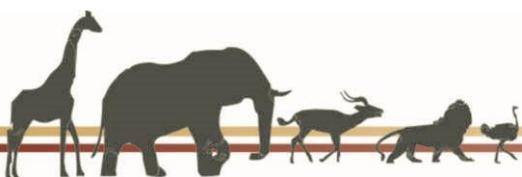


MEC Hon. Desbo Mohono



**BUDGET SPEECH DELIVERED BY MEC MME DESBO MOHONO FOR
THE PROVINCIAL DEPARTMENT OF TOURISM – VOTE NO 10**

21 AUGUST 2014

Deputy Speaker of the Legislature, Hon. Jane Manganye

Premier of the North West Province, Hon. Supra Mahumapelo

Members of the Executive Council

Honourable Members of the Legislature

Executive Mayors and Mayors

**Modulasetulo wa ntlo ya segosi Kgosi Madoda Zibi le Dikgosi tsa
rona tse di tlotlegang**

**Acting Head of Department Mr. Charles Ndabeni, Senior Management
and Staff of the Department**

Comrades and Compatriots

Members of the Mass Media

Captains of the Tourism and Hospitality Industry

Members of the Civil Society

Members of the Labour Movement

Distinguished Guests

Ladies and Gentlemen,

Good Morning, Dumelang

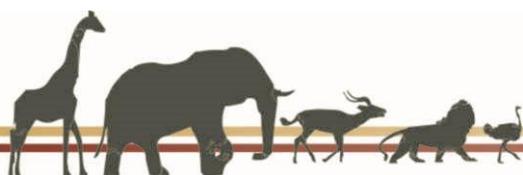


1. INTRODUCTION

Since the inception of democracy in 1994 the main economic objectives of the South African Government has been job creation, the elimination of poverty and the reduction of inequality. There has been a focus on sustainable and diversified economic growth as underscored in the ready to govern and the reconstruction and development programme document. These objectives have been reiterated in subsequent policy documents, from the Growth, Employment and Redistribution (GEAR), Strategy of the late 1990's through the Accelerated Shared Growth of South Africa (ASGISA) to the new growth path adopted in 2010 and lately the National Development Plan of 2013 (NDP).

The National Development Plan provides a vision for South Africa towards 2030 and outlines a scenario of a better future that continues to build on the successes already achieved since 1994. The Plan is built on the notion that South Africa belongs to all its people and that the future is therefore collective. Making it work is everyone's shared responsibility.

According to the demographic perspective and trends as encapsulated in the Provincial Development Plan (PDP) the Provincial Economy needs to become more productive, more competitive and more diversified hence as the Department of Tourism we are committing that in order to achieve employment and economic growth it will be more necessary to prioritise certain economic sectors that will lead the overall building of the economy. Tourism is the next Gold of South Africa. The knowledge and heritage economy of the North West Province is central in exploiting the full potential of the Tourism and travel sector.

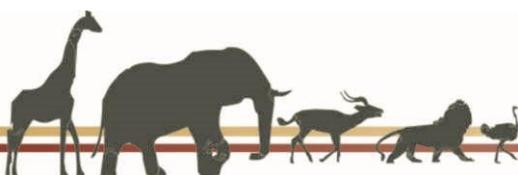


In his State of the Nation Address, President Jacob Zuma reaffirms the strategic contribution that the Tourism Sector continues to provide in growing the economy of South Africa. “Despite tough global trading conditions in its traditional markets, South Africa’s Tourism sector continued to show positive growth in 2013, reaching a record high of 9, 6 million international tourist arrivals. People love our country and continue to visit South Africa. We have set a target to increase the number of foreign visitor arrivals to more than 15 million annually by 2017.” - President Jacob Zuma.

This in itself means that the country is looking at increasing the Gross Domestic Product (GDP) contribution of Tourism to the country’s revenue by 2017. The Premier pronounced in his State of the Province Address on 27 June 2014 that the new vision of the Province is “To be the second largest economy of South Africa by 2020”.

I should indicate to this house that this vision is bold, inspirational, ambitious and yet doable. The vision is underpinned by two narratives that seek to support both its ownership and implementation. These include but are not limited to:

- The Rebranding, Repositioning and Renewal Plan (RRR) that seeks to create a new culture of doing business and value-generation in the province. This includes a migration from a culture of consumption and entitlement to a culture of innovation and production. This has implications for the Five Cities that the Premier pronounced in the State of the Province Address.



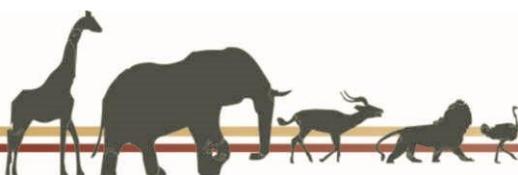
It is about migrating Mahikeng from being an ordinary town to be a viable capital city. It is also about duplicating the progress that has been made in Phokeng and Moruleng to the other 54 traditional communities in the North West. The establishment of Bojanala District as a metro, Dr Kenneth Kaunda as a metro and the establishment of the two new cities namely Greater Taung and Greater Moses Kotane present an exciting development in this province post 1994.

- De-conventionalisation and de-bureaucratization of government that seeks to create a new mind-set and paradigm in addressing issues of service delivery across the three spheres of government.

Furthermore, the Premier identified the Tourism Sector alongside Agriculture and Culture as the key pillars to grow the economy of the North West. It is our view that this pronouncement of the Three Economic Sector Triangle namely Agriculture, Culture and Tourism (ACT) made by the Premier as pillars of the economy during this administration further confirms the strategic role that the Tourism Sector should play in addressing the socio-economic challenges that the Province faces.

2. BUSINESS CASE FOR THE PROVINCIAL DEPARTMENT OF TOURISM

The pronouncement by the Honourable Premier Mahumapelo on the establishment of the North West Provincial Department of Tourism is in line with the identification of tourism as one of the priority sectors that can positively contribute to growing the economy of this Province.

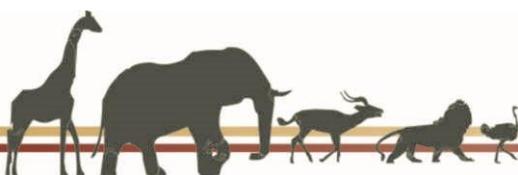


The role that the Tourism Sector will play therefore in achieving Government's Outcome Priorities is that of building an inclusive Tourism Economy in the North West Province.

It is therefore critical in endeavouring to grow the economy of the Province; the Provincial Department of Tourism should play a pivotal role in changing the current economic landscape of Tourism.

This would include but not limited to the following:

- Rebranding and Repositioning of the Province as a tourism destination of choice for both domestic and international tourists.
- Building strong partnerships with the private sector in responding to both the demand and supply requirements of the sector. The Department has been inundated by enquiries from potential investors to invest within the tourism plant, such expressed interest is in the area of new product and infrastructure development.
- Support all Tourism enterprises in the province to play a meaningful role in the mainstream Tourism Economy.
- Facilitating the provision of tourism supporting infrastructure to enhance the competitiveness of the tourism destination.
- Create a capable and skilled workforce to develop a sustainable tourism industry. The Department will partner with CATHSSETA in providing learnership, training and development skills and targeting the unemployed youth in the Province.
- To create entrepreneurial and job opportunities for the youth, women and special groups. The Department will partner with the Tourism Enterprise Program (TEP) and other private Sector

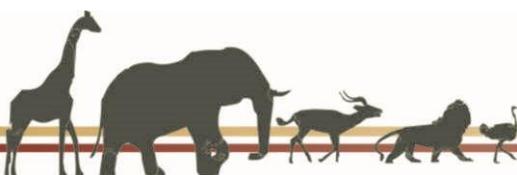


initiatives to develop off take agreements in support of Tourism Enterprise Development in the Province.

- To enhance cooperation and coordination between all spheres of government in the development and management of tourism in the province. The Department will consult with both District and Local municipalities in establishing institutional capacity within government that will ensure the implementation of the Provincial Tourism Sector Strategy. This includes a forum between the MEC and the MMCs responsible for local economic development both at District and local municipalities. Furthermore together with the districts and local municipalities the Department will establish local, district and Provincial tourism associations.
- Diversifying tourism products and formalising the segment or niche of heritage and cultural tourism. The Department will finalise the tourism product and infrastructure portfolio investment plan to address the skewed supply structure of the tourism plant. Furthermore the Department will continue to lobby the National Department of Tourism through the Social Responsibility Program in funding the recapitalisation and commercialisation of productive tourism assets owned by the Provincial Government.

The following constitute key strategic targets that will facilitate the growth of the tourism economy of the Province:

1. Increase GGP contribution from 4% to 8% by 2020 in line with the National Tourism Sector Strategy
2. Increase the number of jobs sustained in the industry from 39 000 to 70 000 by 2030. The R1 billion investment in Tourism product and

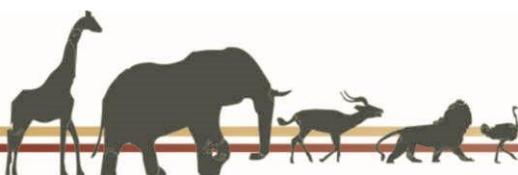


infrastructure development is central to job creation and entrepreneurial opportunities. The Department will host the Tourism Investment Conference with the primary objective of soliciting investment in new tourism and infrastructure products.

3. To position Destination North West from number 7 to number 4 by 2020
4. To increase international arrivals from 500 000 to 1,2 million by 2020
5. To increase domestic trips from 1,9 million to 4 million by 2020
6. To invest R1 billion in tourism product and infrastructure development.
7. To increase the marketing spend from R8 million to R40 million by 2020. The increased marketing spend will enable the department to sign a Joint Marketing Agreement (JMA) with tourism trade and tour operators in the BRICS countries, establishment of marketing offices in the BRICS countries and investment in the shot left campaign to increase domestic travel within the province and other provinces.
8. To increase the length of stay from 3 nights to 6 nights by 2020. The activation of the tourism product and infrastructure portfolio investment plan will address this particular challenge by providing new product offerings within Destination North West.

3. NEW VOCABULARY OF STRATEGY

Tourism is a core functional area of concurrent national and provincial competence. This is aligned to Schedule 4A of the Constitution of the Republic of South Africa of 1996. Section 4B of the Constitution identifies tourism as a local government functional area to the extent set out to Section 155 (6) (a) as well as Section 5 of the Constitution of South Africa



which also states that gambling and betting and Provincial, Recreation and Amenities also relate to tourism. Developing sufficient partnerships with both National and Local Government is key in growing the tourism economy of the Province both from a policy and implementation perspective.

The new growth path and Industrial Policy action, Plan 2 and 3 are the most critical policy and directives that the Provincial Department of Tourism needs to deliver on ensuring that there is industrialisation to grow and develop various sectors of the economy for the benefit of citizens in the Province. The Department has initiated a process of developing a Provincial Development Strategy in line with the National Tourism Sector Strategy. Subsequent to the realization that there is a need to review the Tourism Master Plan that was developed in 1998, consultative processes have been held in this regard in all four districts with a Task Team established by the MEC to oversee this process.

The Department has at its strategic planning session crafted the following vision and mission statements that should propel and grow tourism in the Province.

Vision: A dynamic, sustainable, diversified and vibrant Tourism Industry in the North West Province.

Mission: To contribute and grow the Province's Tourism Industry through integrated tourism development and diversified tourist experiences by:

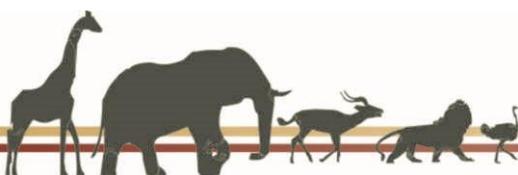


1. Promoting private sector participation in the management and development of tourism.
2. To position heritage as a strategic thrust in expanding the Tourism Portfolio of the Province.

4. MEC'S TEN POINT PLAN

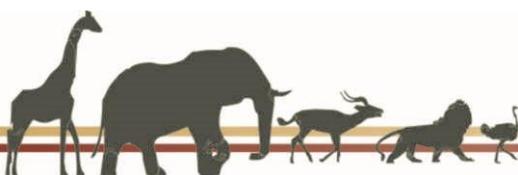
The following constitute key issues that emerged out of the Provincial Tourism Sector Strategy consultative workshops undertaken at the end of the 2013 calendar year throughout the 4 districts of the Province. Some of the issues highlighted are the following:

- There is a need to foster integrated tourism, planning and development across the three spheres of Government.
- There is a need to address the demand side of the tourism sector with regard to the tourism portfolio and infrastructure.
- There is a need to increase the marketing spend in terms of branding, marketing and communication of the tourism value proposition of the Province.
- There is a need to develop products within our 19 townships and 56 traditional villages in order to drive domestic tourism.
- There is also a need to establish strong partnerships between government and the private sector in managing and developing tourism in the Province. As a consequence of the above, the MEC's Ten Point Plan will in the next coming 5 years provide strategic thrust and focus to address the needs identified in the consultative workshops.



The Ten Point Plan includes:

- 1) Mobilise Social and Commercial Investment to expand our Tourism Estate to serve as a catalyst for job creation, poverty eradication and the inequality reduction in growing the Tourism Economy of the Province.
- 2) Develop a Tourism Airlift Strategy aimed at increasing both Domestic and International Arrivals in destination North West.
- 3) Increase marketing resources in order to cultivate a culture of travel within the 19 Local Municipalities and the 56 Traditional Villages.
- 4) Establish 5 marketing offices in South Africa, the Continent and the World.
- 5) Establish a Convention Bureau to increase our market share within the National and International MICE (Meetings, Incentives, Conferencing and Exhibitions).
- 6) Develop JMAs (Joint Marketing Agreements) with tour operators, media and tourism trade within the BRICS markets.
- 7) Recapitalization and Commercialization of Key Heritage Infrastructure Assets to drive Tourism Enterprise Development and job creation targeting the youth and special groups.

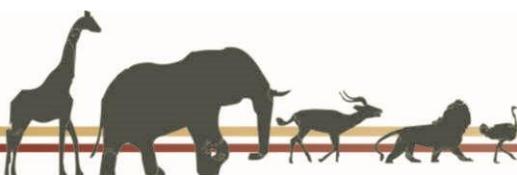


- 8) Redefine the Policy and legal mandate of the North West Tourism Agency and its subsidiary entities to drive both Tourism Enterprise and Product Development in the 19 Local Municipalities and 56 Traditional Villages.
- 9) Redefine the Policy and Legal Mandate of the Hotel School to drive Tourism Skills Development in the destination targeting youth and women in the 19 Municipalities and 56 Traditional Villages.
- 10) Create Tourism Heritage Events Brand Properties to generate sufficient tourism traffic in the 19 Municipalities and 56 Traditional Communities.

5. PLAN OF ACTION

The following constitute out of the R78 919 million allocation programme activities that will be undertaken during this Financial Year:

- Strategic engagements with District Municipalities on the Draft Provincial Tourism Strategy
- Provincial Tourism Lekgotla
- Finalisation of the Provincial Tourism Sector Strategy
- Finalisation of the Provincial and Culture Tourism Strategy
- Provincial Tourism Events Strategy
- Strategic support to tourism enterprises
- Celebration of World Tourism Day on 27th September 2014. The



Department will in partnership with the Department of Arts, Culture and Traditional Affairs launch the Tourism and Heritage month in Taung on the 1st of September 2014.

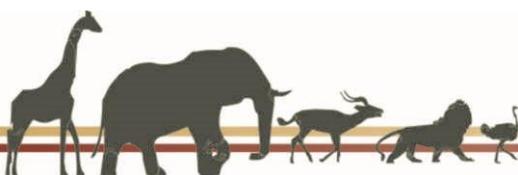
- Celebration of World Tourist Guide Day.
- The Provincial Tourism Investment Conference

6. BUDGET ALLOCATION 2014/15

Programme	Budget per Programme
Administration (incl. Corporate Services)	R 70, 585
Tourism Planning	R 8, 334
Total	R78 919
Economic Classification	Budget per Economic Classification
Compensation of employees	R 33 219
Goods and service	R 44 323
Payments for capital assets	R 1377
Total	R 78 919

7. CONCLUSION

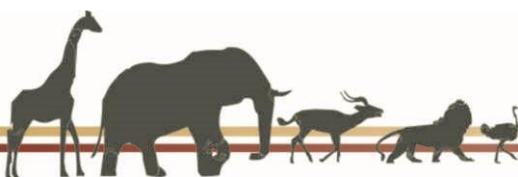
According to the latest statistics which have been recorded in the National Tourism Sector Strategy, the number of foreign arrivals increased from just more than 3 million in 1993 to more than 9,5 million in 2008. Of the 9,5 million, 7,4 million are from Africa and more recent data shows that some 1,7 million are same day visitors. This expansion and growth has largely been driven by the partnership between government and the private sector, more successfully so at the National level. In 2009 there were 880 million international arrivals throughout the world with the number of



international arrivals forecasted to grow at 3 – 5%. Despite the global recession in 2008 South Africa attracted 1,1% of international arrivals with around 9,9 million international arrivals in 2009.

Moving forward, South Africa and the North West in particular, we need to leverage on the success of the hosting of the 2010 FIFA Soccer World Cup and the legacy of South Africa's only icon, the late President Nelson Mandela. Experts predict that in 2015 international arrivals in South Africa will reach 13,5 million visitors and domestic trips will increase to 15 million trips. With the concomitant partnerships with the 3 spheres of Government, private sector, civil society and labour, Destination North West is ready to do business. The Provincial Department of Tourism is committed in working with the Department of READ, Department of FEED, Department of Education and Sports Development and the Department of Community Safety and Transport Management and the Department of Arts, Culture and Traditional Affairs in giving practical expression to the vision of the Province as pronounced by Premier, Ntate Supra Mahumapelo.

Some of our plans into the future include finalising the Tourism Airlift Strategy of the Province, establishing a Conventions Bureau to harvest a higher market share within the MICE market, increase the number of Hotel Schools from 2 to 4 which includes Mahikeng and Taung, and to increase local tourism travel in the Province. The transformation of the Tourism Sector will however remain a key issue of focus for me and the Provincial Department of Tourism.



We need to use the successes recorded within the sector over the past 20 years in expanding the tourism product base and infrastructure. Sun City remains the tourism leisure capital of South Africa and this will further be enhanced by the film *Blended* which 85% was shot at the Palace of the Lost City. Lebo Morake, Drew Barrymore and Adam Sandler have created in partnerships with Hollywood a perfect platform to brand and position the North West Province as a film destination of choice.

The department will continue to foster good partnership with shareholders in Sun International in positioning Sun City as a wedding and conferencing destination of choice in Africa and the world, such partnership will also ensure that there is a healthy labour relations environment between management and the labour movement at Sun City.

Furthermore the department will continue to work hand in hand with Sun International to ensure that existing brand events properties are sustained and new brand events are created and hosted. These include global music tours, Miss SA, Nedbank Million Dollar Golf challenge and Jazz in the City. The hosting of such events will be done in partnership with Department of Arts, Culture and Traditional Affairs, Bojanala District municipality, Rustenburg local municipality, Moses Kotane local municipality, Bakgatla ba Kgafela Traditional Authority and Royal Bafokeng Administration.

Oberon is the gold of the North West Province whose potential augers well for economic development through tourism. We are engaging with the department of public works to assist in taking over and management of Eagle Waters Resort.



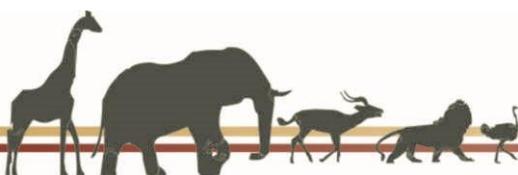
Madam Deputy Speaker, I would like to take this opportunity to thank the former MEC for DEDECT Motlalepula Rosho for a job well done in creating policy fundamentals and the conducive environment for the development and growth of Tourism.

Need I hasten to say that South Africa is in a competition with many other destinations, however, our country has a warm hospitality and it is definitely not difficult to sell.

We therefore want to declare that in this Province we have begun to understand the factors that drive inbound tourist decisions and ensuring that the excellent work done by SA Tourism and Brand SA actually translates into our Province forming one of the top provinces that takes the country to becoming one of the top 20 destinations by 2020.

I must take this opportunity to thank the African National Congress for entrusting me with the responsibility of establishing a new strategic department called Tourism. I am humbled by the trust and the confidence they have on me to grow the tourism economy of the North West Province.

I also need to recognise and thank the Chairperson Rre Hlomane Chauke and members of the Portfolio Committee for Tourism for their guidance and support. Let me also hasten to thank Premier Supra Mahumapelo for the vision, leadership and guidance. This Province is destined for greatness.



Mogaetsho Motswana wa maloba o rile kgetsi ya tsie e kgonwa ke go tshwaraganelwa mmogo re ka direla setshaba sa rona le go matlafatsa Bojanala mo profenseng ya rona, re le lefapha re ikamaganya thata le temana ya beibele mo go Luka 9 verse 12 e e reng Morena Jesu o ne a lelala legodimo a tlhologolofatsa dinkgwe tse tlhano le ditlhapi tse pedi a di naya barutwa ba gagwe go di nathoganya, a fepa matshwititshwiti a fetang dikete tse tlhano di be tsa sala.

In conclusion I would like to take this opportunity to thank the Acting Head of Department Ntate Charles Ndabeni, Senior Management and all staff members within the Department for the hard work. Lastly I must also thank my family, in particular my husband comrade Patrick Mohono and my children Pana, Koketso, Tshepiso, Mmaso, Mmunaka and Prince for all the love, the care and the support provided.

I thank you.

Moeng goroga reje! Ja nala o fatlhoge!

Ke a leboga! Le kamoso!

