

Presentation to Select Committee on the Budget Vote

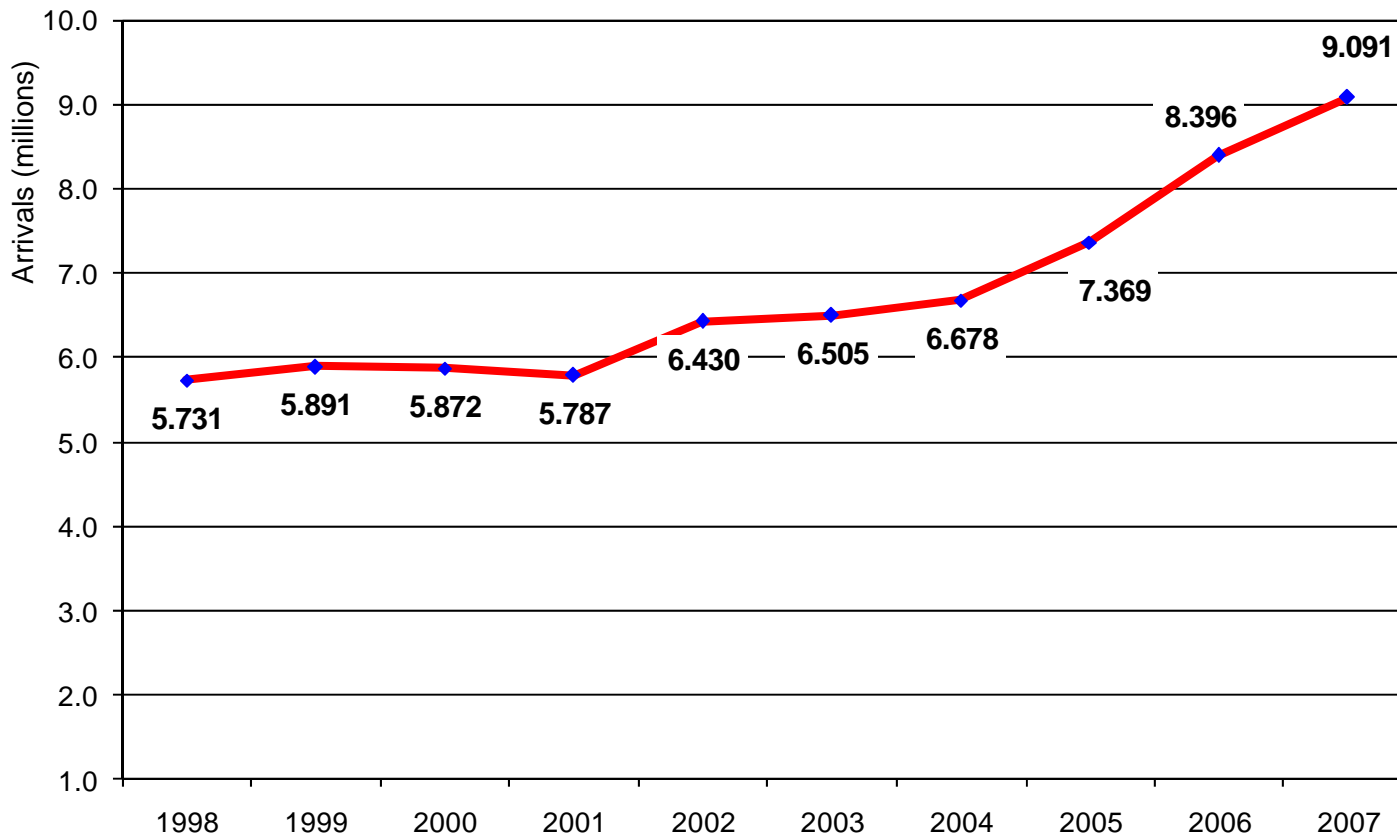
May 2008

SOUTH AFRICAN TOURISM



Arrivals to South Africa exceeded 9 million in 2007

Total foreign arrivals to SA - 1998 to 2007



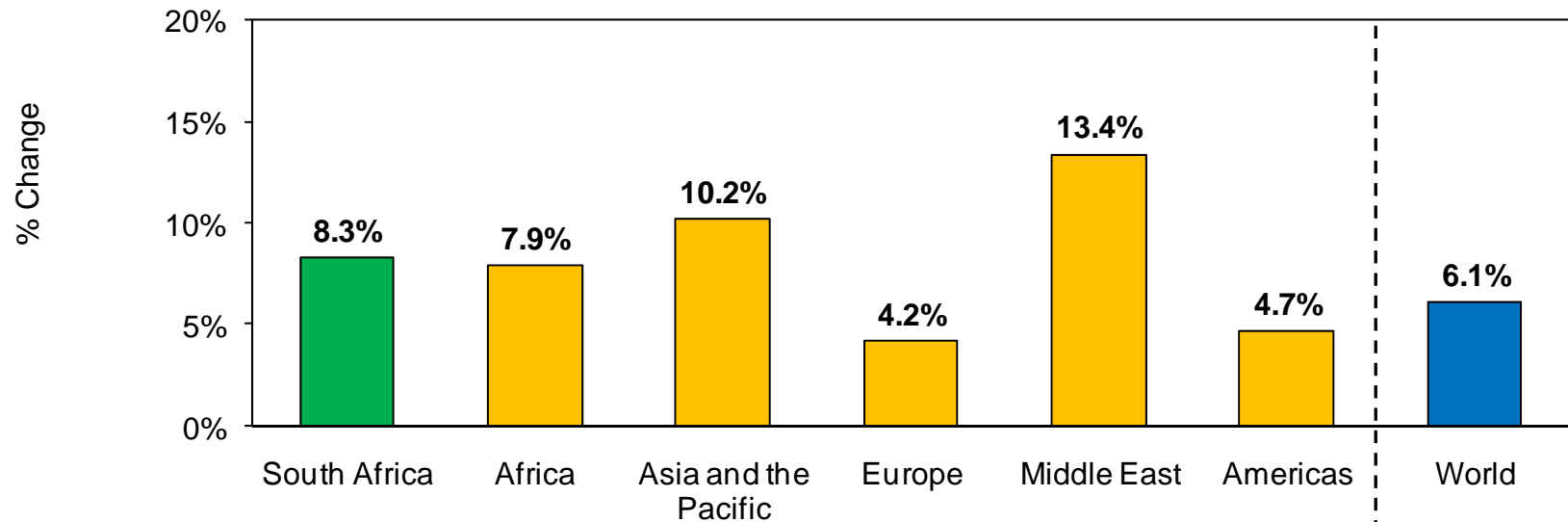
CAGR :

1998 – 2007:	5.3%
2000 – 2007:	6.4%
2002 – 2005:	7.2%
2004 – 2007:	10.8%
2005 – 2007:	11.1%
2006 – 2007:	8.3%



South Africa continues to outperform global tourism growth. Global international arrivals grew by 6.1% in 2007 while arrivals to South Africa grew by 8.3%

Year-on-Year Change in Foreign Arrivals to each region, 2006-2007



2006 Arrivals (Millions)	8.4	40.3	167.1	458.0	40.8	136.3	842.5
2007 Arrivals (Millions)	9	44.2	184.9	480.1	46.4	142.1	898



SA Tourism's strategic objectives 2008-10

The Tourism Act's mandate to SA Tourism is ...

Sustainable GDP Growth

Sustainable job creation

Redistribution and transformation



through four strategic objectives . . .

Achieve targeted total arrivals to SA in 2007 - 2010

Achieve total average tourist spend inside SA in 2007 - 2010

SA to be the most preferred tourist brand by 2014

SA Tourism to be the best tourism organisation by 2010



by focusing on doing only the following "Big 6 things" very well!

Share our vision with stakeholders

Use the trade to grow our business

Grow & nurture our staff

Improve brand traction in markets

Fine-tune internal systems and communication

Increase value-extraction in SA from all tourists

Integrated SA Tourism portfolio 2008 - 2010**:

Underscored are leisure and business tourism markets (= associations and # = incentives and corporate meetings)*

Responsibility		AFRICA	AMERICAS & the UK	ASIA & AUSTRALASIA	EUROPE	
Portfolio Manager	Country Manager	CORE MARKETS	Botswana Domestic Kenya Nigeria	<u>USA*#</u> <u>UK*#</u>	<u>Australia*</u> <u>India #</u>	<u>France*#</u> <u>Germany*#</u> <u>Netherlands*#</u>
		INVESTMENT MARKETS	Angola DRC Mozambique Zimbabwe	<u>Canada*#</u>	China (incl. Hong Kong) <u>Japan #</u>	<u>Italy #</u> <u>Sweden #</u>
		TACTICAL MARKETS	Ghana Lesotho Swaziland Tanzania	Ireland	Singapore	<u>Switzerland*#</u>
Stakeholder Manager		WATCH-LIST MARKETS	Egypt Namibia UAE	Brazil	Malaysia New Zealand Rep of Korea	<u>Austria*#</u> <u>Belgium*#</u> <u>Denmark*#</u> Norway Spain
		STRATEGIC IMPORTANCE	Bahrain, Oman, Qatar, Saudi Arabia			
Global Channel Manager		STRATEGIC LINKS/HUBS	Ethiopia, Zambia, Senegal	Argentina	Thailand	Greece

Objective 1:

To achieve annual arrival targets

Year	Target	% increase over previous year	Arrivals achieved
2007	8 682 495	4,4% increase over 2006	9 090 994
2008 (revised)	9 699 365	6.7 % increase over 2007 actual	
2009 Target	10 282 873	6% increase over 2008 revised target	
2010 Projection	11 400 000	10.5 % increase over 2009	
2011*	11 900 000	4.9 % increase over 2010	



Objective 2:

To achieve annual spend targets

Year	Target	Total - Billions (Estimation)	Actual - Billions (Estimation)
2007 <i>Actual:</i> <i>Land travellers</i> <i>Air travellers</i>	R 8 000 <i>R5 800</i> <i>R10 200</i>	R 69.5	<i>R 60.1 (Average = R7,000) R36b (down 18%) R24b (up 7%)</i>
2008 (Revised)	R 7 300	R 70.8	
2009 Target	R 7 800	R 80.2	
2010 Projection	R 8 300	R 94.6	



Objective 3:

South Africa to be a most preferred Tourism Brand by 2014:

Meaning we should be in the top 3 countries in our competitor set considered by any tourist planning to travel long-haul from any of our core markets, but preferably NUMBER 1!

Annual Measures:

- Achieve a 3% increase in total awareness in all markets and maintain levels of awareness in markets with more than 85% total awareness
- 2% increase in “consideration” in core markets
- Achieve an above average rating in “affiliation” in core markets



Objective 4:

SA Tourism to be the Best Tourism Organization by 2010:

As decided by the Annual Tourism Awards Committee of the World Tourism Organization, and as attested to by the most credible award committees in our chosen core markets

Annual Measures:

- Internal: Clean Audit reports, staff retention of 85%, increase ranking as best company to work for by 5 positions per annum, training budget spent
- External: In market awards for marketing, destination and national tourism boards



Global Strategy & Creative 2008/10

South African Tourism has a clear portfolio of markets for 2008-2010 (endorsed by Cabinet in the Tourism Growth Strategy last year). The next portfolio review (ie the fourth review) will be in 2009 and set the marketing portfolio for 2010-2012.

These markets cover leisure, business tourism and events.

To create increased awareness of South Africa as a travel destination we have embarked on a three-year global media campaign with support from our country offices. This is in addition to our global projects and business plans in country.

The central marketing idea is about telling stories.

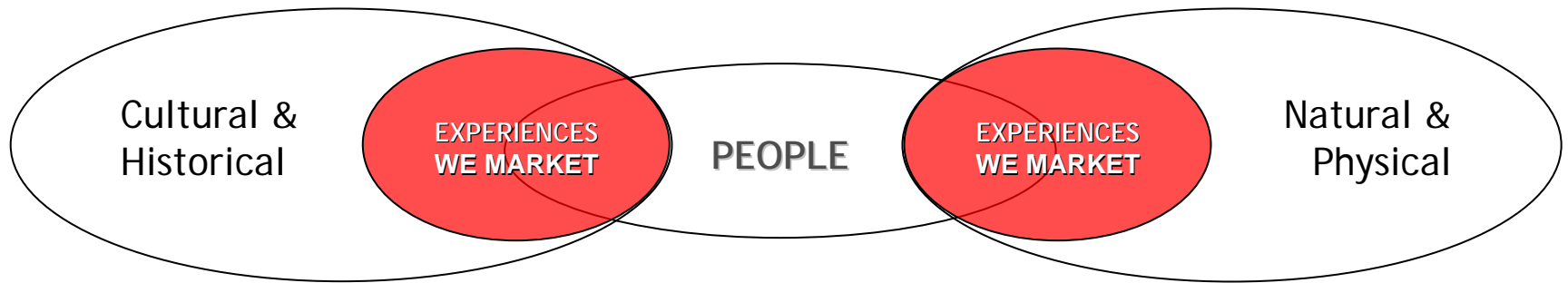
The Value of a Story

Everyone knows the pleasure of a good story. You've been away to a country most of your friends hadn't heard of, visited places they may have never dreamed of and met people they will most likely never encounter in this lifetime.

Are stories not the real reason we travel? They're our way of putting our experiences into words, of offering our own opinions on what we see and, most importantly, making others want what we have had.



These stories are how foreigners experience our country (its scenic beauty and culture) through our people



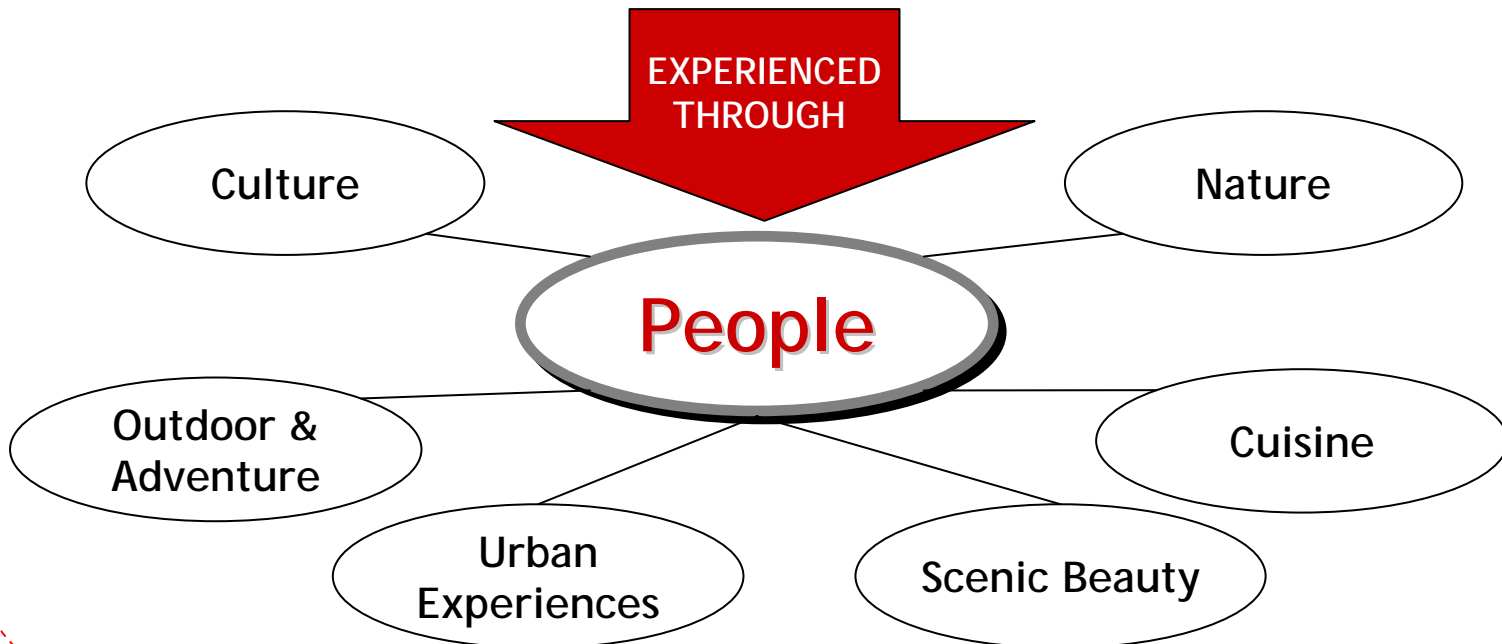
It's the unique combinations of these elements that makes SA so different - so breakthrough.

The marketing campaign is bringing them to life through

Unique Combinations

Awe-inspiring, Wondrous, Enriching, Magnificent, Extraordinary, Monumental, Captivating, Thrilling, Spectacular, Achievable

Unique Combination of Variety that Comes Together in South Africa



The Unique Combination of Variety that is the South African Experience



Leveraging Our Big Idea Via Global Media Platforms

NAT GEO

"Though the Camera's Eye."

Authentic, breakthrough
South African experiences.

CNN

"My South Africa."

Invitation with competition
element to share stories and
personal experiences.

EUROSPORT

"Stories from SA sports
Icons."

Positioning SA as an event
and leisure destination.

NEWSCORP

"Our SA Dreams."

Unique SA travel stories,
linked to the passion of sport.

Come and Create
Your South African
Story

BBC

"South African Journeys."

Creating and winning the
ideal SA story-journey.



Bringing our Global Idea to life!

Global Images



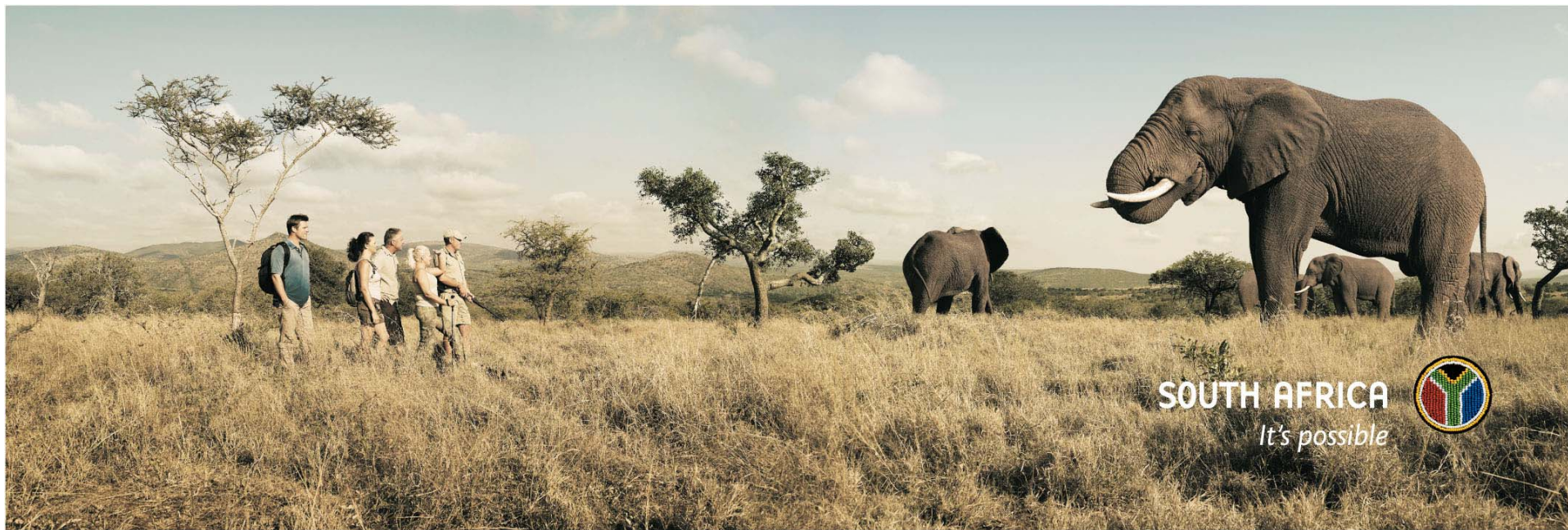
With 550 trails up the mountain and countless things to do at its feet, we had a choice between heaven and paradise. And all the time in the world to experience both.

Go to www.southafrica.net

SOUTH AFRICA
It's possible



Global Images



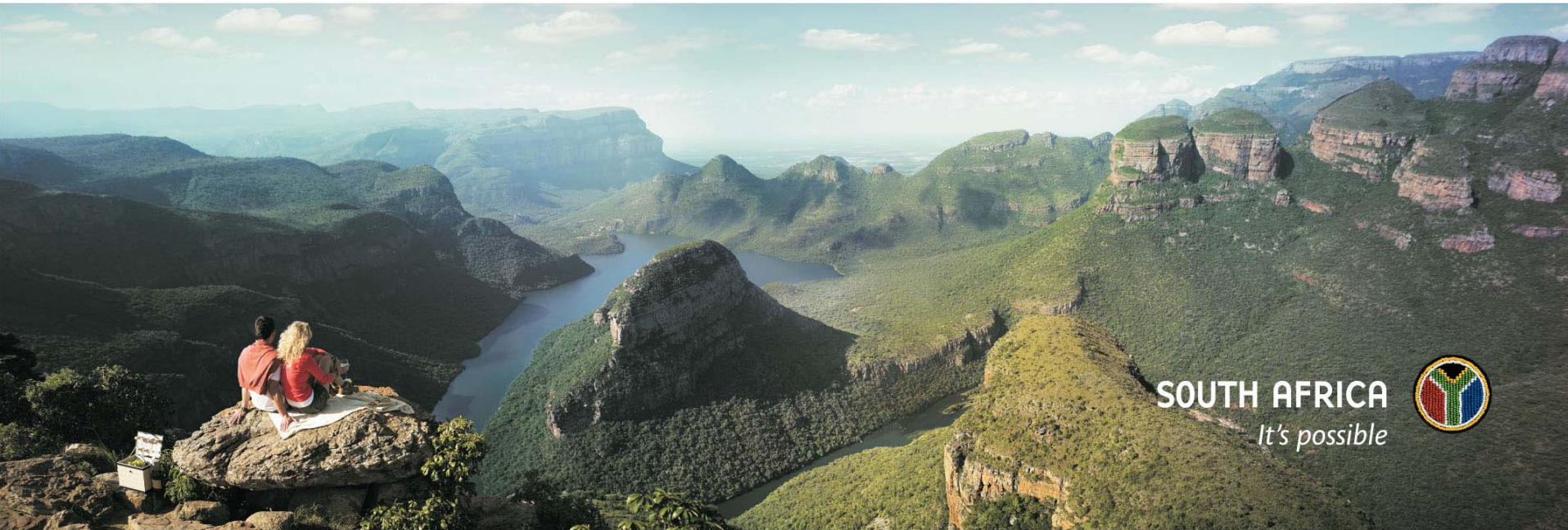
Elephants have greeting ceremonies for friends returning from voyages. Secretly, I hoped that when I come back, they'll remember me as much as I'll remember them.

Go to www.southafrica.net

SOUTH AFRICA
It's possible



Global Images



SOUTH AFRICA
It's possible



I have seen pictures of this place before. But being here, the warm sun on my back and Africa's grandest canyon before me, is a gift no photograph in the world can deliver.

Go to www.southafrica.net

SOUTH AFRICA

It's possible

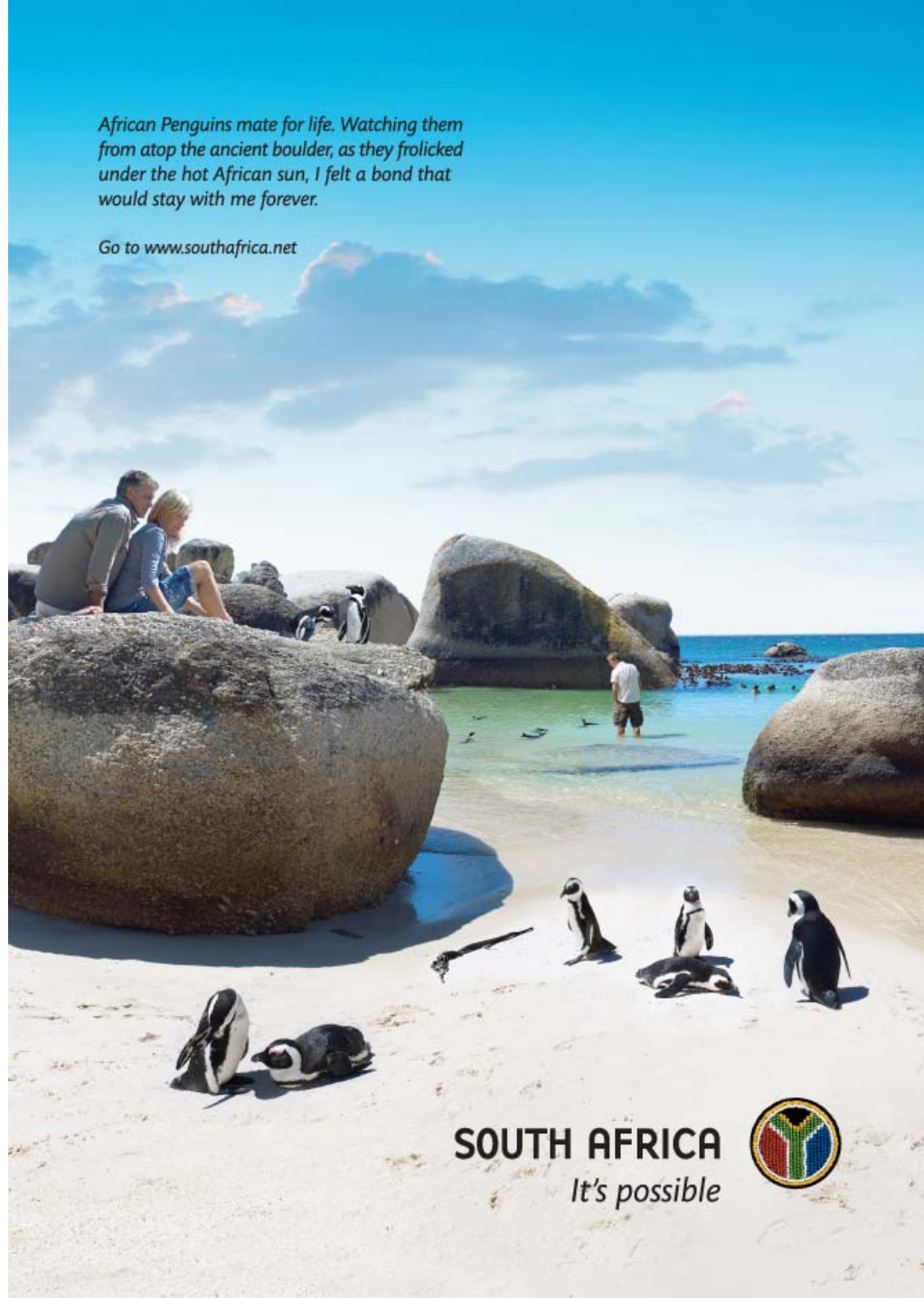


Global Images



African Penguins mate for life. Watching them from atop the ancient boulder, as they frolicked under the hot African sun, I felt a bond that would stay with me forever.

Go to www.southafrica.net



SOUTH AFRICA
It's possible



Africa

No matter what I spend here
I always leave feeling like
a million dollars

Go to www.southafrica.net or call 0800 1234 567

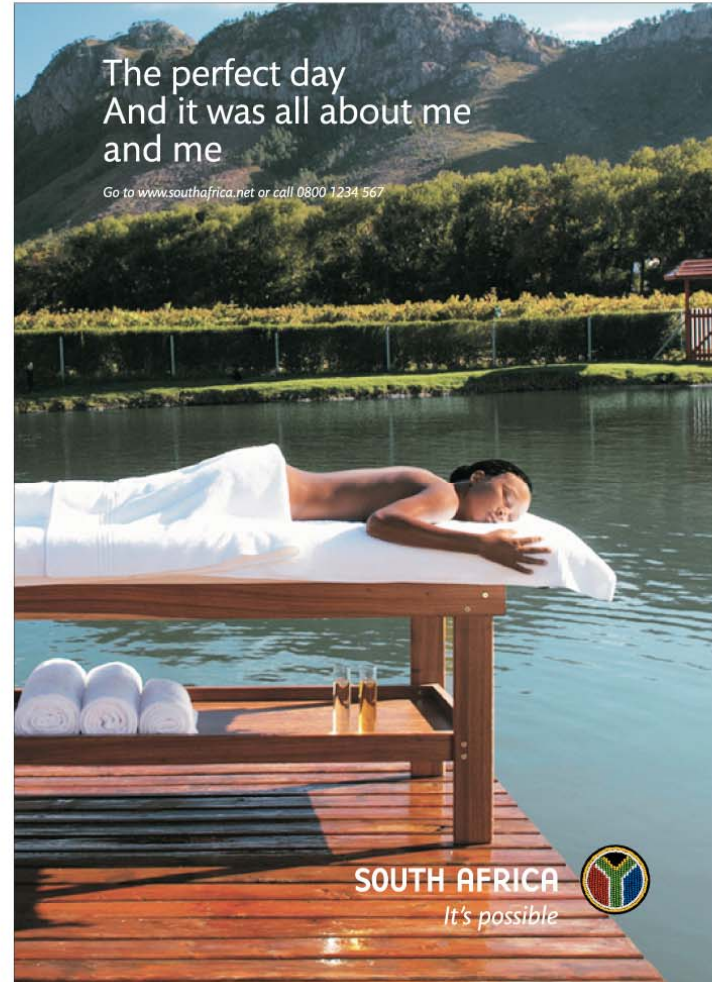


SOUTH AFRICA
It's possible




The perfect day
And it was all about me
and me

Go to www.southafrica.net or call 0800 1234 567



SOUTH AFRICA
It's possible



Africa

With world-class fashion
South Africa scores a perfect 10

Go to www.southafrica.net or call 0800 1234 567

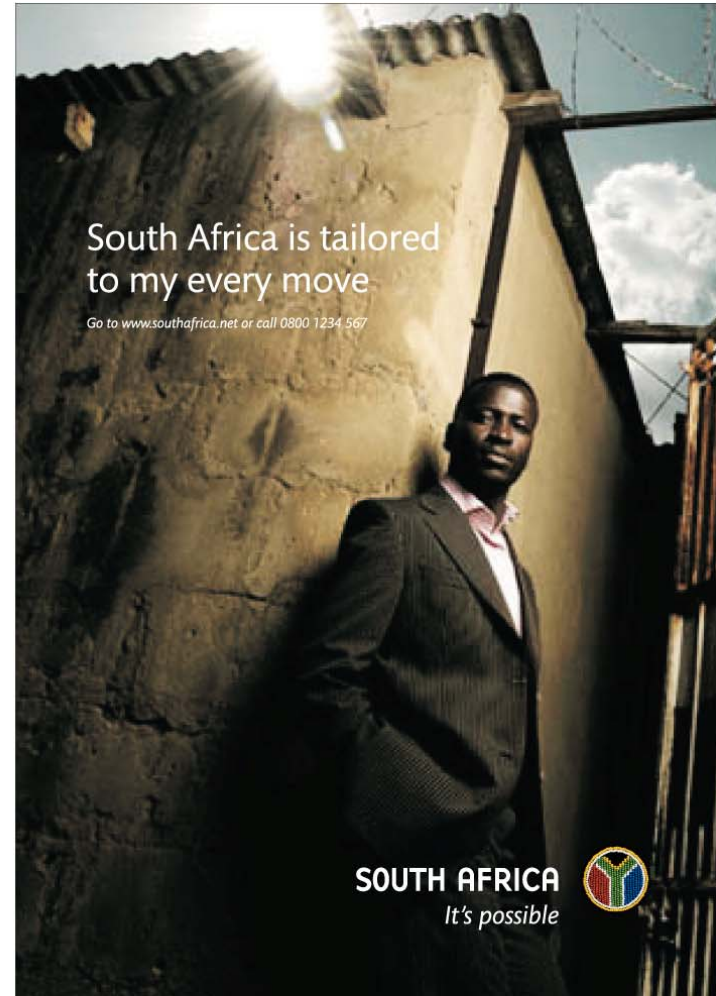


SOUTH AFRICA
It's possible




South Africa is tailored
to my every move

Go to www.southafrica.net or call 0800 1234 567



SOUTH AFRICA
It's possible



Africa



Africa

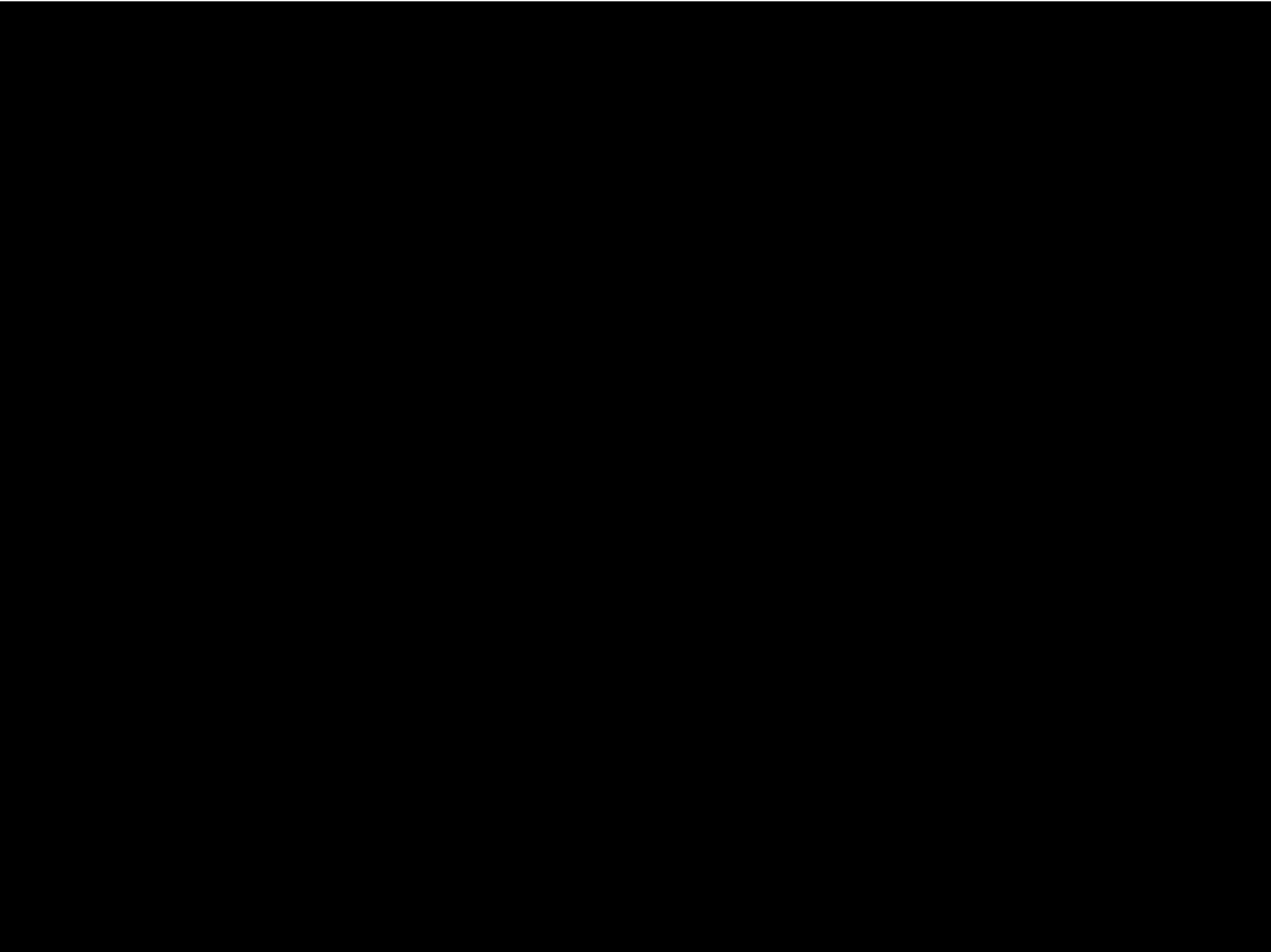


SOUTH AFRICA
It's possible



Africa





Bringing our Idea to life in South Africa Domestic!



Open on a young woman standing on a mountain.

MUSIC: Up and under throughout

FV1: Standing here makes me feel phly (cool), with so much to discover...



Cut to a group of friends.

MV1: I can have my peeps (friends) with me...



Cut to socialising pic in a bar

MV2: ...the best spinza (beer) just a step away...



Cut to a visual of God's window.

FV2: ..or a place to chilax (chill / relax).



Cut to group playing soccer on the beach

MV3: I can show i-styla se-diski (my skill at soccer)...



Cut to a group on Safari

MV4: ...wafa-wafa, (dice with death) on Safari with lions



Cut to a group at a night club.
FV3: ...or jai'va (dance) till dawn.



Cut to a cityscape.

MV5: Whatever I want to do or experience, I can...



Cut to Sho't Left logo and contact numbers.

FV4: ...Because this place that rocks is Mzansi. And it is my home.

Anncr: Take a Sho't Left and check it out for yourself

SA Domestic



Getting dark?
Add some bling

Rock on jozi style. It's big. It's bright. It's energy so sharp, it'll get keep you moving. Whether it's a sexy cocktail or something smooth on the rocks, You may say cheers. But you'll be back for more.

Take a Sho't Left
Go to www.southafrica.net or call 0800 1234 567.

← Sho't Left
Affordable Mzansi Holidays

Tourism Helpline: 083 123 6789

Bringing our Idea to life with Kulula







SA Domestic



SA Domestic

Chilling to a different rhythm

*Kicking back with my boys and girls.
A fire that got down to our beats and laughter.
It might have been one night.
But the memory will last forever.*

at R399

Take a Sho't Left
Go to www.southafrica.net or call 0800 1234 567.



← Sho't Left
Affordable Mzansi Holidays

Tourism Helpline: 083 123 6789

kulula.com

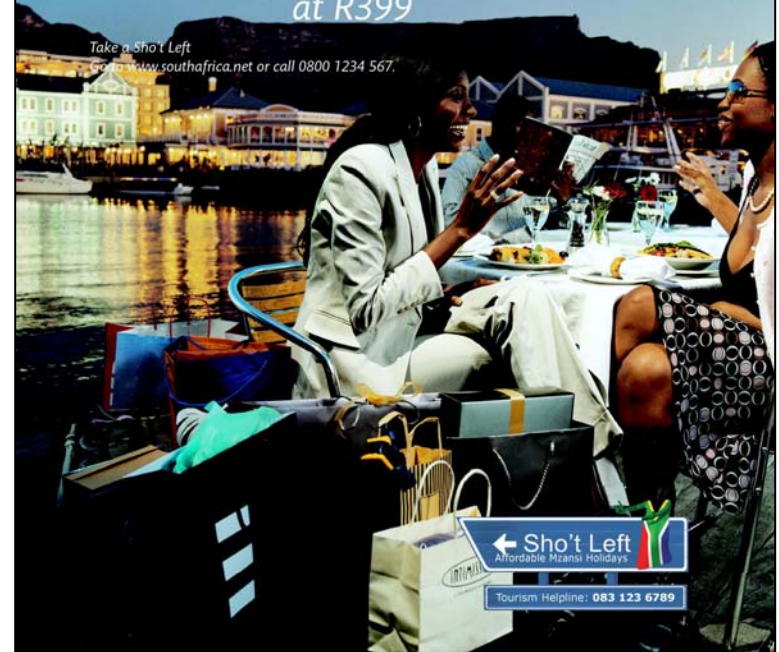
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Therapy. Retail style

*So much to see. So much to spoil myself with.
Hair. Nails. Clothes. And of course... Shoes.
I'm already feeling better. So much better, I'm
thinkingrepeat 'treatments' are the way to go.*

at R399

Take a Sho't Left
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Global Media Platform: R200 Million, 2008/2010

Media Owner	Regions	Media
CNN	EMEA	TV (Spots/Vignettes, Billboards), Internet (Banners, Video) Print (CNN Traveller)
BBC World	Global, USA	TV (Spots/Vignettes, Billboards), Internet (Banners, Video)
EUROSport	Europe	TV (Spots/Vignettes, Billboards), Internet (Banners, Video)
News Corps*	UK, Europe, Asia, Lat AM	TV (Spots/Vignettes, Billboards), Internet (Banners, Video)
National Geographic	US, Europe, Africa	TV (Spots/Vignettes, Billboards), Internet (Banners, Video) Print
Cinema	USA, UK, Can, Nether, Ger, Fran, Aust.	Cinema

* Sky News (UK/Europe), Sky Sports (UK), ESS (Asia), Fox (LatAm)



Rest of World (Watch list and Strategic Markets)

- Projects
 - *Partner with Department of Foreign Affairs*
 - Supply collateral for their tourism work
 - Offer training to DFA tourism officials at INDABA
 - Launch the DFA portal - a web based portal that will give them access to our tourism research, toolkits, and collateral
 - Identify and partner on relevant trade engagements (and shows)
 - *Indaba hosting*
 - Host media and trade from watch list and strategic markets at Indaba
 - *Airlift*
 - Work with key airline partners to improve connectivity
 - Participate in bilateral negotiations to increase capacity into SA
 - *Trade support*
 - Build trade networks
 - Promote trade extranet to trade to allow them access to online training on SA, information, electronic brochures and support
 - Hosting of key trade partners in SA for product and experience familiarization



Challenges and the way forward

Internal strategic challenges

- Europe is growing behind the curve (in particular Germany)
- Growing awareness of SA with decreasing budget and increased spend by our major competitors
- Accurate counting of domestic and SADC land travel
- Ensuring on-going engagement and relationship with funders and industry through implementation of the stakeholders strategy
- Event unit established to implement 2010 Tourism Plan, Tourism industry leading the sectoral implementation. TGCSA grading all non hotels
- Launch together with THETA, tourism sector skill plan- consensus with industry
- TECSA integration into SA Tourism. 2009 an important year, first year of sector reporting.
- Brand alignment between SAT and IMC and all other provinces.

External Challenges

- Stability of the supply of electricity to the tourism industry
- Tourism, one of priority projects, yet not reflected in the budget. There is a growing sentiment that tourism sells itself - which is not at case in any globally competitive sector
- Volatility of aviation fuel prices (resulting in fuel surcharge by airlines)
- Exchange rate fluctuations (especially the weakness of US dollar), the strengthening of Euro and pound
- US economic slowdown and its impact on world economy
- The global credit and mortgage crisis
- Global warming and climate change

Strategic issues that requires the committee's attention

- Timeous release of accurate tourism statistics by StatsSA as per the definitions
- Growing air capacity, especially in Europe and increasingly in Asia, as well as Angola and Nigeria
- Safety and security is a barrier to travel
- Our tourism marketing budget is decreasing in real terms against inflation and forex (SA Tourism may have to cancel R60 million worth of marketing due foreign exchange changes)
- Lobby government to use graded establishments
- Challenge the industry to continue to invest in skills
- Call on universities to review their curricula in line with the new sector skills plan
- Remind the industry, 2009 is a critical year. We must name and shame those who are not complying



Thank you.