

## **Budget Debate on Vote 38: Tourism**

### **Speech by Haseena Ismail MP**

#### **DA Shadow Deputy Minister of Tourism**

South Africa has vast potential to expand its tourism industry. With our pleasant climate, friendly people, and a rich cultural diversity, we should be a top choice for international travellers. Yet, we still face numerous challenges such as safety concerns, uncoordinated efforts among stakeholders, high levels of corruption, load-shedding and reluctance to fully integrate into the global tourism ecosystem. This is exacerbated by the ruling ANC government's failure to create a conducive environment for tourism businesses.

In 2019, we attracted 15.8 million foreign tourists. However, South Africa's figures dropped by 47 % to 4.5 million foreign arrivals in 2022 due to the Covid pandemic. This is almost more than 11 million less than what Egypt, one of Africa's biggest tourism markets, receives in a year. High levels of corruption have augmented this decline, creating an unfavourable environment for international tourists and local businesses. These dismal numbers underscore the need for a more effective and strategic approach to attract international tourists and combat corruption as resources meant for development and promotion are misused or misallocated.

Furthermore, our African neighbours constituted nearly 75% of our foreign arrivals between January and December 2022 yet government has not prioritized these inbound tourists, further hindering the growth of our tourism sector.

Safety is paramount for the success of tourism in South Africa. Unfortunately, sporadic xenophobic attacks and recent riots have tarnished our reputation as a desirable destination. The ANC government has failed to prioritize keeping South Africans and tourists safe, allowing these perceptions to fester.

South African Tourism, which receives a staggering 53% of the tourism budget, has been plagued by scandals and instability. The current budget for Tourism has decreased, yet the department is expected to produce more. This calls for more effective resource use and prudent spending, rather than investing in billion-rand pipe dream projects. Minister De Lille must address this issue, strive for greater transparency and accountability, and demonstrate a commitment to revitalizing this crucial industry.

Covid has given us the opportunity to build a well-oiled local tourism industry based on leisure travel with niche offerings. During our oversight visits across the country, we found numerous unfinished projects which stand as white elephants.

Initiatives like Sho't Left Travel Week are insufficient to entice the average South African to explore their own backyard. The closure of Fun World in Durban is a stark reminder that government must provide some incentives for big businesses to continue investing in tourism activities and laying out the capital for big tourism infrastructure events and business. This, along with the collapse of the M4 bridge last year, exemplifies the ANC government's inability to maintain basic infrastructure, which is vital for boosting visitor numbers. Travel for South Africans should be accessible, affordable, and safe. ANC arrogance in the industry must be replaced with efficiency, competitiveness, and an incentive-driven approach.

For our tourism budget programmes to be more effective, they must be more inclusive and cater to people with disabilities and special needs. The principle of "leave no one behind" should not be merely a buzzword, but a guiding principle throughout the implementation of tourism initiatives.

The need for global brands to bring change, competition, agility, skills, and global best practice is even more relevant today. These brands play a key role in attracting a fair market share purely by being in a destination.

If tourism can successfully rebound after the Covid-19 chaos and decades of ANC rule, it will recapture its capability to be a major employer. Pre-Covid statistics show that it contributed 4.5 % of total employment in South Africa and remained resilient in tough economic times. We will, once again, look to tourism to mend the current 32% unemployment rate. This was evident as the DA-run Western Cape generated 99% of all jobs in the last quarter of 2022, most of which were in the tourism sector.

The industry remains highly dynamic and influenced by consumer preferences and market trends. The private sector is generally more responsive to these changes and can adapt quickly to new trends and demands. In contrast, government bureaucracies are slower to respond, limiting the growth of the sector. Increased private sector participation in South Africa's tourism industry will lead to the development of unique experiences and attractions that appeal to a wider range of tourists.

The decentralization of the tourism sector is essential for its effective functioning. A decentralized approach allows for more localized decision-making, which can lead to the development of region-specific tourism strategies. This is more effective than a top-down approach, as regional stakeholders have a better understanding of local resources, attractions, and challenges.

We must be more strategic in attracting tourists and addressing challenges including taxation, travel marketing, infrastructure issues, security, cross-border regulations and load-shedding.

The ANC government must prioritize cooperation and coordination among various departments.

By encouraging more private sector participation, the tourism industry can become more self-sustainable and less dependent on government support which can lead to more consistent growth, as the sector will not be as vulnerable to changes in government budgets and policies.

Despite these clear paths to improvement, the ANC government has struggled to address these fundamental issues. Their inability to get even the basics right has stifled the growth of our tourism industry and the absence of political will in addressing the fundamental issues facing South African Tourism is concerning.

Come 2024 voters have a real opportunity to give the economy and tourism a jumpstart by voting this incompetent ANC government out.