

# How will the cabinet reshuffle affect SA's travel and tourism industry?

According to the Tourism Business Council of South Africa (TBCSA), the appointment of new cabinet ministers in Tourism, Transport, Home Affairs and Finance, present mixed fortunes for the travel and tourism industry. Having two female leaders at the helm of South Africa's travel and tourism public sectors sets a new precedent for women empowerment in the industry says the TBCSA, however, adding its voice to the broader business community, it laments the uncertain political ramifications of the cabinet reshuffle on the economy.



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"First and foremost, we congratulate Tokozile Xasa on her appointment as the country's first female Minister of Tourism," says TBCSA CEO, Mmatšatši Ramawela. "Xasa has served as Deputy Minister of Tourism since 2009 and is thus familiar with the dynamics and issues in the sector. During her tenure as deputy minister, she amassed the necessary knowledge and experience which should stand her in good stead in her new role." We further extend a warm welcome to the newly appointed Deputy Minister of Tourism Elizabeth Thabethe."

## Concern over impact of changes in other ministerial portfolios

The council says Xasa's appointment will provide a level of continuity for the travel and tourism industry. It has, however, highlighted that it was unclear how changes in other ministerial portfolios - particularly at National Treasury and the departments of Home Affairs and Transport - will impact the industry. "There is anxiety that the reshuffle is likely to impact engagements and programmes that are already underway in collaboration with different role-players within government," says Ramawela.

For instance, the airline sector, in collaboration with the Department of Transport, is preparing to host an Aviation Indaba which will determine, amongst other matters, South Africa's readiness to implement the 'open skies' policy. Then there are the VAT issues that are of particular concern to tour operators and travel agents and involve the South African Revenue Services (SARS) and the National Treasury.

When it comes to Home Affairs, TBCSA is yet to hear the decision of the Immigrations Advisory Board (IAB) on the amendment of the regulation for travelling minors – a matter that will now be handled under the leadership of the new Minister of Home Affairs, Prof. Hlengiwe Mkhize. “Of course, the biggest anxiety element is the possibility of a credit downgrade for the country if the reshuffle brings negativity into the economy and instability in the society.”

At a broader level, the TBCSA is also concerned about the impact of the reshuffle on the goodwill and momentum generated between business and government in the past twelve months. “In the past year, stakeholders from sectors with significant economic growth potential such as travel and tourism have worked with their respective government departments in a joint effort to redirect the country’s economy towards an accelerated growth path. We hope the reshuffle will add to the positivity that is being reflected in the recent inflation figures, consumer confidence levels, the foreign tourist arrival figures despite the decline in domestic tourism numbers, and by extension our collective efforts, in the interest of our economy and the country”.

The council thanks former Minister of Tourism, Derek Hanekom for his leadership and his enthusiasm in leading the call for an inclusive travel and tourism sector.

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