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OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS,

TABLINGS AND

COMMITTEE REPORTS

THURSDAY, 8 FEBRUARY 2024

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ANNOUNCEMENTS

National Assembly

The Speaker

1. Referral to Committees of papers tabled

- (1) The following paper is referred to the **Joint Standing Committee on Financial Management of Parliament** for consideration:
 - (a) Third Quarterly Performance Report of Parliament for 2023-24, tabled in terms of section 54(1) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009).
- (2) The following paper is referred to the **Portfolio Committee on Forestry, Fisheries and the Environment**:
 - (a) Draft Amendments to the Regulations laying down the procedure to be followed for the adoption of spatial tools or environmental management instruments, as published in Government Notice No. 542 in Government Gazette No. 42380 dated 05 April 2019, submitted in terms of section 24(5)(bA) of the National Environmental Management Act, 1998 (Act No. 107 of 1998).
- (3) The following paper is referred to the **Portfolio Committee on Justice and Correctional Services**:
 - (a) Proclamation No R. 147, published in Government Gazette No. 50045, dated 26 January 2024: Referral of matters to existing Special Investigating Unit: In respect of the affairs of the Eastern Cape Rural Development Agency, hereinafter referred to as “the ECRDA”), in terms of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996).
- (4) The following paper is referred to the **Portfolio Committee on Police** for consideration and report:
 - (a) Annual Report of the National Forensic Oversight and Ethics Board for 2022-23.

National Council of Provinces

The Chairperson

1. Referral to Committees of papers tabled

- (1) The following papers are referred to the **Select Committee on Security and Justice** for consideration and report:
 - (a) Report on the suspension/removal from office of Mr K Maharaj, Additional Magistrate at Caledon on account of continued ill-health, in terms of section 13(4)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993).
 - (b) Report dated 23 November 2023, on the suspension from office of Mr H C Raath, Additional Magistrate, Oberholzer, in terms of section 13(4)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993).

TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Employment and Labour

- (a) Government Notice No R. 4331, published in Government Gazette No 50073, dated 02 February 2024: Amendment of the National Minimum Wages contained in Schedule 1 and Schedule 2 of the Act, effective from 01 March 2024, in terms of section 6(5) of the National Minimum Wage Act, 2018 (Act No. 9 of 2018).

2. The Minister of Justice and Correctional Services

- (a) The Revised National Policy Framework on Trafficking in Persons, in terms of section 40(2)(d) of the Prevention and Combating of Trafficking in Persons Act, 2013 (Act No. 7 of 2013).
- (b) Report dated 02 February 2024, on the confirmation of suspension/removal from office on the grounds of misconduct of Mr M D Hinxha, Chief Magistrate, Bloemfontein, in terms of section 13(4)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993).

National Council of Provinces

1. The Minister of Finance

- (a) Approval of Municipal Budgets for the 2022-23 Medium Term Revenue and Expenditure Framework.

COMMITTEE REPORTS

National Assembly

1. REPORT OF THE PORTFOLIO COMMITTEE ON TOURISM ON THE STUDY TOUR TO CHINA, DATED 18 OCTOBER 2023

The Portfolio Committee on Tourism, having undertaken a Study Tour, aimed at learning best practices on strategies for domestic tourism development and growth, to Guangzhou, China from 25 June to 3 July 2023, dated 18 October 2023, reports as follow:

The Portfolio Committee on Tourism, having undertaken a Study Tour, aimed at learning best practices on strategies for domestic tourism development and growth, to Guangzhou, China from 25 June to 3 July 2023, reports as follows:

1. Introduction

The Portfolio Committee on Tourism visited Guangzhou city, in the province of Guangdong Sheng in southern China, primarily to fulfil its strategic objectives pertaining to international benchmarking through a study tour, for capacity building, training, development, legislative and policy formulation in the field of tourism.

The cardinal objective of the study tour was to empower members of the Committee with pertinent information and gaining international perspective on strategies for domestic tourism development and growth, keeping accurate tourism statistics for planning and strategies on tourism recovery post-COVID-19 in the city of Guangzhou, China.

Being the provincial capital, Guangzhou was chosen for benchmarking as it is the political, economic, technological, educational and cultural centre of Guangdong. The city has a diverse offering of national attractions, theme parks, and rural attractions. It is both a historical and cultural city. Considerable effort has been focused on improving tourist facilities, and tourism has become an important component of the local economy.

In a meeting on 17 May 2022, the Committee resolved to undertake a visit to China to investigate their model of the “charity begins at home principle” focusing on domestic tourism, promoting local attractions, keeping accurate statistics for planning purposes and tracking the contribution of domestic tourism to the gross domestic product (GDP). The decision of the Committee was further emboldened

by the need for South Africa to continue crafting strategies for recovery post COVID-19. The study benchmarking study tour was a resounding success and provided the Committee with invaluable insights that will assist it executing the oversight function.

1.1 Delegation

The delegation comprised five Committee members based on the determination made by the Speaker for all international travel.

1.1.1 Members of Parliament

The delegation was as follows:

No.	Name	Position	Political Party
1.	Honourable T. Mahambehhlala, MP	Chairperson	ANC
2.	Honourable L. Makhubela-Mashele	Committee Whip	ANC
3.	Honourable P. Mpushe	Member	ANC
4.	Honourable M.S.F. De Freitas	Member	DA
5.	Honourable A. Matumba	Member	DA

1.1.2 Support staff.

The Committee was supported by Mr L Sigwela, Committee Secretary.

1.2 Structure of the report

This report serves to outline the engagements of the delegation of the Committee (hereafter referred to as the Committee delegation) to Guangzhou, China. The report covers the introduction which gives the background for the study tour and the Committee delegation that undertook it. It also covers the country profile, the political and economic landscapes of China; the stakeholders met and the thematic issues discussed with them. It concludes with findings made and the conclusions reached by the Committee delegation.

2. Objectives of the Study Tour

2.1 Background

The development of domestic tourism has always played second fiddle to that of international travel, globally and in South Africa. A 2015 review of the South African Domestic Tourism Growth Strategy established that whilst the intention of the strategy was to develop domestic tourism as the backbone of the sector, activities and actions on the ground have not reflected the vigour necessary to achieve this. The review further indicated that the number of South Africans travelling to visit friends and relatives (VFR) remains the biggest percentage, at 78 per cent in 2018, of domestic trips. In a poll by the Tourism Business Council of South Africa (TBCSA), over 70 per cent of associations felt South African Tourism (SAT) could improve its performance in marketing to domestic tourists. There is also a view that the VFR market segment should be seen as an opportunity for conversion to leisure travellers, however, progress on initiatives aimed at converting VFR travellers has been slow.

Some of the challenges of domestic tourism growth in the country include:

- affordability of products; limited resources dedicated to domestic tourism; limited implementation capacity at the local government level;
- partnerships and cooperation levels for domestic tourism can be improved; limited leverage on the VFR market; limited infrastructure capacity; and
- access and conversion channels have not received equal attention.

While COVID-19 redirected the country's focus to domestic tourism, for recovery, the approach to fully leveraging this market could be improved. In addition, statistics on the domestic traveller are not fully fledged. Very little is known about South Africa's domestic tourists, their motivation, behaviour and impacts on destinations; including the VFR market, which continues to dominate local travel.

More countries are focusing on increasing domestic tourism, as they recognise its importance in strengthening business performance and securing profitability. A strong domestic market can reduce the risk of over-dependence on some international markets, which can be more volatile. More governments have recognised the value of the sector and are using domestic tourism as a tool to eliminate local poverty, generate employment and economic growth, upgrade infrastructure and alleviate pressure from overcrowding through, for instance, discretionary pricing policies and the provision of non-wage tourism benefits. Pre-COVID, domestic tourism was the key driver of the tourism sector globally. According to the World Travel and Tourism Council (WTTC), it accounted for 73 per cent of total travel and tourism spending (US\$3,971) in 2017. Domestic tourism has helped to address seasonality within regions and disperse tourists to less visited rural areas.

The United Nations World Tourism Organisation (UNWTO) indicates that the world's largest domestic tourism markets, in terms of tourist trips, are India, China and the USA. China has been extremely successful in fostering domestic tourism, outperforming all other countries in domestic spending growth. In 2018, China recorded 5.5 billion domestic visitor trips, which included both overnight and same-day visitors.

According to the World Bank (2022), since the country began to open up and reform its economy in 1978, GDP growth has averaged over 9 per cent a year, and more than 800 million people have lifted themselves out of poverty. In 2019, Guangzhou had the fourth largest economy (2.4 trillion yuan) among all the cities in China after Shanghai, Beijing and Shenzhen. It is the core city in both the Pearl River Delta Economic Zone and the Greater Bay Area, with a very diverse economic composition. Guangzhou's GDP from the travel and tourism sector saw a direct contribution of \$13.15 billion in 2022. The WTTC forecasts that this is likely to increase to \$34.94 billion in 2032. China's national travel and tourism sector has seen significant growth over the last decade as the country has invested in new hotels, transport infrastructure, and new tourist destinations.

Pre-COVID, China was the largest source market in the world since 2012. In 2018, about 150 million outbound trips were from China and Chinese tourists spent over \$277 billion on their travel abroad. Guangzhou is one of China's top 10 tourist-generating cities. In 2022, South Africa recorded 12 187 thousand Chinese travellers, which is an increase from 6 577 in 2021. In 2019, arrivals from China to South Africa stood at 93 370. According to South African Tourism, some of the more popular provinces for Chinese visitors include Gauteng (49%), Western Cape (34%), KwaZulu-Natal (11%), and Eastern Cape (10%). South African Tourism has also identified Guangzhou as one of the top six fastest-growing source cities for outbound travel; making it a potential source market for destination South Africa.

Statistics released by China's Tourism Academy in February 2023, show a recovery in the country's tourism market. Domestic tourism in 2023 is projected to reach 4.55 billion visits, which is a 73 per cent year-on-year increase that will bring it to 76 per cent of 2019 levels. Domestic revenue is forecasted to reach 4 trillion yuan (\$583 billion), which is an 89 per cent year-on-year increase. The rebound in numbers can be seen when 274 million domestic trips were made nationwide during the country's Labor Day holiday in May 2023. This number surpassed the 2019 level for the same holiday.

Guangzhou was chosen on the basis that it has invested considerably towards improving its tourist facilities, and tourism has become an important component of the local economy. The city has been

able to integrate old and modern traditions and culture and commercialise these as tourist attractions. It is both a historical and cultural city.

Guangzhou is home to the Lingnan (Cantonese) traditional culture, which survives today in both built heritage and intangible cultural traditions. Cultural heritage is a key tourism product in South Africa, with a Heritage Strategy introduced in 2012, however, its development continues to be a missed opportunity. The Cantonese culture dates back 2000 years and it was informative to understand how the city has been able to not only maintain it but also merge it with modern tourism development.

2.2 Identified Stakeholders

The Committee engaged with the following stakeholders in China:

- South African Tourism China Hub
- Trade Partners in China
- Guangzhou Tourism Bureau
- Guangzhou University, School of Tourism
- Dongguan Tourism Bureau
- South African Commodity Centre in Dongguan

3. Discussions with stakeholders met in Guangzhou, China

This section provides details on the engagements with various stakeholders.

3.1 Meeting with the South African Tourism China Hub Trade Partners in China

The South African Tourism Hub made a presentation on unlocking the Chinese Market and noted that China has fully opened its borders in 2023 after a three-year wait. From March 15, anyone with a valid Chinese visa (including visas applied for before March 28, 2020, like a China tourist visa) can enter China without needing to apply for a new one.

It was noted that South Africa's tourism industry had been growing steadily over the years before the outbreak of COVID in 2019. SAA contributed 71 910 seats in 2019 SAA Currently has no flight to China.

SA-China being key BRICS members and China opening borders for travel the potential for growth and recovery is very positive. It was highlighted that, currently, South Africa's top competitor on the continent for the Chinese market is Kenya. The main reason is the South African VISA application process, which requires all potential tourists to report to either Beijing or Shanghai to apply in person for visas. The Kenyan visa application process is simple, digital and available in 4 days.

It was reported that, impacted by the global pandemic and the stagnation of outbound travel, domestic tourism has gained increased popularity, prompting overseas tourism boards to seek breakthroughs. Compared to other destinations, South Africa is relatively a niche and most recent domestic reports tend to be negative.

After three years' suspended, China's outbound tourism has been announced to reopen from 06th February 2023. South Africa, as one of the first 20 destinations that resumed group tours, has attracted the attention of travel agencies and tourists. On this occasion, South African Tourism China office initiated four stops trade engagement activities in Beijing, Shanghai, Chengdu and Shenzhen, aiming to engage with trade partners with the latest tourism related information, and to boost confidence of travel participants.

In Beijing, the theme is "New Journey of South African Tourism" and was designed to emphasise the resumption of outbound tourism and highlight the sustainable tourism in South Africa. In Shanghai, Chengdu and Shenzhen, South Africa recommended three immersive experiences about South African Tourism, and which are also hot topics to Chinese customers. They are cycling tour for Shanghai, wine and dining for Chengdu, and glamping for Shenzhen.

The South African Tourism further reported on China Travel engagement events, noting that on 11th February 2023, South African Tourism China Office held a trade workshop in Shanghai to engage with the partners in the east part of China. Totally, 36 guests were invited to the event. Consul-General Ms. Phuti J. Tsipa gave a speech at the beginning of the event. South African Tourism Beijing Office introduced the most updated information about South Africa. Cycling expert shared the experience and knowledge about cycling and invited guests to experience it.

It was further reported that on 13th February 2023, Chengdu, South African Tourism China office organized a trade activity with the topic of 'food and wine', aiming to communicate with the local trade partners in southwest of China on this topic, and to promote South African food and wine experience. Totally 25 guests were invited to the event.

South African Tourism introduced the most updated information about South Africa. South Africa Wines were served during the event. Wine expert shared the advantage of South Africa winery and how to taste it.

Trade Partners expressed their frustration that obtaining a South African visa is increasingly difficult, Visa applications, are met with delayed responses, by which time, in most cases, the purpose of the visit would have elapsed.

On 15th February 2023, Shenzhen, South African Tourism China Office designed a glamping experience and workshop in Shenzhen, as both Shenzhen and many South African cities, like Cape Town, Durban and Johannesburg, have brilliant sunshine, suitable climate, and beautiful scenery. They are liveable cities, and best tourist cities. Totally, 25 guests were invited to the event. South Africa Tourism introduced the most updated information about South Africa. South Africa themed BBQ Lunch was served. Camping expert shared the South Africa style camping experience.

3.2 Guangzhou Municipal Culture, Radio, Television and Tourism Bureau

It was noted that Bureau of Culture, Radio, TV and Tourism is in charge of city tourism promotion and destination management. According to the Bureau, Guangzhou ranked first in the list of popular tourist destinations across the country during holidays this year. This was through a Guangzhou culture and tourism online platform on a mini program of WeChat.

The digital platform covers a lot of services, including Guangzhou's culture and tourism information, ticket reservation, accommodations, venue booking and digital exhibitions. In addition, the platform integrates various QR codes, such as health code and the code for taking buses, into one code, so that tourists can visit Guangzhou more conveniently. The platform also provides some public information such as PCR testing facilities, public toilet locations and weather forecast.

It was reported that during COVID-19, China launched digital tours of local cultural attractions with the aims to provide immersive customer experiences, cultural identity and reservation of local heritages in the avoidance of over-tourism and COVID-19 transmissions.

It was further noted that Guangzhou saw 9.83 million tourists during the Spring Festival holiday, up 27.6 percent, according to the Tourism Bureau. Revenue from tourism exceeded 6.8 billion RMB, up 25 percent from the same period last year.

3.3 Guangzhou University, School of Tourism

It was reported that the University established The Alliance of Guangzhou International Sister-City Universities (GISU) which currently includes 20 members and affiliate members representing 5 continents, 17 countries, 19 sister and friendly cities, a combined population of almost 38 million, over half a million students and 47,000 faculty and staff.

Supported by the People's Government of the Guangzhou Municipality, Guangzhou International Sister-City Universities' mission is to attract and leverage the academic resources of its members in close collaboration for the sustainable development of our cities. Strategic goals of each city's economic and social development should be considered with the basic idea of promoting sustainable urban development through scientific and technological innovation.

4. Findings

The Committee made the following observations:

- 4.1 obtaining a South African visa is increasingly difficult, Visa applications, are met with delayed responses, by which time, in most cases, the purpose of the visit would have elapsed. This is affecting the no of Tourist flowing to South Africa.
- 4.2 Tourism is critical to South Africa's socioeconomic development. It provides numerous benefits, including employment and entrepreneurship opportunities.
- 4.3 There needs to be more awareness of South Africa and its appeal as a leisure and business travel destination. South Africans should lead such campaigns.

5. Recommendations

After engagements with various stakeholders, and having made observations, the Committee makes recommendations that the Minister of Tourism should:

- 5.1 Engage the Board of South African Airways (SAA) to explore possibilities of reintroducing flights in the China-South Africa routes to increase the number of available seats for the China market and offset travel costs as South Africa is a long haul destination.
- 5.2 Engage the Minister of Home Affairs to simplify the visa regime between South Africa and China to give the country an urge over its competitors such as Kenya.
- 5.3 Explore partnering with local radio stations and strategic social media platforms to promote domestic tourism.
- 5.4 Engage the South African Local Government Association (SALGA) and the Department of Higher Education, Science and Innovation to explore participating in the Guangzhou University, School of Tourism International Sister-City Universities programme.
- 5.5 Engage the Tourism Business Council of South Africa for the private sector to develop tailor-made tourism products for the growing Chinese markets.
- 5.6 Working with the Tourism Business Council of South Africa (TBCSA), ensure that strategies are implemented to develop and promote domestic tourism.
- 5.7 Impress on South African Tourism to:
 - 5.7.1 conduct robust marketing campaigns for the China market;
 - 5.7.2 tailor-make marketing campaigns for various source markets;
 - 5.7.3 gather and collate challenges experienced in various source markets that will assist in engaging the Department of Home Affairs in unblocking visa related barriers in various markets; and
 - 5.7.4 forge a comprehensive working relationship with the Missions of the Department of International Relations and Cooperation abroad.

6. Conclusion

The benchmarking study tour to Guangzhou City, in the province of Guangdong Sheng in southern

China, met the expectations of the Committee. A number of engagements were held which provided a fresh perspective on how South African Tourism operates, especially in its international offices abroad. The various engagements with government and industry stakeholders presented the Committee with invaluable insights that will be incorporated in the oversight model of the Committee. This will also assist the Committee in crafting its Legacy Report in guiding the 7th Parliament in crafting its focus areas, especially with regard to the work done by South African Tourism abroad and developing domestic tourism in South Africa.

The Committee has crafted a few, but incisive recommendations, to the Minister of Tourism to assist the sector in the short to long-term period. In the short-term, the Minister should work with the Minister of Home Affairs to resolve and simplify the visa regime for South Africa, whilst in the long-term, the Minister should ensure that the Department of Tourism and South African Tourism facilitate the growth of domestic tourism in the country.

Report to be considered.