
GENERAL NOTICE

NOTICE 783 OF 2008

DEPARTMENT OF TRADE AND INDUSTRY

CODES OF GOOD PRACTICE ON BLACK ECONOMIC EMPOWERMENT

I, Mandisi Mpahlwa, Minister of Trade and Industry, hereby –

- (a) issue for public comment the draft Tourism Sector Code (the draft Code) as provided for in Code 000 Statement 003 of the Codes of Good Practice under Section 9(5) of the Broad-Based Black Economic Empowerment (Act No. 53 of 2003); and
- (b) invite interested persons to submit comments on the draft code within 60 days of the date of this publication.

interested parties are requested to forward their comments to the following address(es)

bee-tourism@thedti.gov.za

OR

the dti Campus
77 Meintjies Street,
Sunnyside, Pretoria,
0001
c/o BEE Unit

OR

Private Bag X84
Pretoria
0001
c/o BEE Unit

A handwritten signature in black ink, appearing to read 'M. MPAHLWA', written over a horizontal dotted line.

MANDISI MPAHLWA (MP)

MINISTER OF TRADE AND INDUSTRY

Date: 17-03-2008



TOURISM EMPOWERMENT
COUNCIL OF SOUTH AFRICA

5 May 2008

PROPOSED STRATEGY TO RECOGNISE TOURISM'S EXEMPTED MICRO ENTERPRISES (EMEs)

The South African tourism sector is largely made up of Small and Medium Enterprises (SMEs). This configuration impacts on the proposed Tourism Sector Codes, which have been closely aligned to Codes of Good Practice on Broad-based Black Economic Empowerment in exempting businesses below R5 million turnover thresholds. The Tourism Empowerment Council of South Africa (TECSA) is aware of the implications that this exemption will have on the sector, such as, majority of the tourism businesses will be exempted from the principles and objectives of Broad-Based Black Economic Empowerment.

To this end, TECSA will make BEE Recognition Level 3 mandatory for all EMEs doing business with the public sector. Such requirement will be communicated via normal public sector channels, such as the National Treasury, Government Communication Information Systems (GCIS) and other similar platforms.

There are planned national roadshows to communicate the outcomes of the final and gazetted Tourism Sector Codes, and this is where the messaging will be reinforced to the tourism small businesses. The workshops would ensure that EMEs are encouraged to embrace the principles, objectives and spirit of B-BBEE in order to advance transformation in the sector.

Mr. Tami Sokutu
Chairperson: Tourism Empowerment Council of South Africa

TOURISM SECTOR CODES

A Commitment to Furthering Transformation and Broad-Based Black Economic Empowerment in the Tourism Sector

1. PREAMBLE

We, the stakeholders of the Tourism Sector, take this opportunity to state our awareness of the need to align the Tourism BEE Charter with the Department of Trade and Industry's Codes of Good practice on B-BBEE and advance sector initiatives to empower black South Africans, and, in so doing, to make the sector more accessible, more relevant and more beneficial to all South Africans.

The Tourism Sector Codes express the commitment of all stakeholders in the Tourism Sector to the empowerment and transformation of the sector and its commitment to working collectively to ensure that the opportunities and benefits of the Tourism Sector are extended to black South Africans as well. To this end, we have requested the Department of trade and Industry (the dti) to gazette the tourism BEE Charter as a Sector Code in terms of Section 9 of the Broad-Based Black Economic Empowerment Act No 53 of 2003. We have ensured that the Tourism BEE Charter fulfills the requirements set out under Section 9, for gazetting as a Sector Code, namely that the Charter:

- (a) Has no deviations from Codes definitions and principles;
- (b) Is sufficiently comparable to the codes in the order of elements, targets and weightings;
- (c) Has justifiable differences to the Codes.

Lastly, we, the leaders of the Tourism Sector, hereby commit ourselves to ensuring the implementation of this Tourism Sector Codes within the timeframes jointly agreed upon, and as set out in these Codes.

2. OUR COMMITMENT

We acknowledge that two main challenges face the Tourism Sector:

- The need to become more globally competitive; and
- The need to include black people in the Tourism Sector.

We believe that these two challenges are fundamentally linked. For our sector to thrive and grow, we commit to both. The commitment to empowerment and transformation is therefore based not only on our moral obligations with regard to a transforming South Africa, but also upon our fiduciary obligations to our shareholders and employees, and to the growth of our sector within the broader South African economy.

The stakeholders make this commitment fully aware of the fact that empowerment and transformation of the Tourism Sector will contribute to its growth and sustainability. The key areas of focused empowerment and transformation, in the context of this Scorecard, are: Ownership, Management Control, Employment Equity,

Skills Development, Preferential Procurement, Enterprise Development, Socio-Economic Development and Industry Specific Indicators, as set out in the attached Tourism Sector Codes.

3. THE LEGACY

We recognise that our industry, like the rest of South African society, remains characterised by large disparities in access to opportunities and benefits, and in particular, to opportunities and benefits for black people.

We also recognise that our sector is largely white-owned and we are aware of the residual impact of this legacy of inequality and its continuing impact on efforts to ensure that a tourism- and tourist-friendly culture takes root in our country.

Furthermore, we recognise that the legacy of Apartheid remains apparent in some of the Tourism Sector's associations and bodies and we therefore acknowledge the need for transformation within these associations, so that they may become truly representative and reflective of our society.

In addition, we recognise that our sector remains largely inaccessible to the majority of black South African tourists. Since South Africa has so much to offer in terms of tourism, we recognise the need to reverse this legacy and to make tourism in South Africa more adaptable and accessible to black South African tourists.

4. SUSTAINABILITY

We acknowledge that, for our initiatives to be sustainable and meaningfully empowering, they must be based on the identification of strategic opportunities for our enterprises and for our industry. These initiatives must be underpinned by sound commercial logic, and must be well structured and focused, with deliverable growth objectives.

We further acknowledge that the sustainability, competitiveness and growth of our industry require the empowerment and transformation of the sector.

Empowerment and transformation make good business sense as they will introduce innovation into the sector through new players entering the sector. This will attract new markets and stimulate new product development.

5. OBJECTIVES OF THE TOURISM SECTOR CODES

The Codes:

- have been developed to advance the objectives of the Broad-based Black Economic Empowerment Act no. 53 of 2003 (B-BBEE Act);
- constitutes a framework and establishes the principles upon which B-BBEE will be implemented in the Tourism Sector;