

NEF showcases R200 million worth of tourism investments at Africa's Travel Indaba

Durban: The National Empowerment Fund (NEF) and 8 of its investees exhibited their products and services at Africa's top travel tradeshow, **Africa's Travel Indaba 2019**, which took place at the Inkosi Albert Luthuli International Convention Centre in Durban from the 2nd to the 4th of May 2019.

Opening the tradeshow on Friday, 02 May, Tourism Minister Mr Derek Hanekom urged participants to enhance the Indaba "every year to drive massive growth in tourism numbers by bringing together a range of our best and most unique products from across our continent, and connecting them with buyers from across the world". The Minister said Africa's Travel Indaba has become synonymous with storytelling and this year's theme: "**Africa's Stories, Your Success**" re-emphasises the importance of "telling our own stories and showcasing our successes. Over the next three days, Africa Travel Indaba will be a hive of activity. There are hundreds of tourism products from across the continent exhibiting. International buyers and media from all over the world are here to spread the good news and whet the appetite of millions of aspirant travellers to visit our magnificent and alluring continent".

"As part of our efforts to revitalise our economy, South Africa is focusing our energies on labour-intensive sectors such as agriculture, the oceans economy and tourism. We have set ourselves a bold target to raise over \$100 billion in new investment over five years. Tourism plays a critical role in that strategy. In South Africa, the annual growth rate of tourism is currently exceeding the goals in our national tourism strategy and it is expected to grow even further," said President Cyril Ramaphosa at the Africa Travel Indaba on Saturday, the last day of the annual event.



President Ramaphosa speaking at the Indaba.



Minister of Tourism, Mr Derek Hanekom, KZN MEC for Economic Development, Tourism and Environmental Affairs, Mr Sihle Zikalala and Deputy Minister of Tourism, Ms Elizabeth Thabete opening the Indaba.

they can embark on the journey of changing the continent's story," says Ms Philisiwe Mthethwa, CEO of the NEF.

Tourism Transformation Fund

In June 2018 the Department of Tourism (NDT) signed an agreement with the NEF to establish the Tourism Transformation Fund (TTF) which focuses exclusively on the transformation of the South African tourism sector. According to this agreement the NDT will transfer a total of R120 million to the NEF over a 3-year period to be applied as grant funding for the benefit of qualifying enterprises that meet the funding eligibility criteria as set out by the two institutions. To date the NDT has transferred a total of R80 million towards the TTF.



Ms Philisiwe Mthethwa
NEF Chief Executive Officer

The NEF finances the loan portion and shareholder loan segment of the transactions and NDT funds is applied as grant funding through the TTF. The fund provides a maximum grant of R5 million or 30% of the total project funding requirement to each eligible transaction.

The fund was launched as a pilot for three years where three application windows will be advertised for the public to make submissions directly to the NEF. Since inception of the NEF a total of twelve transactions valued in excess of R200 million have been approved and financed by the development financier.

NEF showcases R200 million worth of tourism investments at Africa's Travel Indaba ...continued.

Local, regional and international visitors

According to the organisers the show attracted 1 663 local, regional and international buyers from 62 countries with over 7000 delegates attending the travel show. With more than 1 000 exhibitors, 22 African countries were represented at the event. These numbers demonstrate that the Indaba continues to grow and is a sought-after platform for African tourism products.

KwaZulu-Natal MEC for Economic Development, Tourism and Environmental Affairs Mr Sihle Zikalala said: "Growth and sustainability of tourism depend on forging strategic, mutually beneficial partnerships. This Indaba will promote collaboration, experience sharing, and private-public partnerships to maximise the benefits of tourism. For our province and our country, it must also help us advance transformation, inclusive growth and job creation".



NEF and Department of Tourism exhibition stand showcasing eight NEF investees in the sector.

"KwaZulu-Natal is blessed with unique scenic beauty, a warm weather throughout the year and a hospitable people. We are endowed with a rich natural heritage, two world heritage sites, and some of the best conferencing facilities in the world, like this award-winning Inkosi Albert Luthuli International Convention Centre," added Mr Zikalala.

Business is good



NEF Head of Marketing and Communications, Mr Moemise Motsepe (left), being interviewed on SAfm with Graskop Gorge CEO, Mr Oupa Pilane.

Mr Thapelo Msimang, the 27-year-old events and conference centre manager at the Jozini Tiger Lodge, an NEF-funded hotel, was quoted as follows by *Business Day*:

"We cater for conferences, events and weddings. Our lodge is popular with both the international tourists as well as

government officials who are booked here when they come for work in the region. Business is good," he said. As reported by *Business Day*, Mr Msimang said business is so good that other establishments such as timeshares and B&Bs are building near Jozini Tiger Lodge due to demand. "Even locals are hiring rooms out to local and international visitors," he added.

In an interview on *SAfm*, Mr Oupa Pilane, CEO of Mpumalanga investee company, Graskop Gorge, thanked the NEF for "going the extra mile to ensure that investees obtain the highest support for their success. The NEF has played an important role in allowing us to reach a broad audience through both their professional network and media partners, and with joint marketing initiatives like Africa's Travel Indaba it has been especially useful in driving a number of collaborative marketing events with various provincial and national tourism organisations. This has given us a much wider reach, which we value greatly".

NEF life to date milestones at a glance

1

Approvals

Approved **988 transactions** worth more than R9.886 billion countrywide across all sectors of the economy.

2

Disbursement

Approximately **R6.7 billion** has been disbursed to these companies since inception. Over R3.4 billion has gone to black women entrepreneurs.

3

Integrity

Secured clean external **audit opinions** for 15 years running

4

Supporting jobs

Since inception, the number of job opportunities supported is 99 445 of which 68 191 were new.

5

Black Industrialists

27 strategic and industrial projects worth R28.6 billion, with the potential to support over 86 500 jobs.

6

Repayments

Over R3.3 billion has been repaid by investees, attesting to the efficacy of the NEF's mentorship programme.

Examples of NEF funding in the tourism sector

Donga La Boutique Hotel

Donga la Boutique is a new mid-market 15-room hotel with conferencing and wedding facilities and a restaurant, located in Ladysmith.



President Ramaphosa making a brief stopover at Donga La, an NEF-funded hotel in Newcastle recently.

The boutique hotel boasts a 4-star grading while charging 3-star rates. The hotel has exclusive accommodation units, a presidential and honeymoon suite with in-suite bathrooms the promoter Ms Ruby Shabalala believes that the town is an ideal setting for a boutique hotel with a restaurant and wedding venue. The development boasts luxurious rooms, administration block and a boma. The Entrepreneur had invested a significant amount in the construction costs and required funding in order to complete the development. Donga la Boutique Hotel appeals to all the major market segments that are either already based in the Ladysmith as well as travellers to the area these includes both leisure and business travellers. The NEF has invested R1.5million in the business. The President His Excellency Cyril Ramaphosa recently made a stop at the hotel during his visit in the area.

Graskop Gorge Lift Company



The Graskop Gorge Lift Company is the latest and most innovative tourism development in South Africa. This jewel of Mpumalanga's Panorama Route is located in the breathtaking Afromontane

forest and may be accessed via a viewing elevator that travels 61-metres down into the Gorge. The centre also offers a restaurant perched on the edge of the gorge, an art gallery, African fashion, curios, a crafts market and much more.

The journey begins as the visitor drops off the grassy cliff top plateau in a custom-designed 26-passenger outdoor elevator. It travels down the cliff face into the cool mountain forest below. The forest trail is a sensory delight and environmental splendour, full of natural sounds, texture and unforgettable sights. Water drips down rock faces, moss grows in abundance, the river dances across boulders and the waterfall cascades. A rich, earthy aroma lingers, and little flowers vie for attention next to towering trees

as exotic birds glide gracefully in their pristine habitat. In support of South Africa's policy of developing black industrialists, the NEF has invested R40 million in the business, with the Department of Tourism providing a R5 million grant.

Rhino Ridge Safari Lodge

Rhino Ridge Lodge built within Hluhluwe iMfolozi Park is part of the conservation of the white Rhino population project in the area. Constructed in 2014 the lodge boasts contemporary designs



with overtones of organic forms utilising natural finishes and materials. Rhino Ridge is part-owned by the local Mpembeni Community. It offers 18 rooms nestled in natural bush high up on the ridge with commanding views of the landscape. The rooms comprise 8 villas, 2 honeymoon suites, 4 safari rooms and 2 family units with bedrooms each. The National Empowerment Fund has invested R20.5 million towards the project on behalf of the Mpembeni Community Trust. The NEF, the private promoter and the Mpembeni Community Trust each have an equal shareholding of 33% in Rhino Ridge Safari Lodge.

Royal Thonga Safari Lodge



The Royal Thonga Safari Lodge is one of the lodges in which the NEF has invested. The lodge is an oasis within the protected sand forest where the mystic elephants of the Tembe Elephant Park

live side by side with the regal and ancient people of the Thonga, who have called this place home since the 16th century and whose kingdom stretches to Maputo in Mozambique. The lodge focuses on excursions which include local areas of Kosi Bay, Isimangaliso World Heritage Site, Ndumo and Jozini Dam. The NEF is proud to invest alongside the private investors and the Royal Tembe Development Foundation to help secure significant community ownership in an asset that is rooted in the natural environment and has power to enrich the community through tourism. The NEF has invested R8.9 million in the transaction to secure 34% shareholding for the Tembe Community Trust.

Examples of NEF funding in the tourism sector...continued.

Tala Private Game Reserve

Tala Private Game Reserve is located in Camperdowns in the hills of a peaceful farming community, close to the bustling city of Durban. This game reserve is home to more than 380 bird species, as well as big game like Rhino, Kudu, Hippo, Giraffe and the rare Sable Antelope. Plant species found in this area include the Fiery Aloe, the imposing Euphorbia and fragrant Wild Sage. Tala Private Game Reserve is an excellent place to host a professional conference, a romantic wedding and numerous other celebratory occasions, or simply to relax and enjoy some pampering. Guests can also explore the reserve on guided game drives and bush walks. The NEF has invested R14.1 million on behalf of the Nkumbuleni Community Trust. The Trust has a 100% shareholding in Gradoscope (Pty) Ltd, the operating entity.



luxurious natural products and gentle fragrances, with African-inspired massage therapies.

Calm your spirit, soothe your soul, relax your body and simply de-stress. The Mangwanani Boutique Spa offers pure indulgence with a range of therapeutic

massage treatments that can be enjoyed at pool-side gazebos or in the comfort and privacy of guests' rooms. Mangwana boasts 20 facilities throughout the country and has been operational since 2002.



Mangwanani is committed to social responsibility, and offers black individuals training, job opportunities, as well as profit sharing. One such beneficiary of NEF funding is the Mangwanani Spa at the Jozini Tiger Lodge, which is owned and managed by local women. The Durban branch of the Spa offered free massage therapy for head, shoulders and feet to delegates who visited the NEF Pavilion at the Indaba.

Jozini Tiger Lodge:



Situated in the heart of the Zulu Kingdom with its rich heritage and pristine natural beauty, Jozini Tiger Lodge & Spa is the perfect luxury getaway in the heart of nature. Incredibly positioned along the

banks of the picturesque Lake Jozini and backed by the splendour of the Lebombo Mountain range, the Lodge boasts superb facilities, including a Mangwanani Spa, gym, rim-flow swimming pool, exceptional dining experiences, extensive conference and banqueting facilities, and a wide range of activities for all ages. Jozini Tiger Lodge & Spa is ideal for weekend getaways, extended family holidays, conferencing, incentives, weddings, team building and tour groups.

The NEF has invested R28 million towards funding the Jozini community, who are 16,67% shareholders in the business. The communities' interests are held in the holding company Ntsinde Royal Jozini Holdings.

Mangwanani Boutique Spa

The Mangwanani Boutique Spas offer the perfect remedy to a stressful, demanding lifestyle. These upmarket and exclusive African spas are designed to relax and rejuvenate your body with

Park Inn Polokwane - The gold class of hospitality



Offering international quality service combined with South African hospitality, Park Inn by Radisson Polokwane is the perfect stop whether you are travelling on business or leisure.

The trendy vibrant hotel offers 160 contemporary guest rooms and suites, 3 smart meeting and events rooms and a spacious Live-Inn Room Restaurant and bar, all with free unlimited Wi-Fi.

The business targets local and international business and leisure travellers who require quality services, a comfortable and safe environment while offering all amenities including a restaurant, conference facility and other related facilities typical of a 3-star midscale hotel experience.

NEF funding of R48 million has enabled B-BBEE ownership of 83% including NEF equity as well as effective black women shareholding of 30%. Black male shareholding is 30%. This investment supports 108 direct permanent jobs.