive to make SA liveable for our own people, and thus improve our prospects of being visitable.

Our success as a country in tracking this, not only for tourists but for locals as well, would be both a symbolic and a practical demonstration that the rule of law, order and mutual respect are desired and achievable.

- The enabling environment: This is where a very simple shift in mind-set is required by the authorities that perform gate-keeping functions. We need a shift from red tape focus to a green

tape environment that makes the tourism business experience simpler, better and faster.

- Inclusive growth of tourism: In the same way that we need to pay attention to making our country liveable for it to be visitable, we also need to work together to ensure that all our people benefit from the growth of tourism.

We can do this by ensuring that we create an enabling environment for business to thrive (a government task); operate enterprises in such a way that we make it possible for budding entrepreneurs to enter the sector and its various industries (a private sector task); and ensure that we give a share of our disposable income to support tourism products and services in SA (for people with disposable income) while also working together to create opportunities for all South Africans to experience tourism in their own country.

The challenges and barriers are many and cannot be comprehensively covered in one article. However, the solutions are also diverse.

It is time to work together behind a vision to ignite SA's tourism potential – to position tourism as not only a core pillar of the South African economy simply because we are indeed "a world in one country".

It is time to liberate tourism, and for the sector to take its rightful place as the economic engine that will kick-start growth quicker and more sustainably than any other sector.

It is time to provide the leadership and support required for this sector to make a serious contribution to the economy and the country's growth and development.

● Ramawela is the CEO of the Tourism Business Council of SA.

