(DRAFT)

SPEECH DELIVERED BY HON CRAIG PADAYACHEE AT THE BREAKFAST SESSION OF THE 102 DAYS QUICK WINS PROGRAMME AT EMNOTWENI ARENA

TUESDAY, 24 FEBRUARY 2009

Programme Director

Chairperson of the MTPA Board, Mr Sabelo Mahlalela

Deputy Chairperson of the MTPA Board, Mr Janssen Davies and other members of the Board

Head of Department of Economic Development & Planning, Mr Mandla Mazibuko and other HODs

CEO of MTPA, Mr Charles Ndabeni and Members of the Executive Management Team

Chairperson of the Regional Tourism Organisation Chairperson's Forum, Mr Nico Oosthuizen

Captains of Tourism Industry

Chairperson of the Community Property Association

Members of the Media

Ladies and Gentlemen

It gives me a great pleasure to be part of this event. It is even more pleasing because we received a good performance report on 102 Days Quick Wins Campaign from the Board and Management of Board of Mpumalanga Tourism and Parks Agency today.

Ladies and gentlemen, the driving force behind every successful programme is the determination of those behind it to ensure that they

achieve their goals even in the face of difficulties. This is true with the 102 Days Quick Wins campaign because we launched it at the time when the effects of the financial crunch in the US were beginning to show in the local economy.

Despite this economic situation we remained confident that the tourism industry would be able to "carry the torch" where other industries are experiencing challenges.

We cannot be faulted for being so confident because

- The country will be the playground and host for major international rugby and soccer matches this year and in 2010, which means that we are in a favourable position as the sector.
- The figures for inbound tourists rose in the first two quarters of the year that ended in September 2008 despite earlier forecast of decline in tourism demands.
- The World Tourism Organisation reconfirmed that the current size of the Global Tourist Market will double from 880 million tourists to 1.6 billion in 2020.

Tourism in South Africa today represents 8% of the gross geographic product and our national macro vision statement projects that by 2014, tourism will represent 12% of the GDP of South Africa. This is an indication that tourism remains the fastest and largest growing sector both nationally and internationally.

Ladies and gentlemen, Mpumalanga Tourism Growth Strategy (MTGS 2006) and the annualised balance scorecard approved by the MTPA Board of Directors in September 2008 indicate the following fundamental challenges as facing Destination Mpumalanga:

- Limited supply capacity of the destination
- Lack of sufficient geographic distribution of tourism flows
- Limited market access in particular air and rain transportation
- Insufficient resourcing of the marketing and branding functions
- Lack of transformation of the industry
- Lack of a strong tour operators network resulting in economic leakages
- Lack of institutionalisation of the Tourism Management System

We are well aware of these challenges and continue to search for better ways and means to dealing with them. In this regard

- We have allocated R15m as part of the 2008/2009 budget adjustment to increase the marketing and branding functions of MTPA.
- We have allocated R9m for upgrading of infrastructure at Manyeleti Game Reserve
- MTPA and MRTT have been tasked to develop a Turn Around Strategy for Zithabiseni Lodge at the Mabuza Nature Reserve.
- MTPA has completed the costing and activation of the MTGS. My
 department is in discussion with the Provincial Exco and Treasury
 to reserve the activation cost of R15.6m for the 2009/2010
 financial year.

- The infrastructure audit on the MTPA Parks and Reserves has been finalised. My department is in discussion with the Provincial Exco and Treasury to raise R101m to fund infrastructure upgrade of the prioritised land claims in protected areas.
- A tourism forum has been established to facilitate greater engagement and dialogue within the travel and tourism industry in the province.
- We have agreed that the Institutionalisation of the Tourism Management System in the province should be seen as part of the MTGS activation which is the primary responsibility of MTPA in partnership with key industry role players.

Ladies and gentlemen, the 102 Days Quick Wins Programme is a very pragmatic and intervention plan that addresses the key challenges that were highlighted earlier.

We are humbled by the successes that have been registered within the last five months by the Board of Directors and the Management Team at MTPA to reposition Mpumalanga as a destination of choice for visitors.

We will as part of our mandate continue to support and assist the agency to deal with such issues as Institutional Capacity building and resourcing of the core mandate areas.

We shall also use the shareholder compact to continue to address such issues that may need collective agreements in order to achieve our objectives. The current shareholder compact is due for review and we intend taking advantage of the review to further clarify the support that the department will offer for the successful implementation of the MTGS.

Ladies and gentlemen, the results of the campaign as presented by the board forms a good basis for a better future of destination Mpumalanga.

I thank you

Hon MEC Craig Padayachee

Economic Development and Planning

Nelspruit

24 February 2009