



Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

Ref Number: 11/4/2

Report of the Standing Committee on Economic Opportunities, Tourism and Agriculture on Vote 12: Economic Development and Tourism, in the Schedule to the *Western Cape Appropriation Bill* [B 3–2018], dated 16 March 2018, as follows:

The Standing Committee on Economic Opportunities, Tourism and Agriculture, having deliberated on the subject of Vote 12: Economic Development and Tourism, in the Schedule to the *Western Cape Appropriation Bill* [B 3–2018], referred to the Committee in terms of Standing Rule 187, reports that it supports the Vote.

1. Findings/Concerns

- 1.1 The Department of Economic Development and Tourism (hereafter “the Department”) has assisted with addressing drought challenges in the Western Cape, specifically in terms of the water economy, as the drought has impacted heavily on the main job creators in the Province. Tourism in the Western Cape has been put under strain as a result of international alerts regarding the drought;
- 1.2 The Department is under severe pressure because of low economic growth in the country. Plans will have to be put in place to mitigate the downgrade in South Africa’s credit rating that was received from various ratings agencies. The question is how the country will position itself as a strong investment environment to potential investors, going forward;
- 1.3 The new budget will speak to the continuation of the Khulisa programmes and projects looking at the Game Changers, Ease of Doing Business, and the economic areas that the Department has intervened in or supported in order to build partnerships with other organisations to assist Small, Medium and Micro Enterprises. However, with a limited budget, some projects will have to be stopped;
- 1.4 A decrease in the unemployment rate meant that it has been a challenge to expand the entrepreneurship space and encourage people to take more risks; however, the Department has been committed to creating job growth and a conducive environment for businesses to want to employ people;
- 1.5 The overall picture for the tourism sector is quite mixed. Airline ticket bookings between February and July 2018 are up by two percent from 2017. Airline ticket bookings from Germany are up by four percent, while bookings from the United Kingdom are down by 10 percent. Airline ticket bookings from the United States of America are up by 13 percent, while bookings from France are down by 10 percent, and bookings from the Netherlands are down by 12 percent from last year. The decrease in some of the bookings could be attributed to the drought; however, overall airline ticket bookings for August 2018 are up by eight percent from the 2017 bookings. However, this is still to be determined;

- 1.6 With the growth in air access in the Province and the aim to make Cape Town the gateway to Africa, Cape Town International Airport will be expanded and upgraded; however, construction at the airport over the next few years is likely to cause frustration. A communication strategy will be needed to inform people about the upgrade and to manage the frustration. Another medium to long term requirement will be the creation of better transport connections to and from the airport so that Cape Town International Airport is transformed into an aerotropolis;
- 1.7 The lengthy processing of visas at the immigration desks at the Cape Town International Airport saw a few challenges over the festive season because of long queues. This challenge was managed during the festive season; however, the problem has become significantly worse since then. Wesgro and Airports Company South Africa (ACSA) have held discussions with the Department of Home Affairs to process passengers coming in to the Western Cape more efficiently; and
- 1.8 The Committee noted the Department's achievement for receiving the Bronze Award at the National Batho Pele Excellence Awards for the Best Functioning Provincial Department of the Year. The Committee also commended the Head of Department, Mr S Fourie, for winning the Gold Award for Best Head of Department (Provincial).

2. Resolutions

The Committee RESOLVED to:

- 2.1 Invite the Department of Economic Development and Tourism to brief the Committee on the informal economy, the challenges experienced in that sector and how the Department is proposing to focus on the informal economy;
- 2.2 Invite the Department of Economic Development and Tourism to brief the Committee on the Province's position in the global economy;
- 2.3 Invite the Department of Economic Development and Tourism and the Department of Agriculture to brief the Committee on agri-processing;
- 2.4 Invite the Department of Economic Development and Tourism to brief the Committee on the Injini Ed-Tech Incubator;
- 2.5 Invite the Department of Economic Development and Tourism, Wesgro, South African Tourism and Airports Company South Africa (ACSA) to brief the Committee on the 2017/18 seasonal tourism statistics;
- 2.6 Invite the Department of Economic Development and Tourism, Wesgro, the Department of Home Affairs and relevant local, provincial and national air access partners to brief the Committee on the progress regarding the air access project and the challenges experienced; and
- 2.7 Invite the Department of Home Affairs to brief the Committee on the challenges experienced in processing passengers' visas at the immigration desk at Cape Town International Airport.

MS B SCHAFER, MPP



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CHAIRPERSON: STANDING COMMITTEE ON ECONOMIC OPPORTUNITIES, TOURISM AND AGRICULTURE
16 MARCH 2018