

**REPUBLIC OF SOUTH AFRICA  
DEPARTMENT OF ENVIRONMENTAL AFFAIRS & TOURISM  
AND SOUTH AFRICAN TOURISM**

**JAPAN INTERNATIONAL COOPERATION AGENCY**

# **THE STUDY ON TOURISM PROMOTION AND DEVELOPMENT PLAN IN THE REPUBLIC OF SOUTH AFRICA**



## **FINAL REPORT Volume 3: Focus Area Tourism Development**

JULY 2002

PADECO Co., Ltd.  
PACIFIC CONSULTANTS INTERNATIONAL

### **Towards Tourism Development in South Africa**

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## List of Abbreviations

ACSA	Airports Company of South Africa
APCOSA	The Association of Professional Conference Organizers of Southern Africa
ASATA	Association of Southern African Travel Agents
ATM's	Air Traffic Movements
ATNS	Air Traffic and Navigation Services Company
B&B	Bed and Breakfast
BABASA	Bed and Breakfast Association of South Africa
BEE	Black Economic Empowerment
CAIA	Chemical and Allied Industries Association
CBOs	Community-Based Organizations
CBRTA	Cross-border Road Transport Agency
CIP	Critical Infrastructure Programme
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COASA	The Coach Operators Association of South Africa
CPPP	Community Public Private Partnership Programme
CSIR	Council for Science and Industrial Research
DBSA	Development Bank of Southern Africa
DEAT	Department of Environment Affairs and Tourism
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
EIA	Environmental Impact Assessment
EIBTM	European Incentive Business Travel and Meeting Exposition
EIR	Environmental Impact Report
ETQA	Education and Training Quality Assurance body
EU	European Union
EXSA	The Exhibition Association of South Africa
FEDHASA	Federated Hospitality Association of South Africa
FSC	Forestry Stewardship Council
GDP	Growth Domestic Product
GEAR	Growth, Employment and Redistribution
GGP	Gross Geographic Product
GKG	Gaza-Kruger Gonnarezhou
GSM	Global Systems for Mobile Communications
GSA	Ground Service Agents
GTA	General Travel Agents
HCTC	Hospitality and Catering Training Council
HILG	Hotel Industry Liaison Group
HITB	Hospitality Industries Training Board
HSRC	Human Science Research Centre
IA	Implementing Agent
IATA	International Airline Transport Association
ICC	International Convention Centre
ICUN	World Conservation Union
IDC	Industrial Development Corporation
ITMAS	International Tourism Marketing Assistance Scheme
JICA TPDP	Japan International Cooperation Agency Tourism Promotion and Development Plan
JTB	Japan Travel Bureau
KZN	KuwaZulu-Natal
LSM	Living Standard Measure
LTO	Local Tourism Organization
MATTA	Malaysian Association of Tour and Travel Agents
MEC	Member of the Executive Council
MICE	Meetings, Incentives, Conventions and Exhibition
MINMEC	Ministerial committee comprising members from provincial tourism ministries and the Minister and Deputy-Minister of DEAT
MIPTEC	Committee comprising members from provincial tourism departments and tourism boards and DEAT
MITF	Malaysia International Travel Fair
MTN	Mobile Telephone Network



NATAS	National Association of Travel Agents
NGO	Non-Governmental Organizations
NQF	National Qualifications Framework
NQs	National Qualifications
NRA	South African National Roads Agency
OTOA	Overseas Tour Operators Association of Japan
PATIIIs	Priority Areas for Tourism Infrastructure Investment
PCOs	Professional Conference Organizers
PHASA	Hunting Association of South Africa
PPT	Package Planning Trip
RDP	Reconstruction and Development Program
RPL	Recognition of Prior Learning
RTO	Regional Tourism Organization
SAA	South African Airways
SAACI	The South African Association of for the Conference Industry
SACAA	South African Civil Aviation Authority
SADHS	South African Demographic and Health Survey
SAFCC	South African Federation of Convention Cities
SAIX	South African Internet Exchange
SAMSA	South African Maritime Safety Authority
SANP	South African National Parks
SAQA	South African Qualifications Authority Act
SARCC	South African Rail Commuter Corporation
SARS	South African Revenue Service
SAT3/ WASC/SAFE	Southern Africa/Western Africa Submarine Cable/South Africa-Far East
SATCHI	South African Association of Trainers, Consultants and Service Providers to the Hospitality Industry
SATI	South African Tourism Institute
SATOUR	South Africa Tourism Board
SATourism	South African Tourism
SATRA	South Africa Telecommunications Regulatory Authority
SATSA	Southern African Tourism Services Association
SAVRALA	South African Vehicle Renting and Leasing Association
SDF	Skills Development Facilitator
SEAs	Strategic Environmental Assessments
SEAT	Sector Educational and Training Authority
SMEDP	Small and Medium Enterprise Development Programme
SMMes	Small, Micro- and Medium-sized Enterprises
SMPC	SA Tourism Marketing Partnership Committee
SSP	Skills Support Programme (as part of SMEDP)
Stats SA	Statistics South Africa
TBCSA	Tourism Business Council of South Africa
TETASA	Travel Education and Training Authority of South Africa
THETA	Tourism, Hospitality and Sport Education and Training Authority
TISA	The Timeshare Institute of South Africa
TLP	Tourism Learner ship Project
TSA	Tourism Satellite Account
TSA	Travel Sub-Agents
UNISA	University of South Africa
VFR	Visiting Friends and Relatives
WSP	Workplace Skills Plan
WTO	World Tourism Organisation
WTTC	World Travel & Tourism Council

## Volume 3: Focus Area Tourism Development

### EXECUTIVE SUMMARY

#### Focus Area Tourism Development

##### (1) Focus Area Selection

This section describes the proposed tourism development plans for specific 'focus areas'. It includes: (i) selection of the focus areas, (ii) planning methodology including development objectives, planning principles, and specific considerations to be made in the planning process, (iii) selection of the priority projects and programs, (iv) planning of the priority projects and programs, and (v) the evaluation of these projects/programs.

***FOUR priority focus areas for tourism development were selected by a process based on national initiatives and socio-economic criteria***

Potential focus areas were selected among areas/projects identified by existing national initiatives. Selection criteria were devised bearing in mind the South African government's tourism policies and objectives as well as existing tourism project selection. The criteria covered a broad spectrum including socio-economic aspects (i.e poverty relief, social development, etc), tourism supply and demand (existing and potential supply and demand) and general considerations (value-adding potential, relation to national initiatives, etc). Areas already with earmarked funds for tourism development were excluded and "bonus points" were awarded to areas for which DEAT indicated a preference. Points were also weighted according to the importance of the criteria, as decided by DEAT and the JICA Study Team.

Based on these criteria, a score was given to each area. From these scores and taking into consideration the Study Team's consultations with the DEAT on the needs of tourism development planning, four focus areas were finally selected:

1. Madikwe (previously identified by PATII)
2. Khayelitsha – (previously identified by Cluster Study Area)
3. Valley of the Olifants – (previously identified by Cluster Study Area)
4. Badplaas/Barberton/Malelane – (previously identified by PATII)

***The areas' strengths and greatest potential should be the basis for their tourism development while avoiding a fragmented***

The most fundamental planning principles guiding the tourism development planning process are:

- Maximize tourist flows into the areas – shortest path to create more jobs
- To achieve this, build on strengths and best potentials, NOT

**approach.**

taking a fragmented approach

**Development Plans for the Focus Areas comprise staged development for both short and long term measures**

The Development Plans for each area incorporate both long-term and short to medium term plans, consisting of what is to be undertaken in the next few years, toward what is to be achieved in the long term.

In this study, the planning horizon is set at 10 years, with the long-term target year being 2011. The short- to medium-term horizon is 5 years, with its target year set at year 2006.

**Existing initiatives in the Focus Areas are supported where considered valid**

It is important to push forward the initiatives currently adopted in the focus areas in order to move the plans toward implementation.

If the existing initiatives are consistent with the identified strengths and potential, these initiatives are further developed, thereby strengthening their momentum. In case the area's strengths and potentials lie beyond the development areas targeted by the current initiatives, new plans are proposed, which are based on the strengths and potential.

**For each Focus Area, priority projects & programs were selected and developed**

For each Focus Area, desirable projects and programs were identified. These candidate projects/program were then prioritised by scoring each according to the degree to which it satisfied three criteria, i.e:

Urgency: timing for implementation in the overall development plan for the area;

Importance: extent of contribution to attracting more tourists into the area, leading to creation of more jobs and to socio-economic development in the area; and

Implementability: identification of a project implementing body, existence of current initiatives, and degree of difficulty that would potentially hamper and/or delay project implementation.

These proposed projects and programs were then subjected to greater study, including details of their scope, tourist demand, costing, economic viability, pre-feasibility studies and implementation structure. The tourism development concepts, plans, and projects/programs for each Focus Area are summarised below.

## **(2) Tourism Development in Pilanesberg - Madikwe Corridor**

**The strengths of this area are established attractions and good access for tourists**

The Pilanesburg-Madikwe Corridor already has established powerful draw card attractions, including:

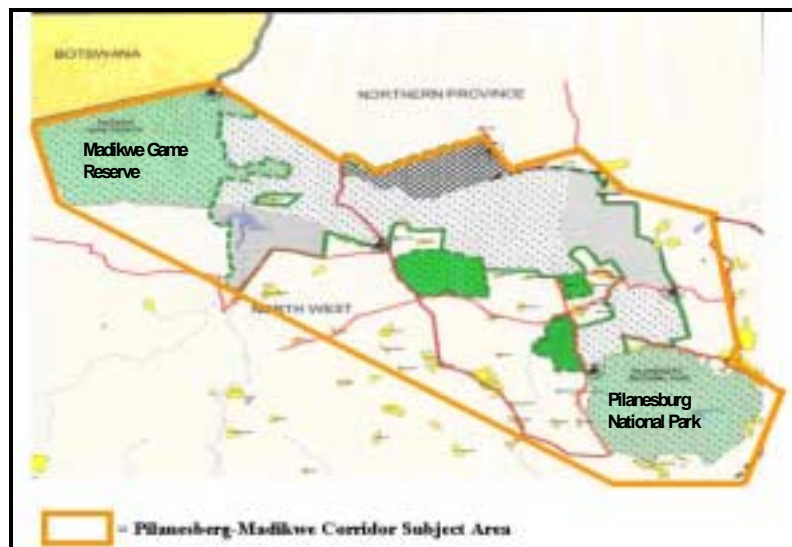
- Sun City, offering world-level entertainment and sports

- activities;
- Pilanesberg National Park offering a game viewing experience; and
- Upmarket accommodation;
- Madikwe Game Reserve as being a successful case for commercialisation, attracting private lodge operators catering for upmarket visitors;
- Good access from the Johannesburg/Pretoria area; the area is easily and conveniently accessible for international tourists as well as for the Gauteng market;
- Bordering Botswana and close proximity to its capital city, Gaborone; and
- Good management of the North West Parks and Tourism Board, with its objective being income generation as well as conservation of nature, effectively using private sector forces for game reserve development.

Spatially, development efforts should be focused largely on creating “tourist pull” beyond Pilanesberg, an already established destination, towards Madikwe. Focusing this way, the tourist flow into the area as a whole is expected to rise most effectively.

***The proposed area of focus is beyond Pilanesberg toward Madikwe***

***Defined as the “Pilanesberg-Madikwe Corridor Subject Area”***



Given these considerations, this study focused on planning for the area stretching from around Pilanesberg to Madikwe and defined as **the Pilanesberg-Madikwe Corridor Subject Area**.

***A clear-cut image should be defined***

Building on its existing tourist attractions, the Pilanesberg – Madikwe Corridor should be developed, aiming at establishing its reputation as:

**“The leisure, entertainment and wildlife playground/hub**

### on the tourist's doorstep”

The size of the wildlife experience would be extended and at the same time clearly differentiate the area's products by offering first-rate wildlife-based experiences, leisure activities, local cultural and natural heritage experiences as well as entertainment in a large (larger than most other game viewing areas other than the KNP) and easily accessible location. Such experiences would include:

- Experience in wildlife breeding activities;
- International cultural and heritage exchange activities;

***Expanded wildlife experiences and entertainment facilities will be offered***



- Hunting;
- Leisure activities, including those partly relating to natural and cultural heritage, and those for day-visitors;
- Entertainment and sports activities already existing (Sun City).

***The “Pilanesberg” name will be preserved***

Emphasis needs to be placed on the greater size (and therefore improved tourist experience) of the proposed expanded reserve, but it should be done without losing the already well-known and recognized “Pilanesberg” brand name. The Study Team believes that the current name for the proposed expanded reserve, Heritage Park, would take a long time to become established in the market. We suggest that another name be selected that clearly illustrates the large size of the expanded reserve and builds on the existing Pilanesberg name, such as: “The Greater Pilanes Park” or “The Greater Pilanes Game Reserve”

***The existing product bases will be extended in stages to establish the Heritage Park***

The existing tourism product base areas will be extended, namely Pilanesberg and Madikwe, which are judged the most attractive, with development by stages due to the distance between them and the virtually undeveloped status of the in-between area. Eventually the Heritage Park will be established, fully integrating the entire area between Pilanesberg and Madikwe.

***Tourist routes will link attractions and diverse lodging will be provided***

Tourist routes linking a variety of attractions will be developed in addition to existing ones, with quality visitor interpretation and facilitation. Accommodation will be provided for a wide-range of tourists from mid-market to upmarket and for both local and international visitors.

***An international exchange centre will be established***

An international exchange centre will be established that can be used for promoting the exchange of youth from across the world, including East Asia, in terms of cultural exchange, wildlife and nature experiences.

***MICE products will be promoted***

MICE products will be further developed and promoted with the area's unique incentive and seminar opportunities that are greatly appealing to the international market, including East Asian countries.

***Both foreign and domestic markets will be targeted with emphasis on overnight visitors***

The broad target market goals are specified as:

- Foreign vs. Domestic: Both the foreign and domestic markets will be targeted with similar emphasis/importance levels.
- Day vs. Overnight Visitors: Both overnight and day visitor markets will be targeted. Only a slightly higher emphasis/importance will be attached to overnight visitor markets given the higher expenditure potential.
- Existing vs. New Markets: Further penetration of existing markets will be emphasized. Some development of new target markets, such as the mid-market domestic overnight market, new foreign MICE markets (particularly East Asia) and the foreign youth market through the cultural exchange centre.

***From this proposal, it is projected that total visitors would grow from the current 598,000 to 744,000 in 2011.***

The area attracts a number of tourists both foreign and domestic with its established attractions. It is estimated that current total tourism to the area is about 598,000 (362,000 overnight visitors and 236,000 day visitors).

The development plan proposed in the study is expected to enhance the area's attractiveness as well as broaden the customer base. With the JICA Study Team's recommendations total tourism is projected to increase to 677,000 in 2006 and to 744,000 in 2011 (a compound growth of 2.2% pa in 2002-2011).

***Tourism skills in the area are variable but generally adequate***

Indications are that the current levels of essential tourism skills are largely adequate in this focus area and that tour guiding and some hospitality, housekeeping and hotel management are required. On the other hand more generic skills such as communication, customer service, languages etc are recognised as needed. It is also clear that levels of qualifications and the need for training vary from the resort sector (mainly Sun City) to self-catering where low qualification levels were evident. New training provision will also be required for the heritage and breeding centre interpretation and guiding.

***North-West Parks and Tourism Board could coordinate HR development***

The formation of the proposed Heritage Park requires a more formalised and coordinated approach to human resource development. As this park will be a key and dominant aspect of the work of the North-West Parks and Tourism Board, it is suggested that a HR development and coordination function for the Heritage Park Concept, should reside within the Board.

The following HR programs are recommended for the Madikwe Pilanesberg Area, facilitated and run from the provincial level.

- Tourism SMME Entrepreneurial Training Program.
- Tour Guiding and Interpretation Program
- HR Development Facilitation

***A Destination Tourism Marketing Organisation, equivalent to an RTO, could be set up as well as a PIU for program implementation***

The proposed Heritage Park will be a key and dominant aspect of the work of the North West Parks and Tourism Board, and therefore it is expected that some of the institutional capacity will be housed here. It is recommended that a destination tourism marketing organisation, equivalent to an RTO, be set up for the proposed Heritage Park. This would carry out the destination marketing. This institution must be permanent, and might expand in size as the Park develops in future years.

A Project Implementation Unit (PIU) for the heritage park should be set up to handle the program implementation, which will relate mainly to facilitating the development of the identified tourism plant projects and infrastructure. The ongoing development of the park could be done from this unit, however, it would be better housed within the North West Parks and Tourism Board at Provincial level where there is already some capacity to continue the development of the Park.



The following projects have been selected as priority projects for implementation in the short to medium term (2006).

**A Product, Facilities and Infrastructure**

A-1 Overall Programming for Development and Conservation for entire Heritage Park

A-2 Construction of broad infrastructure for Heritage Park

A-3 Development in Molatedi Dam area

A-4 Pilanesberg Game Reserve expansion

A-4-1 Development of Midmarket Resort

A-4-2 Development of Youth Tourism Cultural Exchange Centre

A-5 Road Transport Upgrading

A-5-1 Improvement of road from Batlhalerwa to Derdepoort

A-5-2 Development of road signage in and around Heritage Park

A-6 Water Supply Development

**B Marketing and Promotion**

B-1 Marketing & promotion of potential product and total subject area

**C Human Resource Development**

C-1 Develop & Implement Tourism Entrepreneurial Training Program for local community

C-2 Tour Guiding and Interpretation Training Program

**D Institutional Development**

D-1 Establish Heritage Park Project Implementation Unit (PIU)

D-2 Establish Focus Area Destination Tourism Organizations (equivalent to LTO)

D-3 Establish strong links between LTO/RTO and Provincial Tourism Marketing Agency

***Priority Projects and Programs for the Pilanesberg-Madikwe Corridor Subject Area:***

***The initial cost of the priority projects is R305 million***

The initial cost of the priority projects amounts to about R305 million including product, facilities and infrastructure projects. The annual cost of the programs including those for marketing and promotion, human resource development, and institutional development is estimated at R2.4 million.

***These projects would yield an EIRR of about 16%***

The Economic Internal Rate of Return (EIRR) was estimated to be 16.1% in real terms for these projects and programs. Although the result is indicative in nature, this value is high enough for justifying the investment in them from the national economic point of view.

### (3) Tourism Development in Khayelitsha

***The strength of this area for tourism is that it is a relatively new township close to the established attraction of Cape Town***

The strengths of Khayelitsha as a tourist destinations are:

- It is situated in the Metropolitan Cape Town, one of the country's major tourist destinations visited by around 730 000 international tourists and around 520 000 domestic holiday visitors (in 2000) and a large resident population – ready-made tourists on the doorstep;
- There is extremely easy access to and from Cape Town International Airport - tourists to Cape Town can easily visit Khayelitsha, for example, on the way to the airport before leaving Cape Town;
- It is situated on one of the major routes to the Winelands, which is considered to be visited by the majority of international tourists to Cape Town, meaning that significant tourist flows is already running on the N2 highway, the major access road to Khayelitsha; and
- It is the newest township among those located around Cape Town: although this may be a weakness for promoting its township tour relative to other areas, this newness enables encouraging efforts to create an entirely new attraction that can be a catalyst for Khayelitsha's tourism development.

As defined by the administrative boundary, this study will focus on the planning within Khayelitsha.

The current Monwabisi coastal resort development plan will be taken as it is in this study, as an element complementary to the tourism development in Khayelitsha that is the focus of this study and defined as **the Khayelitsha Subject Area**.

*The proposed area of focus is Khayelitsha*

*Defined as the “Khayelitsha Subject Area”*



(Note: Numbers identify development nodes specified in existing plans)

*A clear-cut image with drawing power should be created*

The area should be developed by newly creating a powerful attraction that will be a major draw card for attracting foreign and local tourists visiting Cape Town and to potentially feed part of them to other tourism products in Khayelitsha including the township tours.

The new attraction should have a strong tourist drawing power. The Study Team’s proposal is that Khayelitsha should aim at establishing its reputation as:

**“The cultural music & dance experience of South Africa”**

Including Traditional African music/dance, blended and enhanced with Modern, sophisticated African and international music/dance

***An African Music & Dance Showcase for Khayelitsha***



A music and dance based attraction (the “African Music & Dance Showcase”) could be developed that is based on the original, traditional African music and dance, with a modern, sophisticated flavour richly added to it in terms of interpretation, arrangement, choreography, etc., thereby making it a truly entertaining and satisfying experience to meet up with the taste of discerning international tourists (including East Asian visitors) as well as local visitors.

***The music and dance showcase will be developed as a new concept combining tradition with sophisticated choreography***

This “African Music and Dance Showcase” is considered a new concept in South Africa, blending tradition with modern, sophisticated arrangements (rather than putting emphasis on maintaining authenticity). This must create opportunities for tourists to experience traditional music and dance **in a way distinct from the conventional cultural villages existing in South Africa.**

This is a forward-looking concept, expected to contribute to enriching and further developing tradition-based culture, and even creating new genres of music.

***The attraction will be supported with special events and specific merchandising***

- Events: music events would use the African Music & Dance Showcase venue as a powerful marketing tool to promote Khayelitsha's tourism.
- Merchandising: merchandising (manufacture and sales) would be specific to the African Music & Dance Showcase.
- Arts and crafts design and training: an arts and crafts design and training centre would improve the quality and designs of crafts, extending the current efforts in arts and crafts training undertaken in Khayelitsha.
- Visitor facilitation for township tours: visitor information would be improved as well as basic facilitation and interpretation in township life, culture, and tradition, thereby offering richer touring experiences for visitors on tour groups and FITs.

The broad target market goals are specified as:

***The initial target market will be foreign tourists with emphasis on day visitors***

- Foreign vs. Domestic: Both the foreign (including East Asian visitors) and domestic markets will be targeted with an initial emphasis on foreign markets, but a very strong penetration drive into selected domestic markets (including the local or Cape Town resident market).
- Day vs. Overnight Visitors: Both overnight and day visitor markets will be targeted. Primary emphasis will be on the day visitor market emanating out of greater Cape Town. This will essentially be a day or part-day destination. Limited focus will be given to the overnight market.
- Existing vs. New Markets: The existing market is still very small, so further penetration of existing markets has definite potential, but emphasis will be placed on identifying and penetrating new markets.

***From this proposal, it is projected that total visitors would grow to about 200,000 in 2011.***

Currently tourism in Khayelitsha has a very low base. It is estimated that current total tourism is about 82,000 (mostly day visitors) including visitors to the Monwabisi resort, but those visiting Khayelitsha are significantly lower, estimated at about 20,000 (again, mostly day visitors).

The proposed development is expected to enhance dramatically the attractiveness of the area with its new core attraction, African Music & Dance Showcase, capturing a far higher proportion of the Cape Town visitors than at the moment. With the JICA Study Team's recommendations total tourism is projected to increase to 148,000 in 2006 and to 208,000 in 2011 (mostly day visitors).

***There are few skilled people within the tourism industry in this area***

In general this focus area has a low level of activity in tourism human resource development and few skilled people. Neither at the Provincial level, nor specifically in the area, is tourism human resource development coordinated, monitored or

facilitated in one place. However with the advent of a provincial tourism HR strategy, it is expected that this will be addressed.

More training is needed for Khayelitsha residents in various aspects of tourism and business management, such as health and hygiene, cooking, marketing, tourist guiding, etc.

However, mechanisms will be needed to ensure the programs are successful and funds are sourced for the programs. New and specific training provision will be required for the music and dance facility and the improved interpretation.

The following HR programs are recommended for Khayelitsha, facilitated and coordinated at the township level, but with significant support from the Unicity tourism function.

***New HR programs are required and should be coordinated at township level***

- Theatre operational skills and music and dance development
- Tourism SMME Entrepreneurial Training Program.
- Tour Guiding and Interpretation Program
- Music and Dance Showcase Craft and Merchandise Production
- HR Development Facilitation

Khayelitsha is only a small component of Western Cape tourism, and will therefore require institutional structures well below the provincial level to support its tourism development. It is recommended that HR coordination and marketing and promotion be carried out by a dedicated body at the Khayelitsha township level, which would work closely with the Unicity structures in tourism and other sectors. This body will also be involved in the ongoing operation of elements of the Khayelitsha Music and Dance Showcase.

***A dedicated body at township level should be set up for coordination and promotion and a PIU to implement the project***

A destination tourism organisation, equivalent to a strong LTO, could be set up in Khayelitsha to carry out the destination marketing and provide an HR development facilitation function. In addition, this unit would oversee the private sector management of the Showcase, on a more day to day basis than its Board.

A Project Implementation Unit (PIU) for the Khayelitsha JICA development program should be set up to handle the program implementation, which will relate mainly to facilitating the development the Showcase, the merchandising and crafts and any required infrastructure.

The following projects have been selected as priority projects for implementation in the short to medium term (2006).

**A Product, Facilities and Infrastructure**

A-1 Development of African Music and Dance Showcase

A-1-1 Development of facilities for African Music and Dance Showcase

A-1-2 Development of music, dance, shows and events/festivals for African Music and Dance Showcase

A-1-3 Development of African Music and Dance Showcase specific crafts/ merchandise

A-2 Development of range of Khayelitsha tours and interpretation

A-3 Demand study on infrastructures for tourism development in Khayelitsha

**B Marketing and Promotion**

B-1 Marketing and promotion for African Music and Dance Showcase

**C Human Resource Development**

C-1 Development of local community musical talents, local entertainment troupes, interpretation of music

C-2 Arts, crafts, and merchandising training

C-3 Tourism entrepreneurial training program for local community

C-4 Tour guiding and interpretation training

**D Institutional Development**

D-1 Establishing Project Implementation Unit for African Music and Dance Showcase

**Priority Projects and Programs in the Khayelitsha Subject Area:**

The initial cost of the priority projects amounts to about R26 million including product, facilities and infrastructure projects. The annual cost of the programs including those for marketing and promotion, human resource development, and institutional development is estimated at about R1.7 million.

**The initial cost of the priority projects is about R26 million**

The Economic Internal Rate of Return (EIRR) was estimated to be 20.5% in real terms for the priority projects and programs. Although the result is indicative in nature, this value is high enough for justifying the investment in them from the national economic point of view.

**These priority projects would yield an EIRR of about 21%**

#### (4) Tourism Development in Valley of the Olifants

***The main strength of this area is that it borders the Kruger National Park and is linked to an established tourist route boasting magnificent scenery***

Valley of the Olifants possesses several tourism strengths such as:

- Bordering the Kruger National Park, an established major draw card attraction, with two gateway towns to KNP, namely Phalaborwa and Hoedspruit;
- The existence of well-established game reserves, mostly privately owned catering for the upmarket market, located in the south-eastern parts of the Valley of the Olifants;
- Linked to the Blyde River Canyon in the south west, and an established tourist route (Panorama route) with unique, magnificent scenery; and
- The inter-regional initiative that has already started for the development and conservation of wildlife and nature-based resources, particularly those in the Kruger National Park and Blyde River Canyon, coupled with the existence of an educational/research/training product base relating to wildlife and ecological systems and their potential use for tourism development.

***The focus of the area is the south-eastern part adjacent to KNP and the Blyde River Canyon***

Spatially, development efforts should be focused on the south-eastern part of the area that is adjacent to the Kruger National Park and the Blyde River Canyon<sup>1</sup>, considering that:

- The major strengths exist in this sub-area, with the highest development potential.
- Some initiatives have started in this sub-area, though they are not strong enough at the moment. Tourism-related development in this part of the region will push forward these initiatives toward concretisation and implementation.

***Defined as the “Valley of the Olifants Subject Area”***

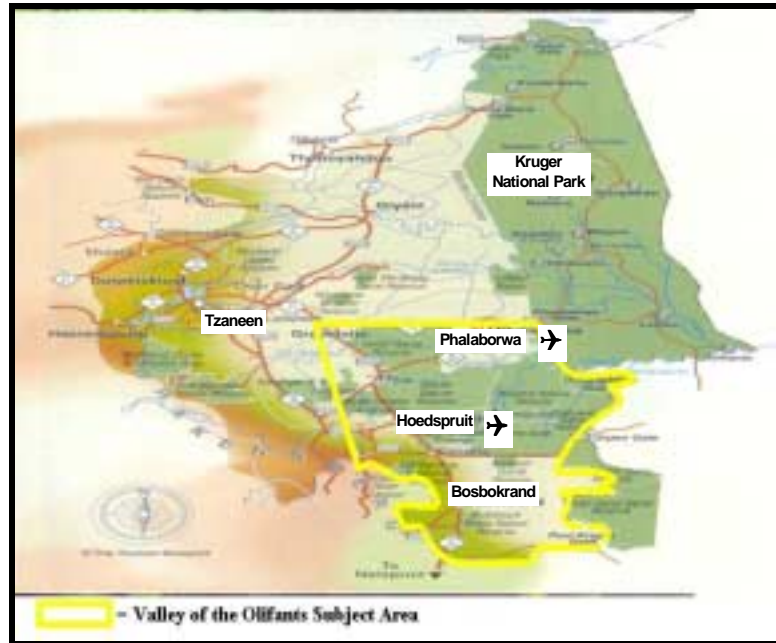
The study defined the area as **the Valley of the Olifants Subject Area**.

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<sup>1</sup> While this does not necessarily rule out any possibility of tourism development in other parts of the area, it is judged that major efforts in the area’s south-eastern parts are expected to lead most effectively to enhancing the tourist draw of the area, given that major strengths are concentrated in this sub-area, which still is underdeveloped (except the presence of some private game reserves) and that other relatively minor tourism resources are scattered across the area.

For these considerations, this study will focus on planning for the south-eastern part of this focus area.





***A clear-cut image should be created***

Building on its superb location in terms of the offering of a wildlife experience, the area should be developed, aiming at establishing its reputation as:

**“The Wildlife Research and Educational Experience of South Africa”**

***A new wildlife centre would enrich the wildlife experience for both entertainment and education, and an arts/crafts centre could offer strong products***

Out-of-game-reserve experiences would be offered with wildlife that is educational and entertaining for those visiting KNP and other game reserves in this area, thereby significantly enriching their game-viewing/wildlife experience to the extent that discerning international tourists (including those from East Asia) can be truly fascinated. Specifically, develop and expand the tourism experience around the Hoedspruit and/or Phalaborwa areas, including:

- Establishing a “Wildlife Complex (tentatively named Wildlife Education & Research Centre)” that offers both an entertaining and educational experience of the wonders of wildlife as well as other related functions including a visitor information centre for the area, other tourist attractions and shops; and
- Establishing an arts and crafts centre specializing in developing sophisticated, highly marketable wildlife-related products as well as training for their production, which is also to be featured as a tourist attraction.



***A world-ranked centre for education, research and training***

Wildlife education and research functions would be strengthened and extensive training provided for conservation of wildlife and nature and their use for tourism and other economic activities, ultimately aiming at establishing itself as being among the world's best wildlife education and research centres.

***Linking the centre to other attractions in the area***

Strengthen the recommended image by developing a cohesive and well-interpreted route, linking the proposed new development to other wildlife research and education products located throughout the area. The proposed new facility could also act as the dissemination point for visitors to the other more specialized hands-on facilities.

***Tourist flows will also create opportunities on access routes***

These developments will lead to increased tourist flow into the area, which will open up opportunities to develop tourism-related activities on access routes such as the R36 to Blyde-River Canyon and the R40 to Hazyview via Bushbuck Ridge, thereby creating jobs in this economically disadvantaged area.

***A higher emphasis will be placed on targeting domestic overnight tourists as well as new special interest tourist markets***

The broad target market goals are specified as:

- Foreign vs. Domestic: Targeting of both the foreign and domestic markets, with a higher emphasis or importance being placed on domestic markets.
- Day vs. Overnight Visitors: Targeting of both the overnight and day visitor markets. The primary emphasis is, however, on the overnight market.
- Existing vs. New Markets: Further penetration of existing markets (both foreign and domestic) holds definite further potential and major emphasis is to be placed on this action. However, high importance should also be placed on identifying and penetrating new markets, particularly special interest markets such as the local and foreign wildlife educational and academic markets (including those from East Asia), MICE for the wildlife research and educational markets (including those from East Asia), pulling of markets already attracted to the Panorama route into this area, etc.

***From this proposal, it is projected that total visitors would grow from the current 623,000 to 768,000 in 2011.***

Currently the area attracts a number of tourists with its wildlife experience. It is estimated that current total tourism to the area is about 623,000 (258,000 overnight visitors and 365,000 day visitors, mostly domestic tourists).

The proposed development is expected to enrich the wildlife experience, thereby enhancing the area's overall attractiveness. With the JICA Study Team's recommendations total tourism is projected to increase to 699,000 in 2006 and to 768,000 in 2011 (a compound growth of 2.1% pa in 2002-2011).

***Existing tourism skills in the area need to be improved***

In general this focus area has a medium level of tourism skill, though improvements are required. Neither at the Provincial level, nor specifically in the area, is tourism human resource development coordinated, monitored or facilitated in one place. General and varied tourism related skills are required as well as specific requirements in the area of guiding and interpretation in relation to wildlife research and education, and in the manufacture or development of related crafts and merchandise.

***The Hoedspruit Tourism LTO/PIU could be revived to develop and coordinate human resources***

A more formalised and coordinated approach to human resource development for the area will be required. It is suggested that an HR development and coordination function for the study area should reside within a revived Hoedspruit Tourism LTO/PIU. It would have close links with the Kruger to Canyons Biosphere Reserve, and the Ba-Phalaborwa Tourism Association as well as with the Valley of the Olifants RTO and with the Province.

The following HR programs are recommended:

- Tourism SMME Entrepreneurial Training Program.
- Tour Guiding and Interpretation Program
- Wildlife Education and Research Craft and Merchandise Production
- Product Owner/Operator Development and Packaging Training
- HR Development Facilitation

***A Hoedspruit level tourism entity is considered crucial to success. A destination tourism organisation should also be set up, as well as a PIU for implemenatation***

This Focus Area represents one relatively small area of a number of areas for tourism development in the Northern Province, and therefore most institutional responsibilities for the study area development should be housed at lower levels than at the Province. Packaging, promotion and marketing as well as the operation of the Research and Education Visitor Centre will be key to the success of tourism development in the area. A Hoedspruit level tourism entity will be crucial to this project, particularly for marketing and the operation of the centre. The Phalaborwa areas could be combined with Hoedspruit for this puposes, i.e. the equivalent of a Hoedspruit Phalaborwa LTO.

It is recommended that a destination tourism organisation, equivalent to a strong LTO, be set up for the proposed program implementation in this area. This LTO would carry out the destination marketing and provide an HR development facilitation function. In addition this unit would oversee the private sector management of the Research and Education Centre on a more day to day basis than its Board.

A Project Implementation Unit (PIU) for the valley of the Olifants JICA development program should be set up to handle the program implementation, which will relate mainly to facilitating the development of the Centre, the merchandising and crafts and any required infrastructure.

The following projects have been selected as priority projects for implementation in the short to medium term (2006).

**A Product, Facilities and Infrastructure**

- A-1 Wildlife Education and Research Centre
- A-2 Wildlife Education and Research Route Product
- A-3 Road and Transport Upgrading
  - A-3-1 Upgrading of R36
  - A-3-2 Improvement of general road signage
  - A-3-3 Preparation of the latest road map/tourist map

**B Marketing and Promotion**

- B-1 Marketing and promotion of the area (as key entry point or the route into KNP, establishing distinctive wildlife research experience brand, promoting unique wildlife experience)

**C Human Resource Development**

- C-1 Development of local community craft and curio making design and manufacture skills
- C-2 Development of wildlife viewing/research guiding skills and interpretation
- C-3 Training program for product owners to incorporate WR&E brand and products

**D Institutional Development**

- D-1 Establishing Project Implementation Unit for WERC and WR&ETR (Wildlife PIU)
- D-2 Re-establish LTO in Hoedspruit

***Priority Projects and Programs Valley of the Olifants Subject Area:***

***The initial cost of the priority projects is about R64 million***

***These priority projects would yield an EIRR of about 18%***

The initial cost of the priority projects amounts to about R64 million including product, facilities and infrastructure projects. The annual cost of the programs including those for marketing and promotion, human resource development, and institutional development is estimated at about R2 million.

The Economic Internal Rate of Return (EIRR) was estimated to be 18.0% in real terms for the priority projects and programs. Although the result is indicative in nature, this value is high enough for justifying the investment in them from the national economic point of view.

## (5) Tourism Development in Badplaas/Barberton/Malelane

***The main strength of this area is the unique mountainous terrain close to neighbouring countries***

This area boasts:

- Unique mountainous terrain and scenic beauty with diverse flora and fauna, which are found in the area's southern parts (between Barberton and the border with Swaziland);
- Barberton's mining history;
- Unique geology found in the mountain range;
- Proximity to neighbouring countries, Swaziland and Mozambique - particularly the cultural heartland of Swaziland that can be accessed via one of the most scenic routes in South Africa; and
- The inter-regional initiative that has already been started for the development and conservation of wildlife and nature-based resources as well as the development of the tourism sector, i.e. The Tourism Biodiversity Corridor.

***The proposed area of focus is the 'Tourism and Bio-diversity Corridor'***

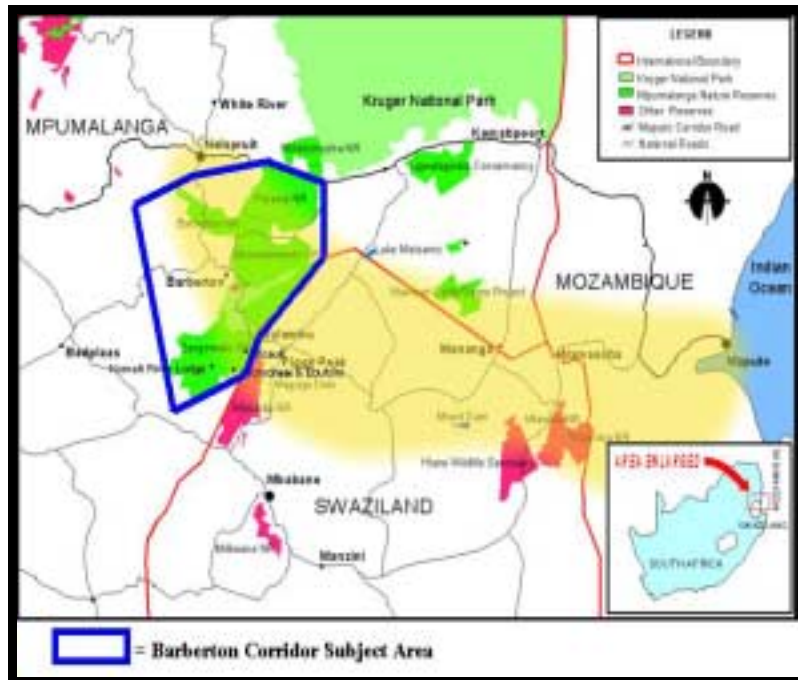
***Defined as the "Barberton Corridor Subject Area"***

Spatially, development efforts should be focused on the sub-area corresponding to the Tourism and Biodiversity Corridor that is located within South Africa, considering that:

- The major strengths exist in this sub-area, with the highest development potential.
- Current initiatives in the area are taken within the Corridor, and thus the development along the Corridor will strengthen the momentum of the initiatives.

While this does not necessarily rule out any possibility of tourism development in other parts of the area, it is judged that given the current underdeveloped status of the area, major efforts along the Corridor are required for establishing the area's comparative advantage, thereby most effectively enhancing the tourist draw of the area as a whole.

For these considerations, this study will focus on planning for the Tourism and Biodiversity Corridor (within South Africa) with respect to this focus area and defined as **the Barberton Corridor Subject Area**.



***A Clear-cut Image***

The area, endowed with unique mountainous terrain with diverse nature, should be developed, aiming at establishing its reputation as:

**“South Africa’s mountain land, adventure and wildlife experience”**

***A variety of mountain adventure opportunities***

The area’s product offering will be clearly differentiated by developing, as a core attraction, a variety of mountain-based adventure opportunities, including: mountain trekking, hiking and mountain biking; quad-biking; rock and mountain climbing; abseiling; paragliding; team building experiences through soft adventure activities.

Game/nature reserves will be developed or upgraded in ways to establish synergy with adventure activities and to take advantage of the area's mountainous/scenic terrain, whilst at the same time differentiating the wildlife experience from the standard experience offered elsewhere in South Africa, including:

- Provide the above mentioned adventure activities within game reserves (without carnivores), thereby offering these experiences altogether at one place.
- Provide lodges that will fit with these activities including larger ones than conventional game reserve lodges, which can accommodate families quite comfortably.

***By combining adventure with wildlife a new experience can be offered***



The broad target market goals are specified as:

- Foreign vs. Domestic: Both the foreign (including the East Asian markets) and domestic markets will be targeted with a higher emphasis or importance being placed on domestic markets.
- Day vs. Overnight Visitors: Both the overnight and day visitor markets will be targeted. The primary emphasis is, however, on the overnight market, particularly in respect of the domestic market.
- Existing vs. New Markets: Further penetration of existing markets (both foreign and domestic) holds definite further potential and major emphasis is to be placed on this action. However, high importance should also be placed on identifying and penetrating new markets, particularly the domestic soft adventure markets, the domestic team building market and special interest markets such as hard adventure, geology, etc.

***Both foreign and domestic markets will be targeted with an emphasis on the domestic and overnight markets***



***From this proposal, It is projected that total visitors would grow from the current 127,000 to 317,000 in 2011.***

The area currently attracts only a fraction of domestic tourists and very few international tourists. It is estimated that current total tourism to the area is about 127,000 (96,000 overnight visitors and 31,000 day visitors, with domestic tourists being dominant).

The proposed development is expected to enhance significantly the area's attractiveness by offering the combination of experiences with mountains, adventures and wildlife. With the JICA Study Team's recommendations total tourism is projected to increase to 236,000 in 2006 and to 317,000 in 2011.

***The area has few skilled people in tourism but training is being developed***

In general, this focus area has a low level of activity in tourism human resource development, and limited numbers of skilled people in the tourism industry. Neither at the Provincial level, nor specifically in the area is tourism human resource development coordinated, monitored or facilitated in one place. However, between the Biodiversity Corridor and the active Barberton Tourism Association and Barberton Municipality, training action and coordination is developing.

***Barberton Tourism Association/PIU could coordinate HR development***

A more formalised and coordinated approach to human resource development for the area will be preferable as it moves forward and develops its tourism potential. We recommend that an HR development and coordination function for the study area reside within Barberton Tourism Association/PIU, with close links to the Biodiversity Corridor. And the Wild Frontier RTO. We suggest that the province may be too far removed from this particular area's tourism on the ground to provide its HR development coordination.

The following HR programs are recommended, facilitated and coordinated at the area level, but with significant support from the Bio Diversity Corridor, the Province and the RTO:

- Tourism SMME Entrepreneurial Training Program.
- Tour Guiding, Adventure Guiding and Interpretation Program
- Mountain Adventure and Wildlife Craft and Merchandise Production
- HR Development Facilitation

***A 'grass roots level' of development will be important, such as by a strengthened Barberton Tourism Organisation. Integration with the Biodiversity Corridor is also important***

It is recommended that the development, marketing and HR functions for tourism in this area be handled close to grass roots levels, probably by a strengthened Barberton Tourism Organisation, and/or the initiators and role-players in the Tourism and Biodiversity Corridor. The Wild Frontier RTO is also a possible structure, which could take on some roles, particularly with respect to marketing for the area.

A destination tourism organisation, equivalent to a strong LTO, should be set up to carry out destination marketing and provide an HR development facilitation function. A Project Implementation Unit (PIU) for the valley of the Barberton JICA development program should be set up to handle the program implementation, which will relate mainly to facilitating the development of the lodges and resorts in the two parks and the merchandising and crafts and any required infrastructure. The ongoing development of the park could be done from this unit, however, it would be better housed within the Mpumalanga Parks Board at Provincial level if there is capacity.

Of critical importance will be the interaction and integration of this LTO/PIU with the Biodiversity Corridor Initiative.

The following projects have been selected as priority projects for implementation in the short to medium term (2006).

**A Product, Facilities and Infrastructure**

A-1 Overall Programming for Development and Conservation for Greater Trans Frontier Conservation Area

A-2 Mountainlands Game Reserve Development

A-3 Further Development of Songimvelo Game Reserve

A-4 Development of range/variety of Barberton special interest and general interest tours & Improvement of interpretation of Barberton sights

A-5 Road and Transport Upgrading

A-5-1 R40 (between Nelspruit and Barberton) improvement project

A-5-2 Road from Elukwatini to Bulembu upgrading project

A-5-3 Road from Ekulindeni to Songimvelo gate (improvement of road condition)

A-5-4 R538 (between Karino and Plaston) improvement project

A-6 Other Tourist Facilities

A-6-1 Upgrading of Bulembo border post

A-6-2 Development of tourist signage

**B Marketing and Promotion**

B-1 Marketing & promotion of existing product – ie marketing of subject area

**C Human Resource Development**

C-1 Craft development, design & manufacture skills training

C-2 Tourism business skills training for local communities

**D Institutional Development**

D-1 Establishing Project Implementation Unit for product development in Mpumalanga Biodiversity Corridor

D-2 Strengthen/expand/develop the Barberton LTO

D-3 Establish strong linkages between LTO and new RTO (Wild Frontier)/MTA

**Priority Projects and Programs- Barberton Subject Area:**

**The initial cost of the priority projects is about R230 million**

The initial cost of the priority projects amounts to about R230 million including product, facilities and infrastructure projects. The annual cost of the programs including those for marketing and promotion, human resource development, and institutional development is estimated at about R2.2 million.

***These priority projects would yield an EIRR of about 15%***

The Economic Internal Rate of Return (EIRR) was estimated to be 14.9% in real terms for the priority projects and programs. Although the result is indicative in nature, this value is high enough for justifying the investment in them from the national economic point of view.