

**PORTFOLIO COMMITTEE ON FINANCE, ECONOMIC
DEVELOPMENT AND TOURISM: REPORT ON THE BENCHMARK
VISIT TO LIMPOPO, 6TH -9TH APRIL 2010.**

**This report serves as information for the Honourable Members of
the House.**

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1. INTRODUCTION

The Committee embarked on a benchmark visit to Limpopo from the 6th to the 9th April 2010.

2. OBJECTIVE

The Committee had two objectives in going to Limpopo the first was; to visit the main tourist attractions in Limpopo, this would enable the Committee to have an understanding of how Limpopo manages to attract a sizeable amount of tourists as compared with the North West. The second objective was for the Committee to gain insight on how Limpopo manages to stimulate its economic growth and development so well, with regards to Small Medium Enterprises (SMME's). The Committee learnt that over the years the Limpopo has created more SMME's in relation to the North West.

3. 06 APRIL 2010

The Committee arrived in Polokwane. Hon H E Mateme the Chairperson of the Portfolio Committee on Economic Development, Environment & Tourism, came to meet the Committee and there was an informal briefing session on the programme for the three days to come.

4. 07 APRIL 2010

The Committee met with Hon K A Phala the Speaker, Hon M M Ramadwa the Deputy Speaker and Honourable Members of the Limpopo Portfolio Committee on Economic Development, Environment & Tourism. Hon H E Mateme the Chairperson introduced all Honourable Members from the Limpopo Legislature, and Hon T Modise introduced all Honourable Members from the North West Legislature.

The Department of Economic Development & Tourism together with Limpopo Tourism & Parks presented to both Committees the mandate of Limpopo Tourism & Parks, the composition of Limpopo Tourism & Parks, the tourism overview and the Limpopo Wildlife Resorts.

4.1 Limpopo Tourism & Parks outlined;

- The mandate of the Limpopo Tourism & Parks derives from the Northern Province Tourism & Parks Board Act of 2001(Act No.8) and the Tourism Growth Strategy of 2004. Their mandate is to; create generic marketing, develop tourism SMME's, render commercial activities in provincial parks. They are mandated to initiate, facilitate and manage tourism development and hospitality services in state and communally owned tourism facilities as well as to manage the three former Limpopo development resorts.

- The composition of Limpopo Tourism & Parks consists of tourism, marketing and the Limpopo wildlife resorts. These are the core functions with the support functions of Finance & Support Services and the Human Resources Division.
- The tourism overview of Limpopo is that; it is situated in the northern part of South Africa. Limpopo has three neighbours; Botswana, Zimbabwe and Mozambique. Limpopo has a population of over five million people , the province is accessible by air, road and rail. The province boasts of over 70% of South Africa's protected area, there are three million hectares of game ranches including the Kruger National Park.

4.2 The state of tourism in the province is;

- Foreign Core & Investment Markets

SADC: Zimbabwe, Mozambique & Zambia

International: UK, Germany, USA, Netherlands & Japan

Investment: Botswana, India, China & Japan

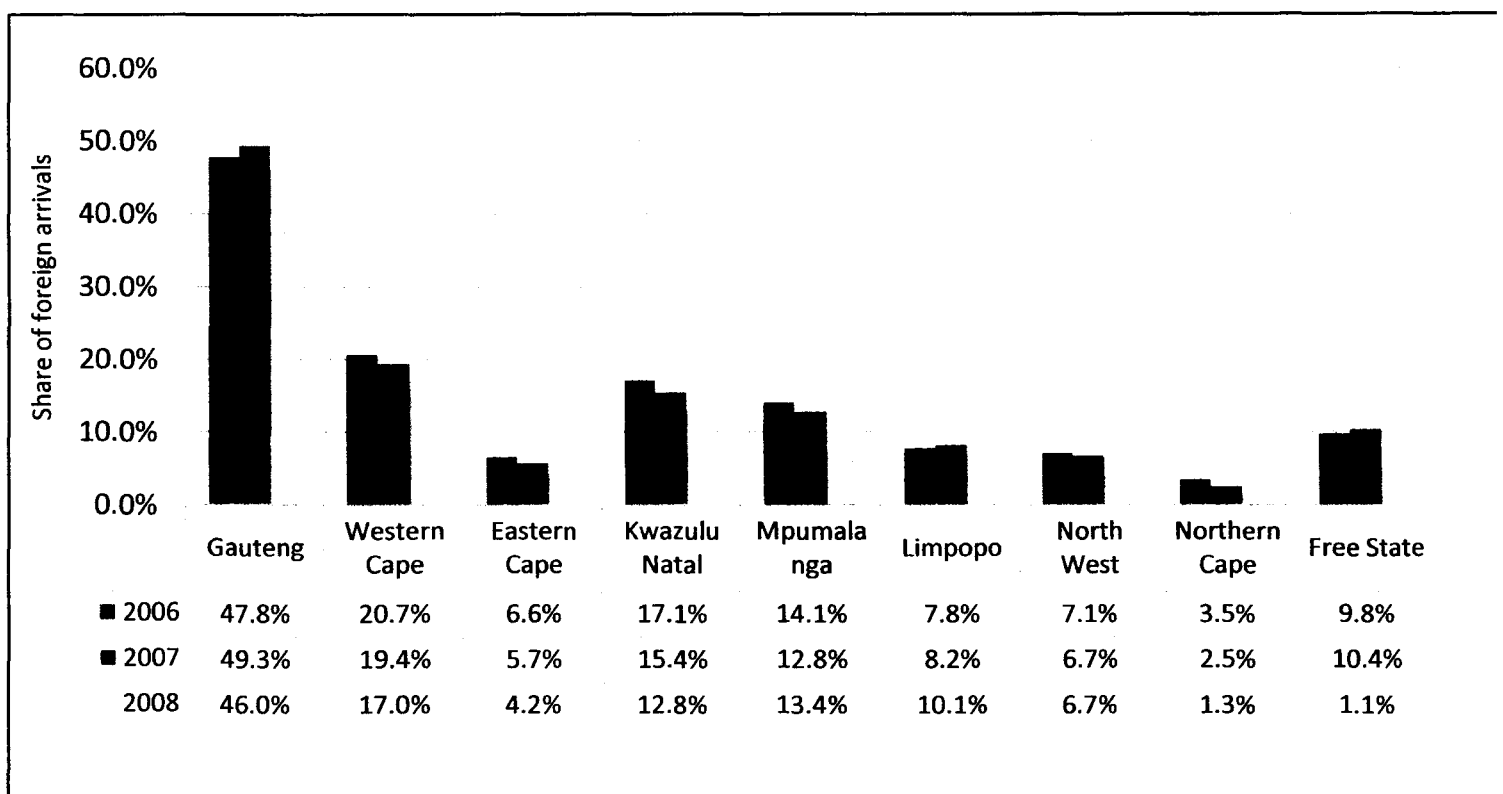
- Domestic Core & Investment Markets

Domestic core: Limpopo, Gauteng, Western Cape, North West & Mpumalanga.

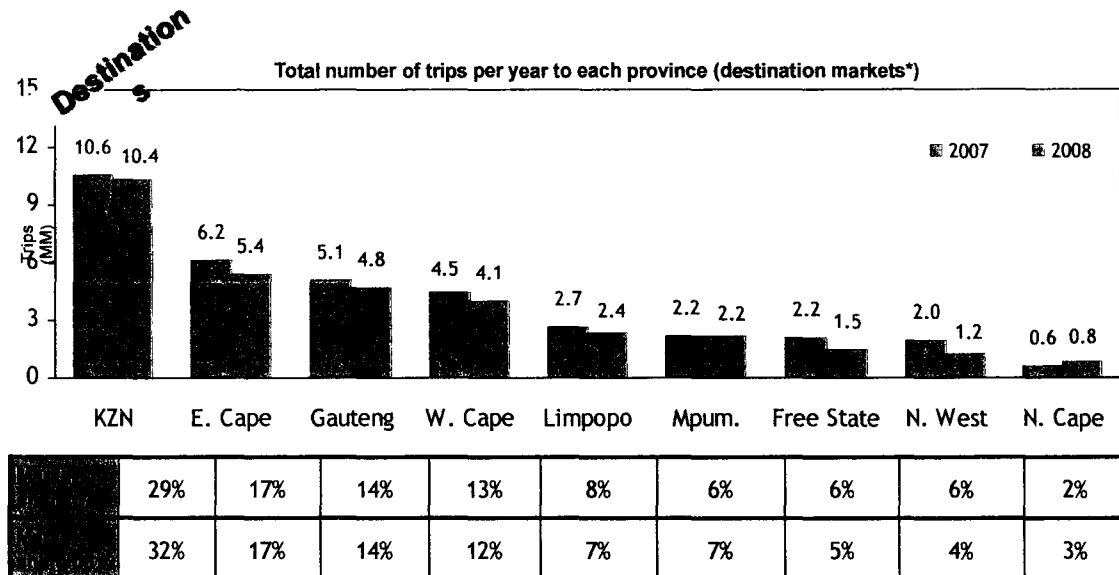
Investment: Kwa Zulu - Natal and Eastern Cape.

The investment markets both domestic and international of the province are the markets that Limpopo Parks & Tourism Board is marketing the province with the hope that in two to three years time a lot of tourists will be coming from those countries. Brochures are sent to the tourism offices in those provinces and to respective South African Tourism Offices overseas.

PROVINCIAL DISTRIBUTION OF VISITORS



DOMESTIC TRIPS.



Source: SAT Domestic Surveys for 2007, 2008
 Note: *Trips to Provinces exceeds total number of trips as one can go to more than one province in one trip.

4.3 Divisional Programmes

Marketing services;

- Domestic marketing programmes
- International marketing programmes – trade exhibitions and the International trade representatives in Germany and the Netherlands.
- Trade workshops both domestic and international markets.
- Campaigns
- Business and events marketing

Destination Development Programmes;

- Entrepreneurship development
- Mentorship programme with Southern Sun
- Emerging Tourism Entrepreneur of the Year.
- ZAMBEZI Destination

4.4 Information Services Programmes

Tourism Information provision

- Information offices in all five district municipalities
- Information office at Polokwane International Airport
- Presence at the Visitor Information Centre
- Stakeholder relations (LTA & RTA's)

Research & Statistics

- Demand - side research
- Supply - side research
- Impact studies

Tourism Safety & Customer Care

- Tourism Safety and Communication Plan
- Customer Services Strategy
- Feedback mechanism - 0860 730 730

4.5 The Challenges facing tourism in Limpopo

- Economic Crisis – the exchange rate fluctuations and the interest rates.
- Political Instability – xenophobia in the country, the war on terror and safety & security.
- Health issues – the province is prone to malaria, cholera and swine flu.

4.6 Limpopo Wildlife Resorts

The goal of Limpopo Parks & Tourism with regards to the wildlife resorts is to develop accessible, affordable and sustainable wildlife resorts by 2013.

The strategic objectives are;

- To develop and provide competitive tourism services revenue by 30 per cent year to reach R 33 m by 2013.
- To optimize commercial opportunities in ten reserves through public private partnership (ppp) initiatives by 2013.
- To optimize the existing facilities to bring ten resorts to the minimum fifty room level as required by the business model by 2013.
- To ensure that tangible and growing socio-economic benefits to participating communities from 2013.
- To ensure that that all tourism business transactions within provincial reserves are BEE compliant by 2013.

- To increase the average occupancy rate for Wildlife Resorts from 28% to 55% through rigorous and co-operative marketing drives by 2013.

4.7 CONCERNS AND INPUTS OF THE COMMITTEE

- Is the Department of Health not addressing the issues of malaria, cholera and swine flu adequately?
- The flights at Polokwane Airport are they subsidised?
- Are the three airports in Limpopo operating smoothly?
- The foreign and domestic investments do they filter down to the people at grass roots level?
- How does Limpopo Parks & Tourism deal with poaching of wildlife?
- Which barometer is being used to collect revenue for the province?
- How many nature reserves are there in Limpopo and are there black people who own them?
- How have domestic trips been sustained in the province?
- How has tourism been interfaced with Community Policing Forums?
- The R 50 million budget for the tourism strategy, how much has been allocated per aspect of the strategy?
- Do the tollgates collect revenue for the province?
- Is there a plan to address the challenges that Limpopo Parks & Tourism is faced with?

4.8 RESPONSE BY THE DEPT & LIMPOPO PARKS & TOURISM

- There are three airports; Polokwane International Airport, the commercial airport in Polokwane which caters for chartered flights and the one at Kruger National Park. They are all fully operational.
- There are signed agreements where payments of conservation levies are given to the respective communities.
- In the province there have been two hundred and fifty emerging entrepreneurs since 2004.
- The tollgates are the responsibility of the National Road Agency, Parks & Tourism emphasised to the road agency, that without good roads people cannot get to their desired destinations with ease.
- The wildlife in the nature reserves are assets of the state, electrical fencing has been placed in all secured properties to curb poaching. The electrical fencing also deters elephants from crossing.
- The resource budget for Limpopo Parks & Tourism was initially R45 million and now it is R 67 million, the core functions that the budget will be spent on are tourism and wildlife resorts.
- The R 50 million strategy for Limpopo Parks & Tourism was approved three years ago, and it focuses on the upkeep and maintenance of the game reserves as well as the conservation aspects of them. The wildlife in the reserves are not insured.

4.9 RECOMMENDATIONS OF THE COMMITTEE

- The Committee requests the tourism model that is used by the Limpopo Department of Economic Development, Environment & Tourism and Limpopo Parks & Tourism.
- The Committee requests the management and employment plan that Limpopo Parks & Tourism works with.
- The Committee requests the tourism marketing strategy and the SMME strategy from the Limpopo Department of Economic Development, Environment & Tourism.
- The Committee further requests, the tourism model, the management, employment plan, the tourism marketing strategy and the SMME strategy of the Limpopo Department of Economic Development, Environment & Tourism and Limpopo Parks & Tourism be given to the Committee, they then shall be forwarded to the North West Department of Economic Development & Tourism, for the models to be scrutinized and possibly some of the elements of them can be incorporated into those of the North West.
- The re-alignment of public entities in the North West province needs to be fast tracked. The Committee should have a report on this from the Department of Economic Development & Tourism by the end of June 2010, public entities should not have the same mandates.

4.10 The Committees were taken on a tour to Nyls Fly Nature Reserve and Entabeni Nature Reserve.

Nyls Fly Nature Reserve

The nature reserve is a bird sanctuary. It houses a restaurant and chalets. It has up market chalets and those for backpackers.

Entabeni Nature Reserve

Translated Entabeni means “place of the mountain”. It covers an area of 4170 square kilometers and includes a number of protected areas that include Lapalala Wilderness, Touchstone and Kwalata. Entabeni is privately owned

Entabeni boasts of five different ecosystems the optional extras are guided horse trails, a local Pedi village and helicopter flights. Entabeni is a malaria free zone.

On the nature reserve there are homes that are built. There is a conference room, a golf course and a club house.

5. 08 APRIL 2010

The Department of Economic Development, Environment & Tourism presented to both Committees the Third Quarter Performance Report of the department.

It was highlighted by an Honourable Member of the North West that the report was not endorsed as it was not signed by the MEC. The report was then withdrawn by the Department. Hon Pitsi Moloto, MEC for Economic Development, Environment & Tourism was present and he apologized profusely for submitting to the House a report that was not signed by him.

- 5.1** The Committees were taken on a tour to Limpopo Agro Food Technology and Mary Joy Bed Manufacturing in the Capricorn District.

Agro Food Technology

The Department of Science & Technology through Tshimisano Trust initiating an Agro -Food Processing called Limpopo Agro- Food Technology Station (LATS) in Limpopo province with the aim of assisting Small Medium Enterprises's in Agro - food processing. The University of Limpopo has provided housing infrastructure for the station. The partners are; Limpopo

Department of Agriculture and Limpopo Department of Economic Development and Tourism.

The objectives are;

- To provide analytical services for Small Medium Enterprises to comply with International Standards Organisation.
- To promote alternative income generating products with value-addition.
- To promote human resources capital in agro food processing.
- To enhance entrepreneurial skills for existing and potential SMME's.
- To strengthen research and development capacity in agro-food processing and value addition sectors with Limpopo province.

The following technical services are offered; juice processing from raw Products, drying of fruits, manufacturing of indigenous tea and a wide range of technical training to SMME's. The analytical services that are offered include the chemical analysis of food products.

Mary Joy Bed Manufacturing

The SMME comprises of three women who manage it. They have hired out a portion of a warehouse where they manufacture the beds and display them

Their main challenge is not being able to sell the beds as well as they would like to. The retail stores that sell beds want to buy the beds at a low price and should they sell it to them at that price they make no profit. They currently have an outstanding loan that they are unable to pay and they go without salaries currently.

6. 09 APRIL 2010

The Committees were taken on a tour to Thohoyandou Peanut Butter Producer Cooperative and a successful poultry Farm in the Vhembe District.

Thohoyandou Peanut Butter Producer Cooperative

The SMME produces peanut butter, the peanuts are bought in North West. The SMME employs people who make the peanut butter and package it. The peanut butter is exported to Zimbabwe & Zambia.

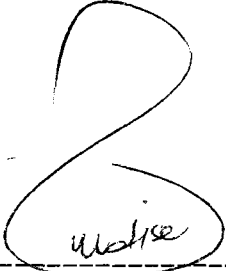
Successful Poultry Farm

The poultry farm that the Committees visited at the time had no chickens. The reason for this was the chickens had to be sold in order to acquire revenue to go and buy more chickens to keep the poultry farm abreast.

After the tours the Committee from the North West Provincial Legislature departed from Limpopo.

7. CONCLUSION

The Committee found the benchmark visit to Limpopo extremely fruitful and will engage with the North West provincial Department on Economic Development & Tourism and the North West Parks & Tourism Board on strategies being developed that will attract a larger number of tourists to the province. The Committee will also engage with the North West Department of Economic Development & Tourism on developing more viable SMME's in the province that can sustain themselves.

A handwritten signature in black ink, appearing to read 'Modise', is written over a horizontal dashed line.

Hon T Modise

Chairperson: Finance, Economic Development & Tourism

12 May 2010

ANNEXURE

The Honourable Members that embarked on the benchmark visit to Limpopo from the 6th - 9th April 2010 are;

Hon T Modise - Chairperson

Hon M Rosho

Hon D Baloyi

Hon P Pelele

Hon N Mashori

Hon J Franzsen