**MEDIA STATEMENT**

**TOURISM COMMITTEE URGES BANKING SECTOR TO SUPPORT TOURISM BUSINESSES IN VILLAGES AND TOWNSHIPS**

**Parliament, Tuesday, 1 June 2021 –** The Portfolio Committee on Tourism today received a briefing from the Banking Association South Africa (BASA) on its perspective on the support provided by the banking sector to the tourism industry, especially to small, micro and medium enterprises (SMMEs).

The Chairperson of the Tourism Committee, Mr Supra Mahumapelo, said: “We have a responsibility to ameliorate the consequences of the Covid-19 pandemic and more so we have a responsibility to ensure that South Africa is prosperous and we build it for future generations, to be free from unemployment, inequality and poverty.”

Mr Mahumapelo told BASA that the committee deemed it important to have an engagement with the banking sector as black people still battle to gain access into the economy via the tourism sector.

The committee received a presentation from BASA, an association whose membership base includes the commercial, mutual and international banks operating in South Africa. BASA indicated the support it gives to all the sectors in terms of lending facilities and standard commercial products such as overdrafts, commercial asset finance, term lending, mortgage-backed business loans and government credit guarantees, among others.

One of the questions which was posed to BASA by the committee related to the Tourism Recovery Plan and the support that BASA offered to existing tourism businesses in villages and townships in the next five years to grow the rural economy. In response on the support, BASA indicated that it has just received a report which covers all the sectors and it will share it with the committee.

The committee proposed to BASA to look at quick wins for the performing arts sector to enable artists to access quick short-term funding as the performing arts sector is an important catalyst to the tourism sector. BASA told the committee that it is going to take this suggestion back to their Small Medium Enterprise unit for deliberation on how best to support this market.

Whilst BASA acknowledged that tourism is a critical sector of the economy as it provides 1.5 million indirect and 740 000 direct jobs, and that 80% of the players are small businesses, it agreed that it has a role to play to assist rural and township tourism businesses as they are not currently targeted.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON TOURISM, MR SUPRA MAHUMAPELO.**