



SOUTH AFRICA

The Department of Environmental Affairs and Tourism

“A Preliminary Tourism Investment Mobilisation Strategy for South Africa: 2001-2011”

1. Introduction

The National Department of Environment Affairs and Tourism commissioned this study. The purpose of this study is to prepare a focused tourism investor mobilisation strategy. The study is directed primarily at identifying issues and strategies for the identification and mobilisation of tourism investors, rather than tourism consumers.

The study has been initiated and is focused on the national level. As such the findings and proposals, whilst supportive of provincial and local level tourism development initiatives, are deliberately focused on the national level.

It is important to understand at the outset that the intention with this study was not to attempt to develop or update the National Tourism Development Strategy¹, or to directly address the tourism marketing imperatives in South Africa. The study is also intended to be strategic rather than comprehensive in nature.

This report is structured as follows: Section two summarises certain key international tourism demand and ownership trends. Section three provides a concise overview of tourism development trends in South (and where appropriate southern) Africa. This section considers both inherent development potential as well as constraints to tourism development. Section four draws out the implications for South Africa of the findings of sections two and three. Section five identifies priority areas for attention by the South African Government in terms of tourism development. Section six summarises the particular focus areas for DEAT in support of investor mobilisation. Section seven

¹ *White Paper on the “Development and Promotion of Tourism in South Africa”.*

proposes a work programme to guide the selected investor mobilisation process.

2. Key international tourism development trends

2.1 International tourism demand trends

Global trends indicate that tourists are increasingly looking for new destinations. Furthermore, tourists want to build their holidays around natural and cultural resources of a particular destination. These tourists are prepared to travel considerable distances to reach these destinations.

- ?? The mass tourist market for general interest and resort tourism is expected to continue to grow. Tour operators are constantly looking for new destinations that have good coastal and inland resort facilities that can sustain varied touring programmes.
- ?? Brand names whose presence is worldwide continue to be better received by customers even if somewhat more expensive. Increasingly the preferred option for creating a global brand is to form partnerships - pooling resources, marketing, incentive programmes etc.
- ?? The nature based, adventure and cultural tourism sectors remain leading growth sectors in the global tourism market. The global meetings, incentives, conferences and exhibitions (MICE) components of the tourism industry are also growing strongly.
- ?? The growth of cultural tourism is particularly impressive. US opinion poll reported that 40% of American travellers were interested in 'life enhancing' travel. In a three year period there was an increase from 18 million to 31 million in tourists from Europe and Japan to the US who pursued culture and nature as part of their itinerary. WTO estimates that 37% of all trips have a cultural element with growth of such trips at an annual rate of 15%.

2.2 International tourism ownership and investment trends

- ?? The world tourism industry is highly globalized and extremely competitive.
- ?? The tourism industry is increasingly being characterised by the establishment of partnerships/joint ventures between already large companies, and the resultant formation of "Mega Tourism

Businesses”². By combining their human and financial resources these tourism giants are able to more efficiently and effectively maintain and enhance their share of the tourist market.

- ?? The scale of these companies is of such a size that they already collectively control much of the world's travel industry, and can significantly influence the flow of tourists to a destination or not. The key advantages that are enjoyed by these “Mega Tourism Businesses” include the fact that these enterprises are more capable of ensuring stable earnings, and can equalize losses made in individual countries and regions whilst also having an established world-wide presence.
- ?? Research has shown that whereas historically travel and tourism had a national character underpinned by bilateral aviation agreements, this model is increasingly irrelevant as globalisation takes hold. Airlines (as well as car, rail, ferry firms) are joining into a few huge companies that coordinate fares and revenues. A key part of many successful tourism development strategies to develop/boost new destinations has been some form of liberalization of the air access for both scheduled traffic and for charters. This stands to reason bearing in mind that a number of these mega-businesses not only control hotels and travel agencies, they are also vertically integrated to the point where they control their own airlines. As such they favour countries that allow them to use these airlines to transport the tourists.

The successful development of a large tourism sector continues to require large amounts of capital and expertise. Performance is greatly enhanced by having access to considerable marketing expertise, an existing client base, experience and credibility with the target tourism market. Typically the ‘Mega Tourism Businesses’ can relatively easily provide these factors, and the combination of these strengths ensures their strong position in the global market.

3. South African tourism investment situation

The tourism industry showed tremendous growth between 1994 and 1998. However, recent estimates (DEAT, March, 2001) indicate that since 1999 there has been a slowing in the growth rate of international arrivals from around 5% (1999) to 0.7% (2000). Furthermore, the growth rate in overseas tourist arrivals has

² For instance the Star Alliance Group of airlines which was established in 1997 now includes Austrian Airlines, Air Canada, Lufthansa, Scandinavian Airlines, Thai, United, Varig, Air New Zealand, Ansett Australia, Air Nippon Airlines. Furthermore Singapore Airlines has recently joined as the 11th member, and both Mexicana Airlines and British Midland Airways are set to join the Alliance later this year.

decreased from around 12% (1999) to 3.5% (2000). Whilst the growth rate of overseas arrivals is better than that for African international tourists, the particular significance of the overseas arrivals are strategically vital for the following reason. The same DEAT study indicates that for every overseas tourist that visited South Africa in 2000, a value of about R66 400 was generated for the National Gross Domestic Product (GDP). Secondly, from an employment perspective it is estimated that for every overseas tourist visiting the country, 1 employment opportunity is created. Presently, the international tourist component comprises only 20% of the total visitor volumes. Furthermore, only around one quarter of this 20% is comprised of overseas travellers³.

These trends are significant since strategically it is important that the South African tourism industry is underpinned by a reasonably balanced demand from local/domestic tourism and overseas/international tourism.

Furthermore, the slowing growth in international arrivals, combined with the often negative media coverage given to southern Africa internationally contributes significantly to less positive investor sentiment. This makes operating conditions tough for existing large and medium sized developers/operators, *but makes conditions especially difficult for the smaller emerging community based tourism enterprises.*

The strategic importance of overseas and other foreign travellers should not however be interpreted as rendering domestic tourism unimportant. On the contrary, domestic and regional tourism demand is vital to the development of a robust tourism economy. Typically local and regional tourists are not nearly as sensitive to a degree of socio-political upheaval, and are generally far better informed as to the real safety and security situation in South Africa. Presently it is estimated that the local/domestic component comprises around 80% of total visitor volumes, which suggests that domestic tourism demand trends are reasonably healthy. None the less, DEAT will continue to support initiatives aimed at further increasing domestic tourism demand in parallel to boosting international tourism demand.

3.1 The inherent development potential

The existence of this inherent and under-utilised potential is a particularly important development opportunity bearing in mind that

³ The balance of international tourists are either from Africa – about 73%, or unspecified – around 2%. Travelers from Africa also make a significant contribution in terms of contribution to national GDP and to employment, but in quantitative terms it amounts to about 33% of the amount contributed per tourist/traveler by the overseas travelers.

South and southern African economies are in the process of a major and often painful restructuring. Key to this process of restructuring is the need for these economies to move away from a predominantly primary sector (usually mineral and agricultural production) based economy, to one characterised by regional integration and collaboration, with a far greater emphasis placed on secondary sector processing and tertiary sector activities.

Whilst the South (and southern) African tourism and travel industry is presently relatively under-developed, a very convincing case can be made that in terms of the quality and sheer diversity of natural, cultural, heritage and adventure tourism resources, that South Africa and the region have the finest nature/cultural/adventure and experience based tourism development potential in the world.

As a result of this process of economic restructuring, there have been considerable job losses (as businesses strive for greater productivity in the face of international competition), particularly in the formal sector. The development of the under-utilised world-class tourism natural, cultural and heritage assets offer an opportunity for South Africa to access the highly competitive global economy.

Tourism-led development is advantageous in that it offers important potential for direct employment creation, as well as for the development of a range of small and micro enterprise development opportunities that are relatively easy to access (not requiring formal educational/training qualifications). Furthermore, some of the prime under-utilised development sites are located in rural areas on communally controlled lands. This offers important opportunities to develop tourism on the basis of partnerships between these marginalized (and generally very poor) rural communities and the private sector.

Tourism development in South Africa is expected to play an increasingly more significant role in the national (and regional) economy in terms of its contribution to national production, government revenue, foreign exchange earnings, employment creation, and entrepreneurship development.

Fundamentally, the tourism industry is however underpinned by firstly, the demands, likes, dislikes and particularly fears/perceptions of the tourist, and secondly, the opinions and priorities given to a destination by the tourism investors/developers/operators. In this regard, there are a number of current constraints to the sustainable tourism-led development in South and southern Africa. These are discussed below:

3.2 Constraints to tourism investment and growth

?? *Tourists are increasingly concerned about the health issues of HIV AIDS and malaria.* These illnesses have become more and more visible to tourists to the region. Inevitably the incidence of infection has increased in tandem with increased visitor numbers. The 'real' situation has been made worse, as perceptions and media coverage generate 'fear'. This issue requires Government initiated, and community, donor and NGO supported eradication programmes (malaria), and education, awareness etc campaigns.

?? *The real and perceived incidences of breaches to law and order are already a major deterrent to tourism development in South and southern Africa.* Crime and violence trends are particularly frequently reported through the media, and for tourists, the 'perception' tends to be the reality. The responsibility for action in terms of this issue is a prime area of responsibility for the public sector.

It seems that whereas in the past the very high 'value for money' offered by South and southern Africa for North American and European tourists tended to offset the concerns about crime and health issues, the negative perceptions are becoming more strongly entrenched, and this is offsetting the value for money benefits.

?? *The inherent potential of many rural areas – desperately in need of investment – is severely undermined by the absence of infrastructure.* High start-up costs in new areas and destinations often relate to infrastructure limitations. Similarly, the capacity gaps in public transportation, road infrastructure and the liberalisation of the airspace are constricting the growth of international and domestic tourism. Many of the strategic needs for tourism infrastructure have been identified in terms of the Priority Areas for Infrastructure Investment (PATIIs). Detailed business planning to facilitate the implementation of these PATIIs is currently underway. Since the development of infrastructure in these areas is unlikely to attract private or even concessional funding from the Development Finance Institutions (DFIs find it difficult to locate credible borrowers as required by their lending directives), the development of these strategic elements of infrastructure again become priority areas for the public sector support.

?? *Technical and financial capacity of provincial and local levels of Government to support the tourism development process is limited.* Whilst there is a national level White Paper on the "Development and Promotion of Tourism in South Africa", the detailed planning

and implementation of tourism projects/initiatives needs to take place at a local level. The required institutional and financial capacity is generally not in place, and there is a perception that the system is full of extensive legislative and regulatory hurdles. This lack of capacity results in a weak recognition of the role of tourism. Without the necessary capacity, it is inevitable that many tourism development opportunities do not materialise.

The Government needs to ensure that public sector institutional capacity is not a constraint. The public sector needs to be able to develop policy, objectives and strategies for the tourism sector and to design and oversee the implementation of the regulatory, training, infrastructural and marketing programmes in pursuit of these strategies.

?? *The investment environment is perceived by investors and developers as being 'uncertain'.* As a result developers have been reluctant to bring projects to the market, and investors are deterred by the stiff criteria being applied by the financing institutions. Within this context, the development of community based tourism ventures, including upstream and/or downstream entrepreneurial ventures encounter extremely difficult operating conditions. As such there is a need to assist would-be tourism entrepreneurs to apply appropriate business assessment and evaluation skills to their project proposals so that they are more likely to be accepted by commercial bankers. Similarly, the finance industry needs to be educated about the workings of the tourism industry.

?? *Concerns remain about macro and local economic development trends.* Despite apparent progress made in South Africa in terms Macro-economic policy and strategy, perceptions remain cautious. Issues of concern include currency devaluation and exchange rates, ability to repatriate profits, tax holidays, productivity of the labour force, real/perceived work ethic of the local population, availability of reasonably priced land, construction costs etc.

Government needs to provide the conditions that are conducive to the development of key economic sectors. This includes investment regulatory frameworks including incentives or inducements for investors, by providing the required elements of transport and delivery infrastructure, and if possible skills training support through institutions or financial support/subsidy.

?? *There has been a perception for some time that public sector marketing initiatives need to be substantially enhanced/upgraded.* The key issues in this regard include the need to focus on marketing the full/diverse range of attractions available within the

country and the region, rather than narrowly on South Africa's game parks.

To date there has been a weak image of South Africa and the region as a tourism destination capable of satisfying the requirements of an extensive range of tourist market segments.

Furthermore, tourists need not only to be attracted to this country, but also to have their itineraries managed in such a manner that their visits focus not only on the existing prime attractions such as Cape Town and the Kruger National Park, but also include a selection of other products and destinations that complement the tourists experience.

?? ***A tourism development process that does not result in benefit gains in terms of community economic empowerment is unlikely to be sustainable in South Africa.*** Strategically it is important to change the perception that tourism industry offers nothing for the poorer sections of the community. Communities have benefited rather little from many of the past tourism development processes. The reasons for this past marginalisation do not need to be repeated here.

In a democratic South Africa, it is essential for sustainability of tourism that marginalized communities be assisted to utilise and benefit from the development opportunities open to them. If this is not pursued successfully, these communities will lose their enthusiasm for the notion of tourism-led development 'because it does not deliver', and will very often begin to resent the industry and more particularly the 'tourists' who invade their communities with no apparent benefit to them.

Action required includes the need to structure development support programmes that focus on marketing, and on developing a comprehensive and integrated SME development support programmes including (business planning advice and training, project design and feasibility study preparation, finance at below market rates). There is a need to provide a one-stop shop that brings together the various existing programmes as well as to provide guidance as to where to go for what.

?? *A sustainable and growing tourism development industry will require an appropriately trained work force.* Manpower shortcomings have prevented some components of the country's tourism sector from becoming internationally competitive due to a perception that it does not reach international expectations in

product quality and service levels (Tourism Cluster Consortium, 1999)

Within the context of the above issues, it is not surprising that the South African Tourism industry has seen insufficient development of new and diversified tourism product. There seems to be a real danger that the expansion of the growth of the tourism sector could be thwarted over the next few years by the lack of investors.

3.3 Trends in investor mobilization in South Africa

If one considers some of the experiences gained from the more recent tourism investor mobilisation programmes undertaken via DEAT, the Spatial Development Initiatives (SDIs), and in terms of the SANPARKS privatization, the following trends emerge:

3.3.1 National Department of Environmental Affairs and Tourism (DEAT)

The DEAT has to date had no specific programme and strategy for Tourism Investment Promotion or investor mobilisation. It was the realization by DEAT that there was this important gap in strategy, that resulted in the decision to initiate a process (starting with this assignment) to develop a national tourism investor promotion strategy.

There are a number of tourism support programmes including the International Tourism Marketing Assistance Scheme (ITMAS), the General Tourism Scheme, the Eco-tourism Scheme and the Accelerated Depreciation for Hotels scheme. However, no specific research and analysis has been undertaken to identify strategically important investors, nor have tailored strategies been designed and implemented to secure the investments from these companies and/or individuals in our tourism industry.

Positive recent developments include the development of a stronger alliance with business and labour via the National Business Initiative (NBI), as well as implementation of the vitally important Priority Areas for Tourism Infrastructure Investment (PATIIs) programme which will when fully implemented go a long way to ensuring access to strategic infrastructure in areas with very high inherent potential for tourism development.

3.3.2 The Spatial Development Initiatives

In the case of the SDIs, the assets being offered to investors are generally State and/or communally owned. The key development

objective has been to mobilize investors who are able to develop/rehabilitate and operate tourism enterprises in a manner that is sustainable in the long term, on the basis of concessions/leases of varying time frameworks.

Tender process

In view of the fact that these assets are State and/or communally owned, the use of a competitive bidding process has been applied so as to ensure that these concessions are allocated in an open and transparent manner, and also to ensure that the concession fees etc. are market related.

Investor identification

The approach to investor identification has essentially been a reactive one. The investment opportunities have been described in documents (Request For Proposals) that are available (in certain instances at a fee) to any interested bidders. These RFP documents generally provide, in very broad terms, an indication of the type and scale of development are envisaged, as well as the key principles/criteria/conditions to be applied in terms of environmental management, socio-economic development, empowerment, legal and procedural issues. Use has also been made of investor conferences as a basis for demonstrating the commitment of Government at all levels to the process, as well as for facilitating a degree of dialog between the prospective investors, and the owners of the assets. Some processes (Phalaborwa SDI) also placed considerable effort on facilitating more regular post investor conference dialogue with potential investors.

Investor mobilisation

The SDI approach to investor mobilisation has been a reactive one. For the most part the tourism investment opportunities have been advertised in the local media, and prospective investors are invited to obtain the RFP documentation and/or to attend the investor conference. There are a few exceptions where the opportunities have been marketed overseas (such as in the case of the Lubombo SDI), but again these initiatives have not been preceded by any detailed processes of research to identify specifically targeted investors, or to present the investment opportunities to these investors.

Investor response

In terms of investor response, the tourism-led SDIs have not as yet been very successful in mobilizing a great number of private sector investors. Due to the reactive and unfocused approach to investor identification and mobilisation, the show of interest (informal and/or formal) is reportedly overwhelmingly from South African investors.

Very little progress has been made in terms of attracting regional (SADC) or overseas international investors.

3.3.3 SANP Commercialization Programme

As was the case with the SDIs, the underlying assets being offered to investors in the SANP commercialisation Programme are Public/State assets. The aim of the programme has been to increase net revenues that commercial activities contribute to the SANPARKS core function of nature conservation. The key objectives from SANPARKS perspective was to identify and mobilise investors who would pay fees to SANPARKS, and such revenues would be used by SANPARKS for conservation efforts within the SANPARKS reserves. Within the context of this focused primary objective, the key criteria in terms of which the bidders were screened/selected were their experience in nature-based tourism, and their financial capacity.

Tender process

The SANP retained the International Finance Corporation (IFC) as its lead advisor in the commercialisation programme. The key rationale for selecting the IFC was their experience in managing/advising on such processes, and their international credibility.

There were two phases to the SANPARKS process. The first was focused on a market review that was aimed at gaining a preliminary assessment of likely market interest in the proposed concessions. As part of this step the SANPARKS also determined the key criteria in terms of which the bids were to be evaluated. The second part was focused on implementing the process. This second phase included the following steps: *Firstly*, registration of interest by the potential investors. *Secondly*, a process of pre-qualification, which served to thin-out the number of potential investors. *Thirdly*, a process of due diligence where the pre-qualified bidders were taken into the selected project areas to get an on site assessment of the investment site. *Fourthly*, a bidding stage and then the adjudication stage.

The basic method for granting rights to private operators is via the use of standard 20 year non renewable concessions (concession contract), whereby the SANP grants the concessionaire the rights to use a defined area of land and/or buildings for a period of time in return for a concession fee. There are also a set of obligations on the part of the concessionaire (financial, environmental management, social, empowerment) that form part of the concession contract.

Investor identification

In terms of investor identification, the SANPARKS adopted a twin pronged approach combining a reactive and proactive. The investment opportunities were advertised in the national newspapers, trade magazines, international magazines and on the World Wide Web. However the SANPARKS process was also supplemented by a process whereby the SANPARKS identified a range of investors/operators who they believed were leaders in the field in terms of their experience and financial capacity. In the latter regard, there was no specifically designed process of research and analysis to identify potential international investors whose participation was strategically important to the longer-term operation, marketing and management of SANP assets, as well as in support of tourism marketing, management and development for South Africa in general.

Investor mobilisation

Similarly, the investor mobilisation process was a combination of requesting proposals from any interested parties (widespread open advertising and requests for expression of interest), as well as a number of direct approaches to potential investors via selected embassies (the United Kingdom, Germany and USA embassies), and direct marketing at a targeted group of around 40 potential investors known to SANPARKS and IFC. The SANPARKS did not however go as far as marketing the investment opportunity directly and in person to a selected group of specifically targeted investors/operators⁴.

Investor response

In terms of investor response, the SANPARKS indicated that the response in terms of eight of the 13 sites was very good, and the bids received were financially very successful. Four of the sites did not get any real interest, and in terms of these sites SANPARKS will probably re-think their investor mobilisation strategy and the terms and conditions applicable to these sites. Importantly, these sites were not the prime sites. The lack of interest is a sobering reminder that the demand for investment opportunities – even in what is arguably South Africa's best game reserve address – is limited. This being the case, it will be very difficult to impose too much conditionality on investors in more marginal investment sites. SANPARKS believes that the remaining 2 sites, in terms of which there were bids, require a further process of advertising and direct marketing before the concessions will be allocated.

⁴ *It is noted that such an approach could well be perceived as not being 'open' or even fair if only one or two investors were approached in this manner. The contention is that the opportunity could have been directly marketed to a group of strategic investors, as well as via the approaches taken by SANPARKS, and all bidders could have been subject to the same bidding and adjudication process.*

In terms of the *origin of the investors*, the initial interest in the prime sites came from the local and international investor community. However, although the international investors had shown initial interest, none of the initially interested international investors submitted final bids.

3.3.4 Summary and conclusions

It is evident that DEAT, the SDIs or SANPARKS adopted highly focused investor identification strategies. In essence 'everybody and anybody' has been welcome to make bids/submissions. Similarly, the investor mobilisation processes have tended (though the degree varies) to be rather 'reactive' and none of the initiatives have been characterized by direct marketing of opportunities (in detail) to strategic investors.

Whilst the strength of this sort of approach is its 'openness and transparency', it is also very likely that a number of potentially very good investors/operators were not even aware of the investment opportunities, and certainly were not properly briefed as to nature and extent of the investment opportunities.

Discussions with Trade and Investment South Africa on these issues, as well as a review of some of their investor mobilisation documentation concurs with the view that a more appropriate strategy would be one that incorporates the targeting of potential investors (selected according to specific requirements/criteria), as well as the direct marketing of these opportunities to these investors by a team that would include credible private sector players in the industry (in particular business people currently invested in the industry, as well as credible advisors/consultants). TISA further stressed the point that the selected/chosen investor mobilisation strategy should be one jointly pursued by DEAT and TISA in a consistent, integrated and collaborative manner.

4. Implications for South Africa

- ?? Global demand trends for nature based, cultural and adventure tourism are very good. This is positive for South Africa since it is in these areas that we have considerable inherent and under-utilised development potential.
- ?? Presently, the vast bulk of South Africa's tourism demand is generated locally and regionally (as much as 80%). Whereas growth in international tourism arrivals was extremely encouraging in the middle 1990s, the demand from this very important component now appears to be tailing off. As such a specific focus area must be the boosting of international tourism demand.

- ?? This is not to say that the large and growing intra-regional tourist markets should be ignored. The 4.4 million intra-regional tourist arrivals collectively make an important contribution to achieving the country tourist goals and targets⁵.
- ?? From a marketing perspective, the UK, Germany, the USA, the Netherlands and France, (as well as the recovering Asian markets) are SAs primary⁶ long haul markets. Tourists from these markets, as well as developers/investors/operators dealing in this market are looking for new inland and coastal destinations offering a diversified range of tourism opportunities. SA is fortunate that it can offer an extensive range of features that attract tourists from different market segments with varying tastes and requirements.
- ?? Our overseas marketing needs to recognize and reflect this breadth of product and market potential. Industry criticisms of the inadequacy of SATOUR's recent marketing effort (financed by the National Business Initiative) are being addressed through the much-increased and newly focused marketing strategy that seeks to position SA as a diversified tourism destination.

Whilst South Africa is very well endowed with natural resource and heritage potential for tourism development, there is generally a shortage of the required development capital, marketing expertise, operators with large existing international client bases, etc. for successful tourism development. This has inevitably hindered the rate of tourism development. This situation is made worse by the real and perceived socio-political risks associated with southern African destinations.

- ?? In terms of investor mobilisation, if the strategic context as described above continues to prevail, the implication is probably that the tourism development process will inevitably be a slow process, characterised by numerous mistakes associated with 'learning by doing'. This development process will also be hindered by the often hostile competition from the far stronger and more credible international competitors. (At best the mainstream players will ignore us.)
- ?? There are also important spin-off effects that arise from investments by these global operators: *Firstly*, international experience indicates that one can expect considerable follow-up investments by smaller investors as a direct result of securing

⁵ Significantly, SATOUR has commissioned a study on the tastes and requirements of intra-regional and domestic tourists, and these findings could help identify a number of new additional development and investment opportunities.

⁶ Encouraging growth trends in terms of the Australasian (6.2% and Central and South American (6.1%) were recorded between 1999-2000

these initial investments by the “Mega Businesses”. (“Once the ‘big players’ are in town, the smaller players follow”.) *Secondly*, from an investment perspective, local and international financiers/investment companies make the point that they regard Greenfield tourism developments as extremely risky and difficult (particularly in southern Africa). However, where highly experienced and successful developers/operators are involved, financiers believe that the risks are significantly reduced specifically because of these developers’/operators’ ability to include/integrate a new development with their existing operations. The fact that their marketing networks/operations are in place and functioning, and that these operators have an existing client base to send to these destinations are also very important issues.

5. Priority focus areas for promoting tourism investment in South Africa

5.1 Introduction

The development of a sustainable tourism industry in South Africa must be pursued on the basis of a partnership between the Public sector, the private sector and the broader community. Within the context of this partnership, each partner has particular responsibilities. In essence the private sector has the key responsibility to develop, operate and maintain viable and competitive tourism facilities, and to thereby generate economic growth, employment and entrepreneurial opportunity. The broader South African community all have a responsibility as far as practically possible, to present and maintain our country and its wide variety of assets to the tourists within a stable, healthy, safe and friendly environment. These are discussed below:

The public sector must assume responsibility for creating an attractive enabling environment, as well as developing and enforcing a regulatory framework within which the industry is developed and operated. Whilst these responsibilities are shared by government at the national, provincial and local levels, there are certain key responsibilities that the national level of government is to pursue in order to support the development of the industry as a whole.

5.2 National level priority focus areas

Government has put in place programmes to address most of the issues raised on the list of investment constraints referred to in section 2.3 above. The nature and extent of each of the programmes, the related policy and strategy frameworks will not be elaborated on here.

However, there are two areas of constraint that the DEAT has identified as also requiring more specific attention as quickly as possible. They include *firstly*, the development of certain strategic elements of infrastructure that are unlikely to be developed by the 'market' but where the absence of which are likely to hinder the development of certain areas with inherent development potential. *Secondly*, the identification and mobilisation of certain strategic investors who will assist in the broader development of the South African tourism industry by bringing with them certain capacities that are in short supply here.

6. DEAT strategic focus areas - Preliminary tourism investment promotion strategy.

Over and above the need for hard work and committed leadership that are required to create a strong and sustainable tourism economy, a number of specific focus areas have already been identified by DEAT. These include the development of a clear tourism development master plan (preparations underway with UNDP and WTO technical assistance); promoting greater integration between the different players in the tourism industry including business, labour and government; creating a unified South African marketing approach with an associated image as a unique and safe environment; implementation of the tourism industry transformation strategy, which includes black economic empowerment; tourism law reform; unblocking of obstacles which relates to air bilateral agreements; further development and expansion of the domestic tourism market; and addressing safety and security; education and training.

Within the context of the tourism demand and investment trends described above in sections two and three, as well as the public sector responsibilities described above in section five, it is suggested that the two priority areas requiring particular attention from DEAT over the next few years are concerned with infrastructure development, and with the identification and mobilisation of selected international investors/developers/operators who bring with them certain capacities that are very much needed to boost the tourism development process in South Africa.

In making these prioritisations, note has been taken of the fact that most of the other priority areas are already achieving attention, and that these two focus areas have to date tended to receive insufficient attention.

Furthermore, bearing in mind the fact that development resources within South Africa are in very short supply, it is proposed that a focused approach be pursued in terms of the geographical targeting of this investment support.

6.1. Spatial targeting of efforts

DEAT is revising its investor mobilisation strategy. During the course of 2001, a small number of specifically selected projects are to be packaged and taken to carefully identify international investors to seek their participation.

The strategic nature of the initiative means that the initial focus will be on a very select group of projects (initially no more than 2-5 tourism initiatives) suited to the requirements of international investors/operators and the international tourist as well as to domestic tourist demands. The selected projects are to be prepared for investor mobilisation within 6-12 months. As investors are mobilised, new projects will be included into this programme that will in all likelihood run for a period of at least 5-10 years.

At this stage, the focus of infrastructure investment will be in terms of the identified Priority Areas for Infrastructure Investment (PATIIs) that are discussed further below. From an investor mobilisation perspective, in view of the considerable amount of work that has already been done as part of other initiatives, this programme will focus on the GKG Transfrontier Conservation Area, Lubombo SDI, Sterkfontein WHS, Mpumalanga/Swaziland Tourism and Biodiversity Corridor, Wild Coast SDI, and SANPARKS. It would also be possible to link a range of urban tourism facilities (such as hotel investments) as part of a package of investment opportunities.

6.2 Development of key physical infrastructure

A priority area that comes up time again from prospective investors is that of the availability of, and access to, certain key elements of physical infrastructure. A well-maintained and operated physical infrastructure is critical to the further development of the tourism industry. It has become very evident from the SDI project preparation and investor mobilisation processes (as well as international best practice) that in many instances the lack of suitable bulk and access infrastructure is a fundamental constraint to investment.

In order to mobilise greater private sector participation to exploit the under-utilised development potential, much of which is located in rural areas where there is a very high incidence of poverty and unemployment, it is increasingly evident that Government will need to provide certain elements of support. In an effort to facilitate greater investment and participation by the private sector, the public sector need to improve the infrastructure providing access to areas with inherent and under-utilised development potential for tourism.

The Priority Areas for Tourism Infrastructure Investment (PATIIs) have been selected on the basis that these elements of infrastructure will act as catalysts for unlocking the inherent tourism development potential of certain locations/sub-regions within South Africa.

The focus of the selected PATIIs is on 'hard infrastructure' such as road upgrading along existing and/or proposed tourism routes, enhancing critical public transport facilities, improving security in these tourism corridors, enhancing immigration facilities, and upgrading access to information centres and route signage.

Elements of 'soft infrastructure' have also been identified, and these include the promotion of greater levels of community participation in natural resource management (such as via the 'People in Parks' programme); improving access to information and amenities (tourism information centres, security centres, retail facilities), support for the development of cultural assets (music, cultural industries, rock art, township tours and archaeology); and enhanced public access to facilities via the improvement of public transport.

Spatially the PATIIs focus on the Madikwe Area, the Maluti Area (eastern Free State), the Pietersburg to Phalaborwa route, the Louis Trichard to Punda Maria route, the Lowveld between Phalaborwa and Nelspruit and between Barberton and Malelane, the KwaZulu-Natal North Midlands "Battlefields", the Durban to Port St. Johns area of the Wild Coast, Central Eastern Cape/Amatola Area, the Sunshine coast between East London and Port Elizabeth, and the Kalahari Triangle. A comprehensive business plan that includes the costing of the PATIIs is currently underway.

6.3 International investor mobilisation

Underlying the recommendation to focus efforts on the mobilisation of specifically targeted international developers/operators are the following key considerations that arise in the South and southern African context:

It is unrealistic to rely solely on the existing southern African local tourism market. Investment trends over the past few years with the SDIs confirm that there is limited demand from within the southern African region for additional new tourism accommodation and facilities. It is essential to boost international tourism demand.

?? Delivery time is a key issue: Bearing in mind the tremendous socio-economic needs in South Africa, it is important that tourism development projects and programmes are seen to deliver economic and social benefits as quickly as possible.

?? The successful development of a large tourism industry requires considerable amounts of capital and expertise. Performance is greatly enhanced by having access to considerable marketing expertise, an existing client base, experience and credibility with the target tourist market.

?? For the above reasons it is important to encourage a situation where the “mega Businesses” have a larger vested interest in southern Africa. (The Government is not in any way supporting international domination of South African tourism assets by foreigners, just a significantly larger share than at present.) If a greater number of the “mega tourism businesses” with their marketing and hospitality expertise, their existing client base, their very good international credibility amongst target markets, were to invest in southern Africa, it is likely that tourism numbers – particularly new international tourists - could be boosted more dramatically in the short and medium term.

6.3.1 The role of international investors/developers/operators

New human and capital investment, and a significant boost in tourist demand, is vital. In recent years a tremendous number of new tourism development opportunities have been put on the market as a result of economic strategies such as the Spatial Development Initiatives, the commercialisation of the SANPARKS, and the establishment of various Transfrontier Conservation Areas.

In South (and southern) Africa, there is generally a shortage of the capital, expertise, existing international marketing networks, existing international client bases, credibility. These factors are all vital to the development of a vibrant, balanced and growing tourism sector.

If initiatives such as the SDIs, TFCA's and so on are to deliver the desired socio-economic benefits in the next 5-10 years, they cannot simply rely on the existing regional private sector for the huge human and capital resources required for their development. Neither can one expect only the local agencies and operators to market them successfully in the context of stiff international competition and our often poor credibility. Neither can they rely on the domestic tourism market to generate the required occupancy levels in this increasing number of facilities.

In order to boost tourism demand and investment trends, it is essential that certain highly influential world-scale and world-class operators are mobilised into the process (either individually or in partnerships with existing southern African operators).

Within the context of SAs particular socio-economic context, very particular types of tourism investors/operators are required to support and boost the tourism development process. The investors that are to be mobilised into South Africa must bring with them the capacities that are, from a strategic perspective, required to boost the tourism development process in South Africa.

6.3.2 Proposed criteria for the identification/selection of prospective investors/developers/operators.

Whilst further research and analysis processes are underway as part of DEATs process to develop a related strategy for international investor mobilisation, it is most likely that investors with the following characteristics will be targeted:

Firstly, investors/operators who can make a direct positive impact in terms of establishing South Africa, as well as certain specifically identified projects, as world-class destinations. In order to do this, the investor(s) will need to have a very high level of international credibility.

Secondly, the investors/operators would also need to have global influence – and this must be related to an existing global marketing and sales network. The investor/operator must be able to get the selected South African products/destinations to compete in the highly competitive global tourism industry.

Thirdly, the investor/operator would need to have an existing client base. Our socio-economic context does not give us the luxury of spending decades building up our international reputation and client base using only local entrepreneurs. In order to generate the required development impacts as speedily as possible, it is important that the selected investors/operators be able to access existing networks of clients.

Fourthly, bearing in mind the very severe investment capital and human resources constraints that exist in southern Africa, the investor/operator must have the necessary capital and human capacity to tackle large developments which in certain instances may be located in remote geographical areas. From a financial perspective the investor/operator must also be able to take a longer-term view on profit generation – again bearing in mind that South and southern Africa are relatively new/unknown destinations.

6.3.3 Implications of the strategic investor/developer/operator mobilisation process on local/regional and community tourism investment trends.

One is not advocating domination of the regional tourism industry by international investors/operators, only that it is strategically important that these 'Mega-Businesses' have a significantly larger share than at present.) If a greater number of the "mega tourism businesses" with their marketing and hospitality expertise, their existing client base, their very good international credibility amongst target markets, were to invest in southern Africa, it is likely that tourism numbers - particularly new international tourists - could be boosted more dramatically in the short and medium term.

In such an environment where tourism demand is growing strongly, or even 'booming' the investment environment for local and regional investors will be much more favourable. Furthermore, the opportunity exists for partnerships between local entrepreneurs and the international investors/operators/developers. Once again these partnerships offer mutual benefits by combining local knowledge and resources with those strengths of the international investors/developers/operators.

The above situation also offers very significant benefits for community based tourism ventures. As was mentioned above, trading conditions are tough at present. The implementation of community based ventures often involving communities who are financially poor, technically under-resourced, very inexperienced etc. is very difficult in context of stiff competition from existing formal operators, and the 'tight' criteria applied by commercial lending institutions. However, these communities do in many instances have control over pieces of land with high tourism development potential, as well as being potentially well resourced in terms of their culture and heritage. These assets could in certain circumstances allow for the establishment of very profitable as well as reasonably 'equitable' partnerships with the local and international private sector.

There are as such a number of important benefits that can accrue to the local and regional private sector, as well as to communities via this proposed process. Fundamental to achieving these successes will be the ability to mobilise the select group of investors/developers/operators whose presence and participation will create a far more favourable tourism investment environment. This group of strategic investors thus become a key catalyst for the further development of the South African and regional tourism industry.

It needs to be noted that this proposed strategy/approach of facilitating strategic investments via a combination of targeted investor mobilisation and active facilitation of the investment process (including the development of strategic infrastructure, providing access for airlines, the use of coherent 'one-stop' government/parastatal facilitating agencies, incentives, etc.) has in fact been very successfully implemented elsewhere in the World (including Bali, Cancun, Hong Kong, Caribbean, Mauritius, to mention a few) as a basic for boosting the development of new destinations.

It seems inevitable in context of the very real resource, capacity, and credibility limitations facing South Africa that in the absence of such involvement, it is probable that the tourism development process will continue to be characterised by moderate growth (off a relatively small base) and numerous mistakes associated with learning by doing. This process will also be hindered by the often hostile competition from the far stronger and more credible international competitors. Within this context it is unlikely that significant benefit flows to the previously marginalized communities can be generated in the short or medium term.

There are certain potential threats that could arise from a situation where the international investors/operators/developers get involved to such a level that they dominate the industry. Whilst this situation seems somewhat unlikely at this particular time, it is important to note that there are international case studies (Kenya, Goa in India etc.) confirming such incidences as well as the very real dangers that arise from such a process.

Most importantly, this sort of situation can be avoided provided that the correct investment and regulatory frameworks are developed and applied to the development process. However, for completeness sake, it is worth reviewing some of the better known threats as well as potential mitigation measures that can be applied. These are discussed below.

6.3.4 International domination of the tourism industry: Potential threats and mitigation strategies.

There are a number of relatively well-known potential treats that could arise from a situation of international dominance.

?? *Firstly*, there have been a number of instances internationally where as a result of foreign dominance in the ownership, operation and use of facilities, the socio-economic benefits that have accrued to the local economy have been relatively small. This phenomenon has in particular been associated with economic leakages from the

host country (and a severe lack of forward and backward linkages into the economy), as well as the prevention and/or marginalisation of local communities in the ownership and operation of tourism resources and facilities.

- ?? *Secondly*, where there has been large-scale private investment into developing countries, developers/operators have on numerous occasions crossed the sustainability threshold in their efforts to achieve greater profitability. This trend has been particularly prevalent in those instances where the planning and investment framework has been poorly developed, or not enforced, or a combination of both.
- ?? *Thirdly*, it can be argued that whilst the 'big bang' approach driven by foreign investors/operators could be associated with significant positive economic impacts, this approach may be driven at such a speed, and require expertise of such a nature, that the poorer and less well trained local communities would be very unlikely to be able to respond to development opportunities that arise.
- ?? *Fourthly*, that where the tourism industry has become owned and operated by foreigners, and targeted to foreign tourists, the risks associated with fluctuations in tourist numbers actually increase. This phenomenon has in particular been associated with real and/or perceived incidences of crime and/or violence. In practice it appears that local and regional tourists are far better able to distinguish between inaccurate and/or sensational media reporting and real civil unrest. Furthermore the international tourists also appear to regard the whole of Africa let alone southern Africa as one country – as a result that when there is an outbreak of violence in a particular country, all countries in the region are regarded as being in a state of civil unrest etc.

There are a number of important mitigation plans/priorities that need to be considered in relation to the above mentioned problem areas.

- ?? In response to the potential threat of dominance by foreign investors/operators, the following strategies would form the core of any related mitigation plans.

It would be an essential precondition to avoid the unnecessary alienation⁷ of State and/or communal tourism assets (particularly land), but rather to opt for the use of leases and/or concessions etc.

⁷ Practice in this part of the World has already demonstrated that the private sector can operate just as effectively and profitably using other forms of secure tenure such as long-term leases and concessions.

Secondly, one needs to avoid the situation where effective control of all (or even the majority) potential assets is given to foreign investors/operators. This approach would also ensure that the local and regional private sector has reasonable opportunity to participate in the tourism development process as investors or operators.

Thirdly, the use of partnerships between the foreign investors and local participants are likely to be associated with a far greater level of socio-economic linkages (and thus less leakage) into the local economy, and resultant benefit flows into the local economy. There are a number of different permutations to these partnerships including community/private partnerships, State/private partnerships, joint venture between the local and international private sector, and then combinations of the above.

?? In response to the threat of uncontrolled development by the private sector, it is essential to ensure that a sound regulatory environment exists. There are four issues that are clearly essential.

Firstly, integrated planning frameworks within which all developments are implemented.

Secondly, an environmental framework and related procedures within which developments are designed and implemented.

Thirdly, the political will to enforce such plans and procedures, and

Finally the building of the necessary local institutional capacity to monitor the development process. While the administrative framework and procedures at a national level may be strong, actual implementation and enforcement at the local level are likely to be extremely problematic. Any misplaced optimism that local involvement will adhere, automatically, to the letter of the law should be dispelled. All tourism developments are going to have impacts, and tourism development is about making money. Within this context, it is absolutely imperative that there is a defined planning and development framework, as well as related procedures, within which tourism development takes place⁸.

?? On the issue of excessive preference being given to the foreign tourist market, it is essential that the relative strength and vitality of the southern African regional tourism market be acknowledged and nurtured.

⁸ Such a framework must include basic control measures (building heights, building lines, architectural standards, access for locals to beaches) as well as specific controls and standards in respect of (the very commonly cited) violations that impact on the natural environment (including waste disposal, potable water supplies, and so on).

The crucial difference between the Southern African and for instance the Kenyan situation is the fact that Southern Africa already has a significant, buoyant, economically vibrant domestic tourist market. Not only will this market continue to provide an important, vital source of tourism demand, it may well act as a buffer, a foil, to counter inevitable - though often unpredictable - fluctuations in international tourism demand. Southern Africa also has the benefit of a new emerging domestic market - people who were historically excluded but who now have greater disposable incomes and as such can become part of the growing domestic

6.3.5 Key issues for mobilizing the mega-businesses

Getting access to the large global operators is not easy as has been demonstrated via the SDI and SANPARKS investor mobilisation processes: In terms of getting access to these investors/operators a number of issues need to be noted:

Firstly, these individuals are faced with literally dozens of large investment decisions every week. As such it is practically impossible for them to make such decisions in the absence of **advisors** which understand their particular needs/requirements and which they can trust.

Secondly, since these investors are operating at a global level in a global industry, their advisors are also required to have an excellent understanding of global tourism development and investment trends. This inevitably requires the advisors to have global networks of expertise that can be trusted. As a result, certain of the very big consulting firms (Arthur Anderson, Price Waterhouse Coopers etc.) often⁹ tend to provide this advisory service, and have developed long term relationships based on expertise and trust with particular investors. The implication of this is that for countries trying to attract such investors into new (perceived to be potentially risky ventures) it would be very difficult to access such investors/investment without going via their trusted advisors.

Thirdly, it is evident that investors needs/requirements differ widely. Some investors are specifically interested in short run returns - that is between 5 and 7 years, whilst other look at a long terms scenario of up to 25 years. Others will not consider Africa, whilst some have indicated an in principle decision to target Africa. Whatever the case, in the context of tourism developments in the nature based, adventure, cultural tourism sectors, the indications are that there are in all likelihood only a limited number of potential investors who are

⁹ The point was also made that in other instances the advisor could well be a trusted family member.

looking to invest in these sectors and in this part of the continent over the next 5-10 years. Specific research needs to be done up-front to identify these investors, so that specific proposals can be put to them.

Fourthly, the use of Requests for Proposals (RFPs) which has become something of a 'norm' in South Africa, needs careful consideration. RFPs are really most effective in those instances where you have such a unique investment opportunity that the investment community will make you proposals as to how best to develop it rather than you marketing a proposal to them. This approach assumes a very big demand to invest in a particular country/destination. Since international perceptions about investing in South and southern Africa are poor, and since the large global investors are faced with dozens of potential investment opportunities every week in countries with far greater socio-political and economic stability, the generalized use of this approach for the wide spectrum of tourism projects in South Africa needs to be reconsidered.

Fifthly, it is important that specific criteria are agreed to for the selection of the investors/developers/operators. As was mentioned above the world tourism industry is highly globalized and extremely competitive. Within this context, the successful development of a large tourism sector requires large amounts of capital and expertise. Performance is greatly enhanced by having access to considerable marketing expertise, an existing client base, experience and credibility with the target tourism market. As such some of the criteria used in the process of identifying potential investors must relate to these investors existing strength in terms of finance, human resources, global credibility, marketing expertise, existing client base etc.

Sixthly, investors want to be briefed on a projects financial and technical aspects and potential by credible private sector people. These credible private sector representatives could include either, or preferably both, credible consultants and existing private sector tourism operators and investors. The role of politicians and bureaucrats is seen to be primarily concerned with providing the country vision and providing details about the regulatory and investment frameworks.

7. Way forward

The process and work programme spelled out below is one possible route/strategy that could be employed to assist in identifying and mobilising such investors:

Step one: *Determine basic product focus and source of tourists*

Drawing on a 'basket' of the prime investment opportunities, we need to get agreement on a focused product(s) that are to be marketed to a

targeted set of tourists. National DEAT would be the appropriate institution to facilitate this decision making process in consultation with the various provincial and local levels of Government, and advisory agencies such as Trade and investment South Africa (TISA).

Step two: *Determine the key criteria for investor identification and selection.*

The mobilisation of selected investors into the South African tourism industry is a deliberate decision aimed at achieving certain strategic objectives (investment, marketing, overseas tourist numbers, development momentum, etc.) as well as to offset certain of our weaknesses (credibility in certain markets, existing client base in target markets, expertise, capital, global marketing networks etc.).

Before embarking on a process of research aimed at identifying which investors have the right attributes, it would be important to get agreement on a focused set of strategic criteria that will be used to guide the research process. Once again, National DEAT would be the appropriate institution to facilitate this decision making process in consultation with the representatives of the private tourism sector and the provincial and local levels of Government.

Step three: *Identification of targeted investors*

Research to be based on secondary unqualified information gained via accessing existing large consulting groups various global offices (Arthur Anderson, Price Waterhouse Coopers), as well as via interactions with leading global tourism organisations (PATA, WTTC). Criteria for selection to be determined up-front on the basis on the needs/shortfalls/priorities identified.

- ?? Element one: Design of the research process. This element could include a certain amount of formal research and/or a process of briefing TISAs overseas official to identify selected investors/operators based on a set of defined criteria from step two. This element could also be supplemented by information provided from PATA, WTTC, TBCSA etc.
- ?? Element two: Appointment of a global reach consultancy. Agreement on the specific terms that will apply to the consultancy for the research process, for the formulation of proposals process, for the distribution of proposal process, and for the direct marketing and securing of investment process.
- ?? Element three: Mobilisation of support from global reach tourism associations (PATA, WTTC etc.) to participate in this step (step three) as well as steps five and six.

This step should, in order to ensure consistency, be undertaken collaboratively by DEAT, TISA and the selected international consultancy.

Step four: Selection of pilot projects

Firstly, it would be important to reach agreement on a focused set of pilot projects that are to be put to the investors.

Secondly, ensure that there are no fundamental problems such as unresolved land claims, disputes etc. that will undermine the investors confidence in the selected pilot project areas.

Thirdly, ensure that the necessary strategic infrastructure is either in place, or that it is on the PATIIs implementation programme.

Fourthly, within the context of the selected projects, or even type of tourism product, to determine whether or not there are existing domestic developers/operators who are seeking international partners for particular ventures. In terms of this element, it would be important to ensure that one selects serious and credible local developers/operators. One would not in this particular context want to try and team-up inexperienced speculators with international developers/operators/investors.

Step five: Formulation of a proposal(s) in terms of the specific investment opportunities in southern Africa

To be drawn up and evaluated by credible global consulting group, after due deliberation with leading tourism developers/operators within the southern African region, representatives of the international development institutions (the International Finance Corporation and the World Bank), and senior representatives of the host country(ies). This framework would include an overview of the broad vision, the project proposal, and the regulatory and investment framework.

Step six: Distribution of proposals to the selected potential investors

This is a relatively quick step requiring the distribution of the proposals to the selected investors. At this point the selected private sector advisors (consultancy and local developers/operators) should drive the process. In the case where an institution such as PATA has provided access to the investor(s), they could (if they preferred) take the lead in forwarding the documentation.

Step seven: *Direct marketing of investment opportunities to the selected investors.*

This step would entail a road show driven by the selected consultancy (for all the technical and financial presentations), selected southern African private sector developers/operators (to discuss the current reality of doing business in our region), and representatives of government(s) to provide the strategic vision for the country as well as the macro economic policy framework. On the issue of payment, the suggestion is that the consultancy be paid on the basis of costs only plus a success fee. Again, in the case where an institution such as PATA has provided access to the investor(s), they could (if they preferred) play a more prominent role in presenting the proposal.

Step eight: *Negotiations with selected investor(s)*

When executing this step particular care should be taken to learn from the lessons of experience that have been gained from the SANPARKS and the SDI processes.

Step nine: *Selection of investor*

Again, when executing this step particular care should be taken to learn from the lessons of experience that have been gained from the SANPARKS and the SDI processes.

Step ten: *Implementation of agreement*

List of people with whom related discussions were held

Mr. John Koldowsky. General Manager Strategic Planning. Pacific Asia Travel Association, Bangkok, Thailand

Mr. Andreas Flaig. Director Business Consulting, Accenture, Singapore.

Mr. Rodney Darwin. Director Hospitality and leisure – Asia/Pacific. PriceWaterhouseCoopers, Singapore

Mr. Sethapon Chinandon. Director Investment Administration. Tourism Authority of Thailand, Bangkok, Thailand

Mr. Patrick Lau. Director, Singapore Tourism Board, Singapore

Mrs. Portia Molefe. Chief Operating Officer, Trade and Investment South Africa.

Mr. Elliot Ndala. Chief Executive Officer. Mpumalanga Tourism Authority

Mr. Brian Whittaker. Chief Operating Officer, Business Trust

Mr. Moeketsi Mosola. Chief Director Tourism. DEAT South Africa

Ms. Kwanda Vutela. Trade and Investment South Africa

Ms. Ginny King. Trade and Investment South Africa

Mr. Jurgens van Zyl. Spatial Development Initiatives Technical Team (DBSA)

Mr. Dave Arkwright. Maputo Corridor Company, Nelspruit.

Mr. Eddie Koch. (Partner) MAFISA Consultants

Meetings still to take place

Ms. Tanya Abrahamse. Chief Executive Tourism Business Council of SA

Mr. Dean Wallace. Accenture (Hospitality and Leisure), Johannesburg.