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**MINISTRY OF TOURISM**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY:**

**QUESTION FOR WRITTEN REPLY:**

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**Mr E T Myeni (ANC) to ask the Minister of Tourism:**

Given the impact of the Covid-19 pandemic, how does the future of start-up businesses within the tourism sector look post Covid-19? NW1572E

**REPLY:**

**How does the future of start-up businesses within the tourism sector look post Covid-19.**

The COVID 19 has created a crisis from which many tourism businesses will not recover. Many will also be forced to scale back operations. However, global recovery benchmarks indicate that tourism is typically resilient in the face of pandemics and is able to rebound strongly. Widespread business failures coupled with a fast rebound could create supportive conditions for start-up businesses.

Gaps and opportunities will exist all along the tourism value chain and it is important that entrepreneurs and aspiring entrepreneurs are supported in their efforts to capture these opportunities. It is for this reason that the recovery plan recommends the launching of an investment and market-entry facilitation programme to stimulate capital investment, sector transformation and product diversification.

Ultimately, the sector must work to attract investment through the recovery cycle in order to create sufficient supply capacity, but also to support the product diversification and unserved market needs that are likely to accompany renewed growth. Changing traveller preference and behaviours will also create new opportunities that may not previously have existed.

A concerted focus on investment-led economic rejuvenation is therefore required and this should be formalised under a collaborative investment promotion and market-entry facilitation programme. Strategies should evaluate value chain weaknesses and seek to re-introduce competition, facilitate revitalisation and encourage investment in unserved niches. Done right, this general approach can be highly supportive of transformation, inclusion and diversification objectives if it is underpinned by a focus on enhancing SMME visibility, mobilising multi-stakeholder collaboration, developing community assets and transforming spatial and ownership patterns.