

**Parliamentary Budget Vote Debate 33**  
**Tourism**  
**By**  
**Hon. JA Esterhuizen, MP**

14 May 2015

Honourable Chairperson,

The Honourable Minister of Finance recently advised in his budget speech that due to the current energy crisis we should be focussed on less energy intensive sectors in this country, of which Tourism is a prime example.

He further advised that the best prospects for economic growth lay in the promotion of such sectors and that their ability to positively contribute to economic growth should not be underestimated.

It is therefore of no surprise when we look at the first quarter figures of 2015 for Tourism and find a steady and sustained performance and this is despite the recent challenges in the operating environment which include continued concerns over Ebola, xenophobia, the on-going energy crisis as well as prohibitive immigration and visa regulations.

Efforts to support this sector must be intensified and barriers to entry reduced. Greater budget allocation will help this sector 'unlock' its full potential and must be supported.

Tourism directly and indirectly contributes to more than 10% of employment in South Africa which is conservative in that were, tourism more fully funded we would see more employment being created.

With approximately half of our youth and more than 25% of the population currently unemployed it is surprising that tourism has not been given greater financial assistance from Treasury.

The meagre R50m out of the tourism incentive allocation to ensure renewable and reliable energy supply to world heritage sites, national parks, botanical gardens and community based tourism projects is not nearly enough for this to be sustainable! But in the same breath we feel that Arts and Culture should bear some of the financial burden for heritage sites as their budget is double that of Tourism.

While the Budget has increased by R300m to R1.8 billion rand's which is a step in the right direction, moves like the reduction of R44million in the Domestic Tourism Program can only but negatively affect local tourism.

It is reported that at any given time three quarters of all tourists in South Africa are South Africans, yet due to the high profits yielded from International tourism we do not cater enough to the local tourist. This department should consider promoting local business in the establishment of a pilot budget resort chain which would in some way or other cater to the local tourist.

There are many factors that contribute to a country's success in the tourism market, ease of visa access being one of them. Recent changes to South Africa's Immigration Act have been blamed for the sudden, drastic drop in the number of tourists from the world's fastest-growing tourist visiting countries to South Africa, namely, China and India.

Chinese arrivals dropped 50% in the last quarter of 2014. Those from India were down 15% respectively.

We now hear reports of some tour operators not including South Africa in their brochure's for visa prohibitive reasons. This must be urgently addressed.

Exorbitant spending by Departmental officials on overseas luxury travel under the guise of "fact finding" missions must become a practice of the past and be replaced by a culture of accountability and affordability within the parameters of good corporate governance.

In conclusion, the role tourism plays in South Africa must be supported and acknowledged as a key driving factor of our economy, not only for the huge contribution to the GDP , but also the difference it make in the lives of ordinary South Africans.

The IFP supports this budget vote.

I thank you.