

## Background

The Western Cape offers the strongest overall tourist product in South Africa. The Cape Town metro area, Table Mountain, the Winelands and the Garden Route combined with the rich cultural heritage of the Province and a cosmopolitan and a fashionable international image provide the basis on which to build a world-class tourist destination.

The Western Cape has become a global player in a highly competitive market and the success that has been achieved is commendable, however success brings its own challenges and responsibilities. The Province is now moving to the second phase in its evolution as a destination for tourism. Recent investment in the sector by both public and private sector has been significant. Furthermore, the responsibility of tourism to set the backdrop for trade and investment in the Province through image and prestige is increasing.

The White Paper on Tourism has identified the need for focus, prioritisation and leadership within tourism in the Western Cape. KPMG has been commissioned by the Chief Directorate: Tourism to develop an Integrated Tourism Development Framework for the Province which will provide the basis for delivery of product development and marketing strategies through a market led approach and focus upon prioritisation.

The desired outcomes of the study are as follows:

- alignment and integration of tourism initiatives at all levels;
- buy-in through creating awareness of tourism benefits in all sectors of the community;
- creation of a vibrant and world-class destination;
- acceptance and actioning of proposed catalytic developments;
- local, provincial and regional economic development and co-operation; and
- increased visitation from both domestic and international tourists.

This framework aims to provide a context for intervention and practical direction. It also aims to demonstrate to private sector that planning is coherent and commitment is real.

The outcomes will be threefold:

- Review of tourism potential – assessment of tourism product, plant and infrastructure against market trends and requirements;
- Tourism Spatial Framework – how tourism currently works in space and how it should work in future; and
- Tourism Investment Framework – which identifies the investments both large and small that the Western Cape will have to make to achieve its goals.

As the Western Cape enters this second phase of its evolution as a destination for tourism and commerce, there is mounting pressure on tourism to deliver on its promises of economic empowerment and job creation. There must be a realisation that tourism is not the solution to all social and economic problems facing either South Africa or the Western Cape. It is a highly competitive international business with high economic and social stakes. Being competitive is a requirement. An integrated development framework that provides leadership and direction is an important step toward the implementation of many existing and planned initiatives and the overall delivery of tourism in the Province. Success will be measured by delivery not rhetoric.



## Study objectives

This document is the culmination of extensive discussions held over a number of months with representatives of the respective governments and their departments and agencies and the private sector. A structured, logical and consultative approach was used to assess tourism potential and its implications.

The principal study objectives are as follows:

- to build upon the existing work that has been undertaken at local, provincial and national level and establish linkages where possible
- to “audit” the existing tourism products, markets and infrastructure provision;
- to develop an integrated tourism development framework with focus upon linkages between existing market flows (both domestic, regional and international), priority market segments, opportunities for dispersal and product packaging, investment opportunities, human resource requirements and institutional alignment;
- to identify areas of priority for tourism development;
- to identify tourism products and support infrastructure to be addressed in priority areas;
- to review the key threats and opportunities facing the physical and man made tourism environment in the Province;
- to establish a broad strategic framework and key interventions and initiatives through which the vision and strategic priorities can be realised;
- to identify and address the key resource implications and institutional roles and responsibilities involved in implementing the strategic framework; and
- to communicate the framework to the various stakeholders and other interested parties.

Perhaps the most important objective of this study is to get all stakeholders talking the same language and working towards common goals. This pertains to stakeholders within and internal to the Province provincial, regional and national government, and across frontiers between the respective tourism regions . This is not easy but experience has shown that a big idea or vision can take a destination on the first steps along the road. The big idea must be creative and imaginative. It must also facilitate leverage, enable prioritisation and assist the fast tracking of projects that relate to its achievement. The Tourism White Paper sets the vision or big idea for the Western Cape. The Integrated Tourism Development Framework must provide the mechanisms to realise this vision.

It is not the purpose of this study to duplicate the work that has already been undertaken but rather to achieve a common goal of developing a coherent, structured and effective approach to tourism planning, management and marketing. Focus has been placed on issues and solutions that will direct change without effecting substance. The aim to elevate the Western Cape as a tourist destination also meant that there is a requirement to “look outside Africa”, tap into international best practice, learn from success stories and apply them to a unique situation.

An important lesson learnt from our discussions with representatives of similar destinations such as British Columbia, Western Australia, Victoria (Australia), Ireland and Barcelona, is that balance between tourism and other objectives such as encouraging investment, commercial development, socio-economic upliftment, poverty alleviation is possible. It requires drive, prioritisation, co-operation, alignment and integration but it is achievable. Positive thinking and proactive action is now a requirement.





## Methodology and approach

The Western Cape Government is under pressure to deliver tourism projects and related investment, jobs and growth. An ad-hoc approach to planning and lack of co-ordination resulting in initiatives being formulated in a vacuum has resulted in a situation where private sector investors cannot make well informed decisions. There is an urgent need for Government to be proactive in instilling confidence and encourage tourism development in neglected areas, through strategic intervention i.e. providing infrastructure, or for example, incentives, partnerships, land delivery and facilitation.

The brief to the consultants was to take a fresh look at the Western Cape and to provide a vision and solutions for the sustainable development and maximisation of tourism potential in the region. Our methodology combines three strands of analysis, namely:

- **Policy** - integration of national and provincial macro-economic policies and tourism strategy documents;
- **Technical** - which includes the collation and mapping of data pertaining to existing tourist attractions; existing products and markets and infrastructure provision; and
- **Strategic** - identification of current and future tourism products and markets.

Our analysis is based on several planning assumptions namely that certain physical factors are important for tourism destination development (such as scenic beauty or historical/cultural interest) and the greater the abundance and quality of these factors, the greater the potential. We also assume that tourism planning must take into account changing domestic demographics, a rapidly developing market place and international best practice in product provision.

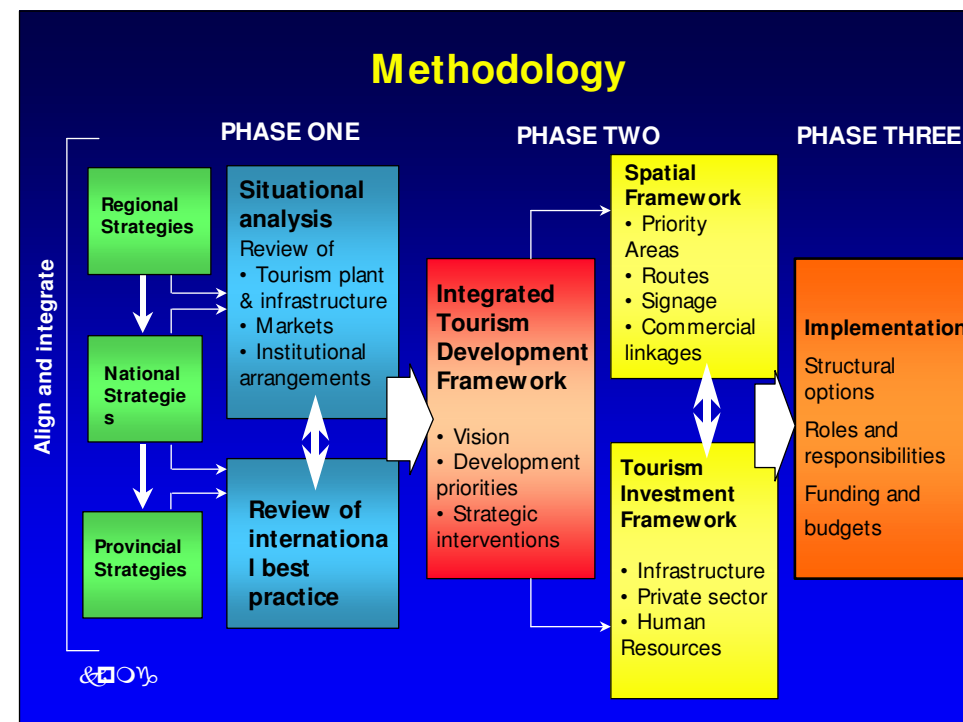
Through GIS mapping and analysis we are able to build up a clear pattern of where Government should lead and encourage growth. The two key decision making areas are the confluence of strength of tourism product and the existence of high-density poverty. This points to the optimum areas in which Government would need to intervene, if it is to ensure that tourism and the delivery of public investment is developmental. This is a clear and logical argument and therefore an important starting point.

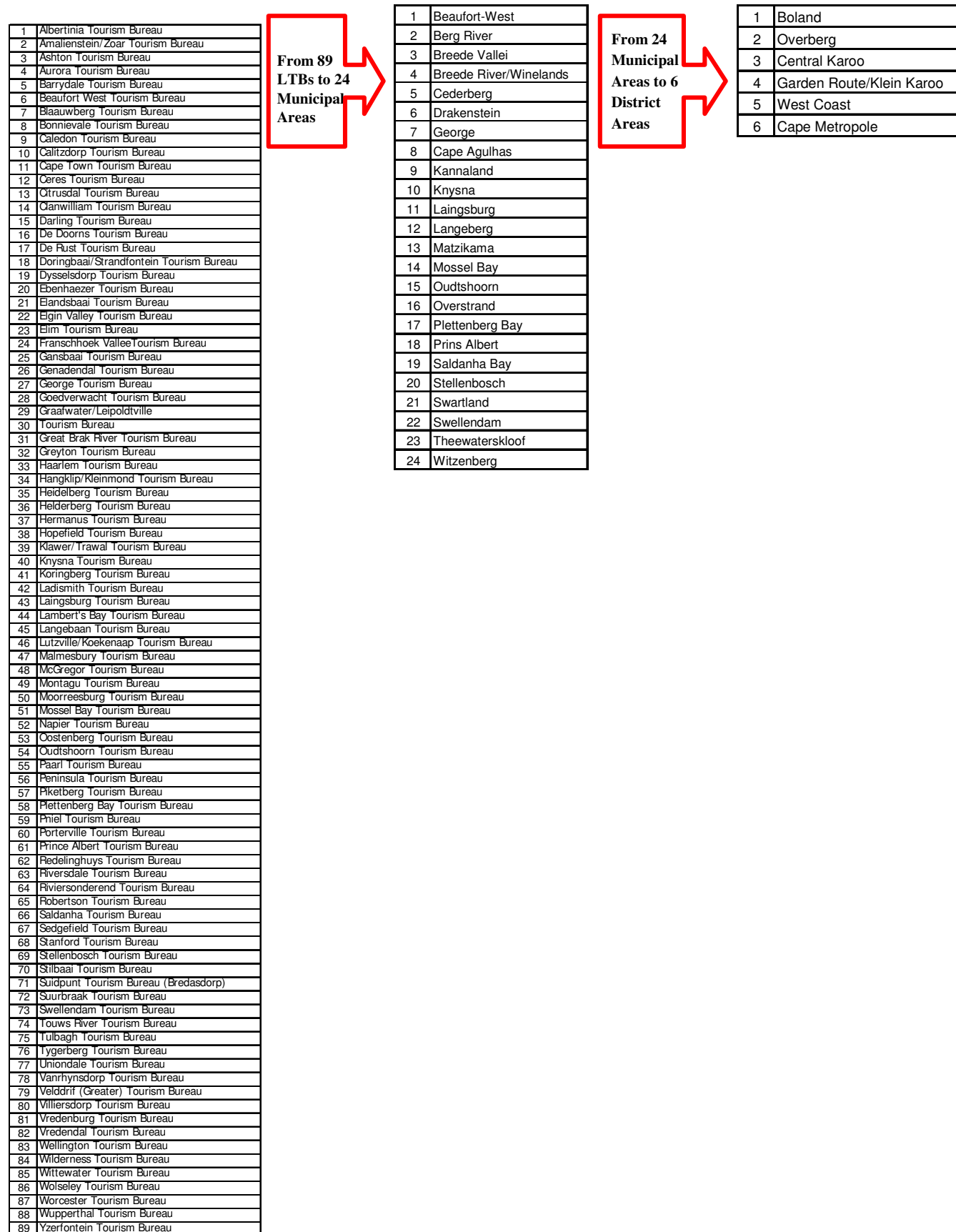
There is renewed interest in the Western Cape as investment destination, and tourism and associated “new economy” sectors such as film, information technology are targeted. Inward investment and industry expansion are key to lifting the Western Cape onto a new level of development as tourism destination.

The consulting process has been extensive with interviews held with stakeholders with a direct or indirect interest in tourism in the public and private sectors. We absorbed work that has already been undertaken with the aim to synthesise it into a strategic platform for tourism growth for the Western Cape. Notwithstanding the fact that this methodology is objective, we have made informed but often-subjective assessments. Where at all possible we have sourced input and information that has influenced our judgement.

This situational analysis provides the required background information to formulate the framework. It provides a basis for discussion and also enables the Directorate and its partners to input into the process at an early stage in its evolution. There remain a number of individuals and organisations to be consulted and these views and opinions will be consolidated into the next phase.

We would like to thank communities, individuals and organisations that took the time to input into this study. We would like to particularly thank the Western Cape Tourism Board, Cape Metropolitan Tourism and regional and local tourism organisations for their support and use of information and research databases.





## Data collection and mapping

Data for this document has been collected from a number of sources including:

- ENPAT
- Trigonometry Survey (Surveyor general)
- South Africa Tourism
- Wesgro
- Western Cape Tourism Board
- Statistics South Africa
- Provincial statistics and strategies
- Primary sources: interviews and fieldwork
- Various consultants reports
- Cape Metropolitan Tourism

All due care has been taken in the accuracy of the figures used in this report, although it should be noted that the general enumeration of the data has been inconsistent, collected at a variety of scales and with varying statistical boundaries and sample sizes.

GIS mapping has been undertaken using a variety of software including database, spreadsheet, GIS and DTP and has proved an invaluable aide and tool in the process of this situational investigation. The area where GIS has added particular value include:

- the ability to accurately position information such as infrastructure and tourist attractions
- sourcing information such as demographic patterns and infrastructure networks from large databases and the mapping of these
- the ability to layer and analyse maps in order to create composite maps depicting overall patterns and trends

We have used GIS as a tool to graphically demonstrate our findings. Data collection, stakeholder input and our own experience and expertise have informed the basis of this report. From the spatial analysis we will be able to identify a formal hierarchy of tourism development patterns (existing and potential) such as gateways, distribution points, routes and destinations. This provides us with the key elements of the deliverable for Phase 2, the Tourism Spatial Framework on which future investment decisions can be made, and where areas of most need and most potential become investment priorities for Government.

In order to compile the market profiles required for this study, we have sourced relevant data and information from the Western Cape Tourism, South African Tourism, Cape Metropolitan Tourism as well as our own primary research. However the complexity of the tourist market requires natural and intuitive solutions to managing imperfect market data and uncertainty in large complex systems such as tourism.

*Artificial intelligence (AI) technology* offers a natural and innovative solution for tourism data interpretation and analysis. AI enables people with appropriate expertise to accurately and concisely represent the knowledge (e.g. product cycle, market penetration etc.) AI consistently outperforms conventional statistical techniques in data that is non-linear. It has the following strengths of particular relevance to this study:

- AI can store information in an active form that many analysts can examine
- AI creates a mechanism that is not subject to human feelings, e.g. manipulation of data; and
- AI can enhance knowledge by suggesting solutions to specific problems that are too extensive and complex to be analysed by humans in a short time.

The application of AI adds considerable value to conventional analytical techniques, but also overcomes limitations that exist in current tourism data interpretation. Our approach and technology offers a solution that focuses on translating information into value, which in turn builds compelling new value propositions for users of the knowledge. The outcomes of AI provides a much more powerful platform for analysis and greatly enhance the decision maker's understanding of the market.

Knowledge extracted from data has been aimed at capturing underlying dimensions of tourist profile or target market behaviour. The Western Cape needs to "target and get to know its tourists". Focussed market intelligence serves to add value to the process of determining and justifying existing and potential future target markets and must be regarded as a future ongoing activity. The market research methodology is expanded upon in the appendices.

Understanding the significance of tourism
<ul style="list-style-type: none"> <li>■ It's of growing economic importance around the world</li> <li>■ It's so woven into the economy that its significance often goes unnoticed</li> <li>■ It's composed of many different products and services</li> <li>■ It's a 24-hour-a day, seven-days/week sector, despite seasonal fluctuations</li> <li>■ It's labour intensive with employment opportunities as all skill levels</li> <li>■ It consists predominately of small businesses, despite growing investment by larger companies;</li> <li>■ It relies on minimal direct financial assistance from or regulation by government;</li> <li>■ It's a decentralised industry capable of diversifying regional economies;</li> <li>■ Compared to other industries, there are relatively few barriers to entry;</li> <li>■ It's a relatively low pollutant which, if properly managed, can contribute to the conservation of natural and cultural heritage;</li> <li>■ It's an important medium for educational and cultural exchange, promoting international understanding and goodwill; and</li> <li>■ Although it's private sector driven, government shapes the operating environment and provides much of the infrastructure needed by consumers and the industry.</li> </ul>

## Benefits of tourism

Over the past thirty years there has been a global decline in the job creation potential of traditional sectors of the economy (e.g. manufacturing, mining, agriculture etc). This has led to a phenomenon known as "jobless growth" within both developing and developed economies. The creation of employment has become a major challenge for governments across the globe.

Travel, leisure and tourism are the fastest growing economic sectors and have emerged as major drivers of a "new economy" based upon services. These sectors are cogs that bring together many of the components necessary for a successful "new economy" (e.g. advertising, fashion, media, music, information technology). Tourism – by encompassing many facets of the economy – has become an accelerator to a system based on globalisation, information and innovation. As a sector it provides the following benefits:

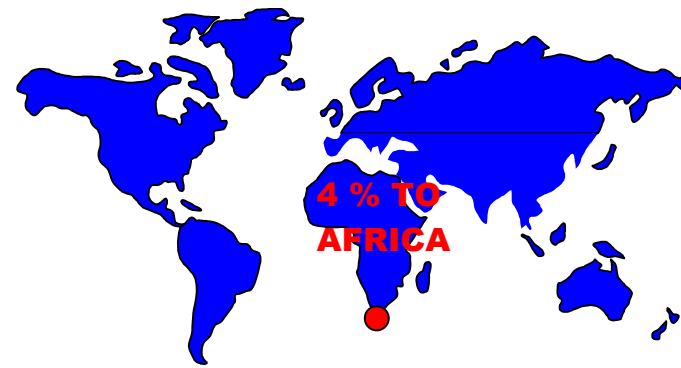
- Income – there is no single transaction but a wide range of purchases of goods and services across the economy;
- Foreign exchange – for developing countries the generation of forex through tourism has become essential;
- Employment – tourism is labour intensive and the skills required to enter employment are low, making it possible to absorb large amounts of people quickly;
- Investment – tourism infrastructure investment is an economic stimulus;
- Prestige – positive international reputation and ultimately a place on the destination "wish list" has positive commercial as well as economic implications;
- Creation of small businesses – tourism is an agglomeration of sectors and therefore creates small business opportunities throughout the economy.

Negatives balance the above benefits. Any influx of tourism, however small, will make some impact. Key negatives include:

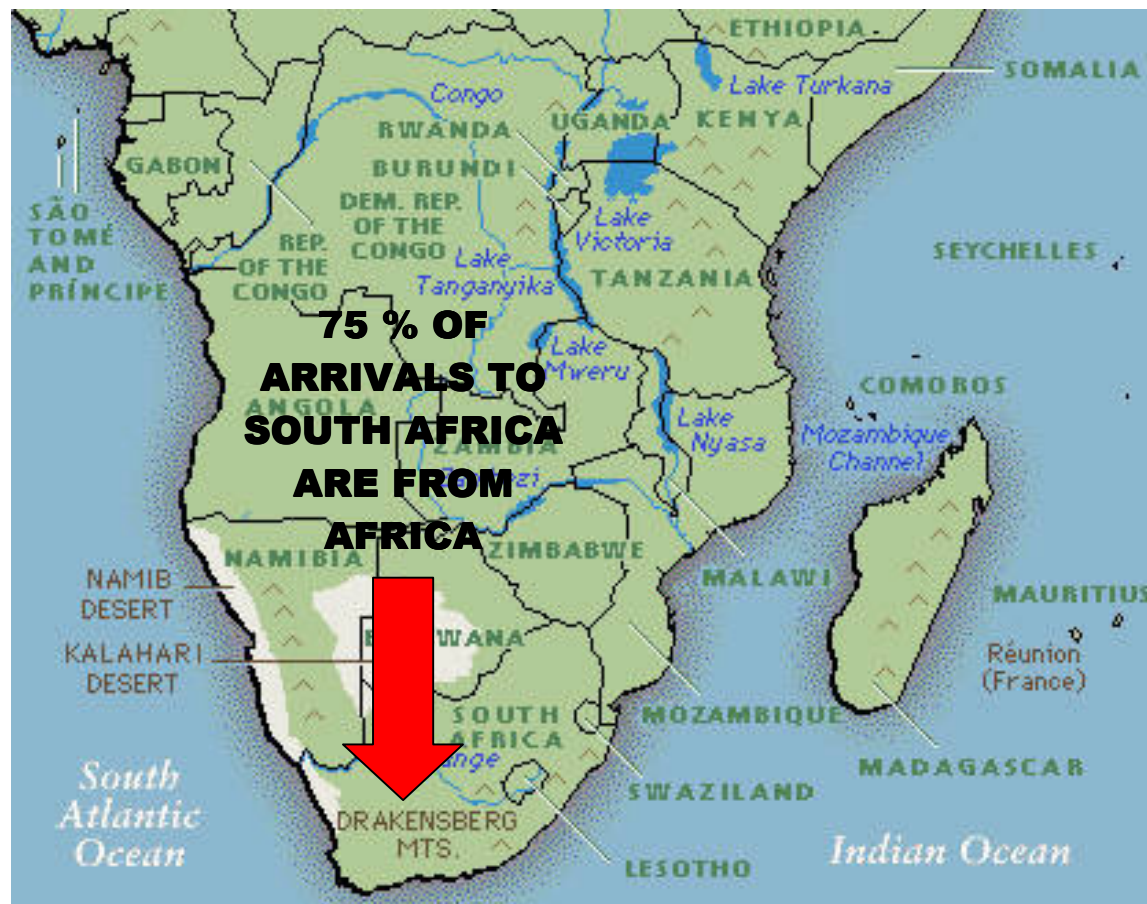
- Social – range from immigration to direct impacts on culture;
- Environment – pollution, congestion and erosion;
- Leakages – import of goods and services, international promotion and advertising, repatriation of profits etc;
- Over reliance – tourism is volatile and responds quickly to external influences.

Tourism presents an opportunity to the Western Cape. Investment in product has been made by nature not government. Tourism can be used as a means to showcase and retain culture, history, environment and commerce. Key to maximisation of benefits and minimisation of negatives is an integrated approach to planning and clear definition of target markets in order to limit change to that which is acceptable.

- Tourism to Africa is small scale in global standards, capturing only 4% of the total
- Arrivals have however doubled between 1988 and 1997 and are projected to grow at least by 5% per annum between 2000 and 2020
- South Africa leads the Continent's Top Ten destinations with approximately 6 million arrivals (2000)



South Africa is rated 24<sup>th</sup> in the World's Top destinations



## Growth of global tourism

Travel and tourism is emerging as the leading global economic driver of the 21<sup>st</sup> century. International arrivals show an evolution from a mere 25 million in 1950 to 697 million in 2000. Tourism receipts reached US\$476 billion in 2000. The **Tourism 2020 Vision** study published by the World Tourism Organisation (WTO) forecasts that by 2020, there will be close to 1.6 billion international tourist arrivals worldwide. These international tourists will spend over US\$2 trillion. Successful destinations stand to reap unparalleled economic benefits in terms of jobs, investment and growth.

Domestic tourism remains many times more important both in activity and money terms. According to WTO, most industrialised countries will soon come close to their ceilings for domestic tourism in respect of proportion of active participants and the incidence of participation. Main growth areas will be in the developing countries of Asia, Latin America, the Middle East and Africa where the proportion of active participants in tourism will increase strongly in the new millennium. Access, disposable income, and proximity are key elements in determining the future performance of these destinations and the level of growth that can be anticipated.

Tourism is highly competitive and market driven. Globally, destinations are faced with the task to develop a strong market position, increase brand awareness and yield amongst targeted domestic, regional and international markets. Future growth is expected to be focused upon the following product lines:

- |                    |                     |
|--------------------|---------------------|
| ■ Ecotourism       | ■ Thematic tourism  |
| ■ Cultural tourism | ■ Adventure tourism |
| ■ Cruise tourism   |                     |

Source: *Tourism 2020 Vision*, 1999 WTO

An increasing proportion of the population from key source markets (i.e. Germany, UK, USA, Japan etc.) are cash rich and time poor. The outcome is time efficient product development - offering the traveller maximum thrills in minimum time. Themed attractions are increasing in popularity. Disney's Animal Kingdom for example offers a sanitised and rapid trip through Africa, without having to travel to the Continent. Experiential tourism offering staged and diverse experiences is increasingly sought after and products are being developed accordingly. Sun, sea and sand continues to dominate and the existence of a paradise beach makes destination development and marketing so much easier.



### Evolution of tourism in the Western Cape

In order to understand the Western Cape it is necessary to “strip away” the layers of time that have impacted on the Province. Jan van Riebeeck, representing the Dutch East India Company (VOC) established Cape Town in 1652, as a provision base for ships travelling on the trade routes between Europe and the Far East. The Cape and the newly established settlement of Cape Town provided a strategic location and became a convenient maritime stopping point.

Cape Town’s roots as a tourism destination stem directly from its origins as a trading post and provision base. Throughout history Cape Town has played host to a transient population of surrounding farmers, ship crews and passengers. As early as the 1700s the keeping of lodging-houses was a lucrative activity. Travellers commented on the difficulties of obtaining accommodation when the harbour was full, and all complained at the high prices in season.

The Cape Town Railway and Dock Company built the first stretch of line to Eerste River in 1862; Wellington was reached in 1863. The first train from Cape Town to Johannesburg arrived in September 1892. Advances in shipping also opened up Cape Town as a destination. In the mid 1800’s, the steamer journey from Britain took roughly 58 days. Ships offered steerage passage for passengers visiting relatives in the colony.

The heyday of the Cape Town as a seaside resort began in the 1890s. Muizenberg, Camps Bay and Sea Point were promoted as holiday destinations for people from other parts of southern Africa and overseas. Fast steamships such the vessels of the Union and Orient lines ensured that the Western Cape was the gateway to southern Africa for Europeans and Americans. The rail link between the Western Cape and Johannesburg was crucial to the development of tourism. By 1881 many of the wealthier families from Kimberley came to Cape Town to escape the summer heat. By the early 1900s, previously remote coastal towns such as Hermanus and Langebaan had also gained popularity as seaside destinations for the domestic population. By the 1950, the South African Railway Service was operating 24 passenger trains per week between Cape Town and Johannesburg. The first passenger air service between Johannesburg to Cape Town was introduced in 1932.

Although international tourism to South Africa suffered under the Apartheid regime, the Western Cape remained a popular destination for British and German stalwarts. Coastal towns of the Western Cape, such as Kleinmond, Langebaan and Still Bay, however attracted the middle class from the Free State and Gauteng who established second homes for the annual coastal vacations.

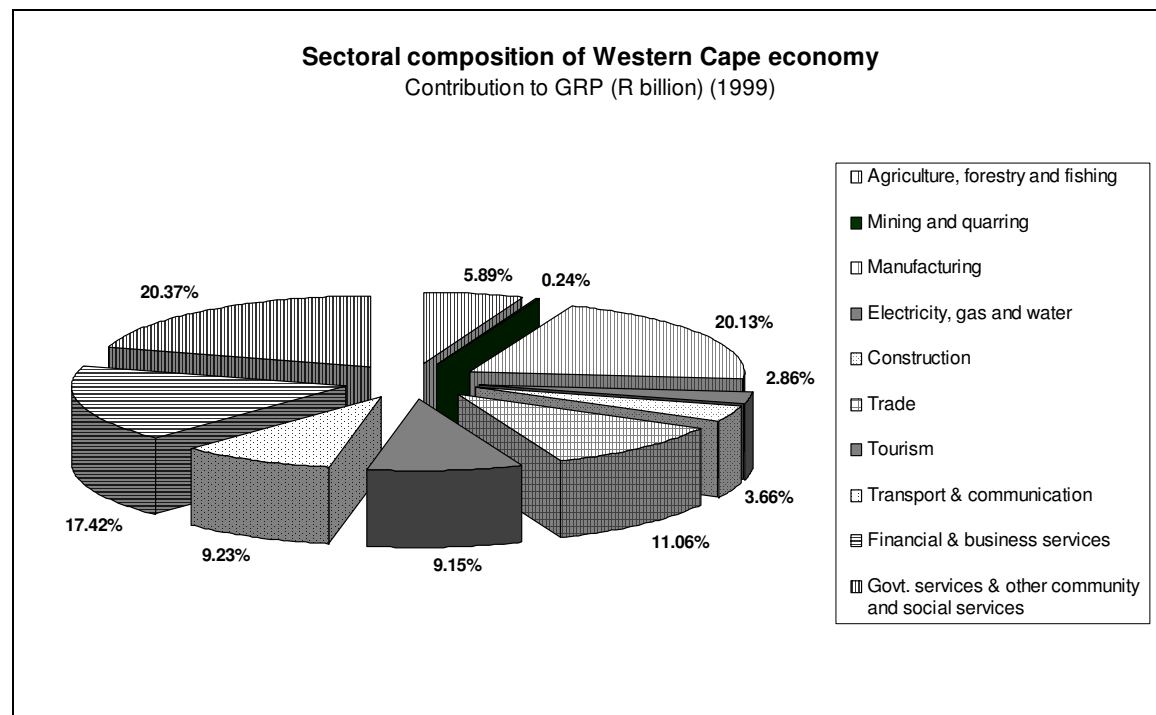
By the late 1980’s Cape Town harbour, formerly the heartbeat of the city was a derelict wasteland. In 1990, the Victoria & Alfred Waterfront Company commenced with the rejuvenation of harbour area and creation of Victoria and Alfred Waterfront. Today, the Waterfront is world-renowned and the most popular attraction in South Africa for international and domestic tourist alike.

With the advent of the new South Africa in 1994, Cape Town and the Western Cape were well positioned to benefit from the massive upswing in tourism to South Africa. The Western Cape boasts 8 of the 10 most popular tourist attractions in South Africa. The Western Cape has over the last decade developed into the countries strongest tourism region, receiving approximately 30 per cent of the domestic market. More than 50 per cent of overseas visitors include the Cape in their South African itinerary. Cape Town was selected as South African bidding city for the 2004 Olympic Games in 1996, providing a dream and common vision for the destination to work towards. Although Cape Town failed in its bid to win the 2004 Olympics, the initiative was invaluable in terms of promotion, and for ensuring the critical evaluation of its tourism facilities. The bid gave rise to a number of infrastructural projects, as well as boosting the supply of accommodation and developing the region as a sporting venue.

The bid provided the Western Cape with a sense of importance that was perhaps above its own status. Both Cape Town and Province as a whole became complacent regarding global standing and positioning. An air of complacency was an outcome. Urban terrorism and a growing recognition amongst public and private sector that there remains much work to be done with regard to product and infrastructure development, economic growth and social upliftment resulted in renewed focus on tourism as a catalyst to position the Province as a world-class destination. Mega-projects such the Grandwest Casino, Arrabella Country Estate, Century City, Fancourt, Spier and the new Cape Town ICC provide an important platform upon which to build.

Tourist arrivals 1997 – 2000 for the Western Cape						
	1997	1998	1999	2000	2001	2002
Overseas	760 000	875 520	1 008 599	1 161 906	1 338 516	1 541 970
Africa	365 000	396 270	430 873	469 271	512 004	559 705
Sub-total: Foreign	1 125 000	1 271 790	1 439 472	1 631 177	1 850 520	2 101 675
Domestic: inter-provincial	3 299 000	3 430 960	3 568 198	3 710 926	3 859 363	4 013 738
Domestic: intra-provincial	2 888 000	3 003 520	3 123 661	3 248 607	3 378 552	3 513 694
Sub-total: Domestic	6 187 000	6 434 480	6 691 859	6 959 534	7 237 915	7 527 432
<b>Overall total</b>	<b>7 312 000</b>	<b>7 706 270</b>	<b>8 131 331</b>	<b>8 590 710</b>	<b>9 088 435</b>	<b>9 629 107</b>

Source: Adjusted CSS/Satour figures



Source: Wesgro

Stakeholder opinion
Product
<ul style="list-style-type: none"> <li>■ Environmental theme park</li> <li>■ Ability to compete with the best</li> <li>■ Interest in mega-projects is a major plus</li> <li>■ Lack of accommodation outside of Cape Town</li> <li>■ Packaging of products need to be more creative and focused</li> <li>■ Poor regional tourism plant of relative inaccessibility</li> <li>■ Diversity of tourism experiences across the province</li> <li>■ Need to build on tourism potential of regional Western Cape – culture, sport and natural strengths – and link into Cape Metropole</li> </ul>
Infrastructure
<ul style="list-style-type: none"> <li>■ Limited direct and same plane international air services to Cape Town International Airport</li> <li>■ Decreasing number of airline seats into South Africa</li> <li>■ Existing rail infrastructure under-utilised and subject to decay</li> <li>■ Lack of coherent infrastructure investment policy</li> <li>■ No definitive and structured approach to tourism signage</li> <li>■ Inadequate information infrastructure in some areas of the hinterland</li> <li>■ Inadequate provision of public transport links between CTIA and Cape Town CBD</li> <li>■ Inadequate provision of public transport links between Cape Metropole and rest of Province</li> <li>■ Lack of inter-modal connectivity throughout the Province</li> </ul>

Stakeholder opinion
Market
<ul style="list-style-type: none"> <li>■ No coherent approach to positioning and branding at metro or provincial level</li> <li>■ Lack of clarity on target markets and penetrations strategy</li> <li>■ Limited success in alleviating seasonality</li> <li>■ Difficulty in obtaining market intelligence and ad-hoc approach to market research</li> <li>■ Emergence of small private marketing networks and resultant impact on provincial strategies and initiatives</li> <li>■ Ineffective distribution of regional product information</li> <li>■ Parochial mindset of some stakeholders threaten ability to deliver provincial brand and positioning strategy</li> <li>■ Lack of market awareness and desire to visit areas outside of Cape Metropole</li> </ul>
Institutional arrangements
<ul style="list-style-type: none"> <li>■ Confusion regarding timeframes of organisational restructuring and legislative changes</li> <li>■ Lack of capacity in key organisations e.g. Western Cape Tourism Board, Chief Directorate of Tourism</li> <li>■ Lack of definition of roles and responsibilities of stakeholders, e.g. District Municipalities, Regional Tourism Organisations, Western Cape Tourism Board</li> <li>■ Need for more effective co-ordination of tourism organisations throughout province</li> <li>■ Uncertainty surrounding organisational restructuring has led to mushrooming of private sector marketing organisation – potential threat to regional cohesiveness</li> </ul>



## The Western Cape in South Africa

The National Tourism Spatial Framework undertaken by KPMG on behalf of the national Department of Environmental Affairs and Tourism identified key existing and potential tourism flows and patterns that will inform the sustainable growth of tourism in South Africa. It is summarised in the map shown opposite.

Tourism flows in South Africa are highly polarised, with key focus primarily on the traditional tourist areas of Durban, Cape Town, Gauteng and Kruger National Park. The reality is that these flows are unlikely to change in the foreseeable future. Although emphasis has been placed on opening new areas like the Wild Coast, success has been marginal and it is the areas outside the major centres, like Stellenbosch and Umhlanga that have benefited from tourism growth. This “spill over effect” is likely to continue and should be encouraged at national and provincial level. The alternative is a dilution of scarce resources and a lack of cohesion in planning and strategic development by public and private sector.

Until a more liberal policy regarding landing slots and flight frequencies is adopted, Gauteng will remain the main point of entry for international tourists into South Africa. It will also continue to act as the major source of domestic tourism demand at all levels due to its commercial strength and relatively affluent population.

It is recognised that Durban and KwaZulu-Natal has an important role to play in tourism development in South Africa. Although Durban has traditionally seen itself as an end destination, it now has the opportunity to play a major role as the gateway to KwaZulu-Natal and the southeast areas of the country. Durban has also recognised the need halt the spiral of decay in the destination and are putting into place strategies and actions to counter this whilst regenerating and repositioning the city.

The Western Cape has been dealt a “winning hand” through its product portfolio. Cape Town is the strongest destination in South Africa and is actively promoting upon infrastructure and product development with a view to the international marketplace and affluent domestic tourists. The rather complacent attitude of recent years has been replaced by a new realism that remaining at the top requires determined effort and focussed strategies.

The Western Cape is however deeply fragmented and has largely failed to achieve regional consensus. This has left various parts of the Province isolated in terms of product and market development, tourism planning and marketing. Governmental restructuring and prolonged debates regarding the governance of tourism in the Province has eroded both confidence and productivity of many public sector stakeholders. Although some private sector initiatives, which have arisen to address gaps in marketing and product development, impact positively, there is a danger of undermining the impact of the activities of mandated tourism organisations. The longer-term implications of rebuilding organisational cohesion and a coherent destination image are of considerable concern.

The Western Cape has all the ingredients to become a leading destination, not only in South Africa, but also the international marketplace. In order to play a pivotal role in tourism development in South Africa, it is essential that the Province adopts a united vision and that each area capitalise on own product strength within a set of collective goals and objectives. Each part must not see itself as outside of the “bigger picture” but rather as an integral part of the whole.

Western Cape - Basic Facts	
Population (2000)	± 4 539 000
- Population growth rate p.a. (1996-1999)	± 3 per cent
- Cape Metro population	± 3 050 000
- Cape Metro population as % of Western Cape population	67.2 per cent
Labour force	1 768 000
- Formally employed (66.4 per cent)	1 172 200
- Active in informal sector (14.9 per cent)	263 415
- Unemployment (18.7 per cent)	332 400
- Annual labour supply increase	191 088
Gross Regional Product (2000)	
- GRP	R 125.7 billion
- Share of national GDP	10.5 per cent
- Cape Metro share of provincial GDP	75 per cent
GRP growth rate – real (2000/2001)	3.4 per cent
Investment	R 15 304 million
- Total investment % of GRP	17.3
- Foreign direct investment	R 1 750 million
- FDI % of total for Western Cape	11.4

Source: Western Cape Provincial White Paper on Economic Development, Wesgro

	GDP in South Africa		GRP in Western Cape	
	R million	Real Growth*	R million	% of RSA
<b>1994</b>	531 540	3.23	53 874	13,9
<b>1995</b>	548 100	3.12	60 500	14,0
<b>1996</b>	570 850	4.15	67 600	14,0
<b>1997</b>	582 260	2.52	74 600	14,1
<b>1998</b>	588 940	0.63	81 800	14,2
<b>1999</b>	595 270	1.08	115 400	
<b>2000</b>	597 230	2.80	125 700	15,0

Source Wesgro

## Economic profile of the Western Cape

With a 10 per cent population share and 14 – 15 per cent of the country's Gross Domestic Product (GDP) generated in the Western Cape, the Province constitutes a small, but significant segment of the national economy. In 1996, metropolitan Cape Town made the second highest contribution (after Johannesburg) to both South Africa's GDP (10.5 per cent) and employment (8 per cent), contrasted with having the third largest contribution to population (7 per cent) after Johannesburg and Durban.

The economy of the Western Cape has the fastest growth rate in South Africa. Real Gross Regional Product (GRP) growth was estimated to be 2.0 per cent in 1999 and 3.4 per cent in 2000.

The Western Cape economy has a broad base sectoral structure with agriculture, manufacturing, trade, and tourism and financial services each a significant pillar for present and future growth.

Economic growth of approximately 2.5-3 per cent per annum is predicted over the next five years, supported by increasing strength in the construction, tourism, industrial niches and the financial services sector. The following sectors are seen to have significant growth potential:

- Tourism, conventions and events
- High-technology industries and services
- Film, video, media
- Medical services and equipment
- Financial Services
- Specific Manufacturing sectors

During the 1990's, tourism was the Province's economic growth force. Tourism is estimated to have contributed about 9.1 per cent to GRP in 2000. Tourism's share of jobs is estimated at 8.9 per cent of provincial jobs. This equates to a direct impact of R 11.5 billion and 161 100 jobs.

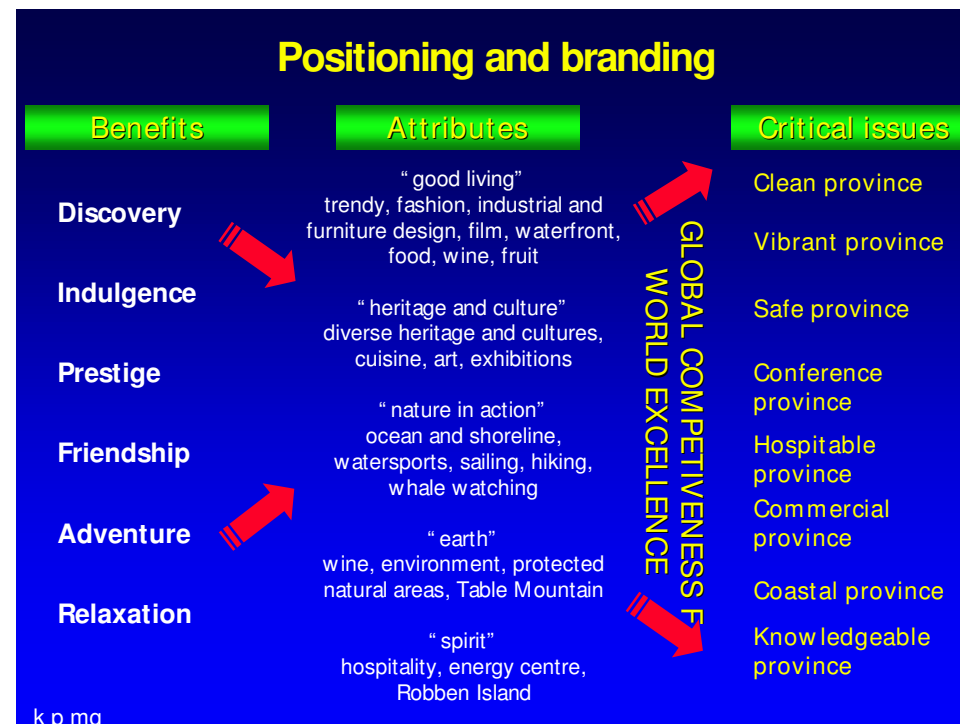
The Provincial White Paper on Economic Development, entitled "Preparing the Western Cape for the knowledge economy of the 21<sup>st</sup> century", provides a broad long term vision and strategic framework to influence, guide and facilitate co-ordination and integration of the work of all stakeholders involved in the provincial economy. This vision builds on the current strengths and addresses the challenges facing the provincial economy.

***Our vision is to make the Western Cape the most successful, innovative and competitive economic region in Southern Africa, with a world-renowned reputation for its knowledge base, the creativity and enterprise of its people, the attractions of its infrastructure and natural environment, and the quality of life of all those who live and work here.***

In pursuit of achieving the vision, four pillars and related strategic imperatives have been defined:

- Learning Cape: Making the Western Cape the leading learning region in Southern Africa
- International Cape: Enhancing economic growth, development and competitiveness by linking the Western Cape effectively to the rest of Africa and the world
- Enterprising Cape: Establishing the Western Cape as Africa's premier centre for entrepreneurship and innovation
- Cape of Good Hope for All: Achieving equitable development across the Province by raising the quality of life for all, and expanding the economic opportunities of the poorest communities

The White Paper should inform the direction of tourism development in the Western Cape, creativity and enterprise. Such alignment will enable global positioning of the Province as a destination for tourism and commerce.



## Branding and positioning

A common thread throughout our discussion with stakeholders in the Province was a lack of coherence and unity. This is perhaps most strongly reflected in the rather fragmented and contentious approach to branding of the Province. It seems that the Province is at odds with itself and the inability to reach consensus erodes obvious competitive advantages. For example, the metropolitan area would like to see a Cape Town brand being reinforced. This is unacceptable to the rest of the Province. A search for common ground between the city and the hinterland is once again a priority.

The branding and positioning of the Western Cape must reflect the modern global image and profile that the Province wants to present and is seeking to deliver. The basics for branding and positioning are the following:

- Existing strengths – cultural diversity, ocean and wind, sports, natural resources, creative industries, trade and investment, architectural heritage, history, lifestyle, etc. as key attributes
- A single thread that weaves disparate products together – enhancing collective attractiveness
- Differentiation and competitive advantage
- Linkages into national and provincial economic development thought-processes, initiatives and strategies

The combination of key consumer benefits delivered by the Western Cape with the Province's attributes will develop strength of image and positioning.

A considerable amount of work is now being undertaken around branding and positioning. The slide opposite is a contribution to the discussion and links into the work that we have undertaken in the Province and elsewhere. The Western Cape has to begin to look upon itself in a different light or else advantages will be lost or at least constrained.

Much of the responsibility for the above lies with the public sector. It is to be hoped that our market segmentation reports can influence action on the above.





## Assessing tourism potential

Implicit in any tourism development and/or investment initiative is the presence of product and market. The purpose of development initiatives along the lines proposed is to bring product and market together in order to create investment opportunities for public and private sectors (anchor projects). This means identifying potential and establishing priorities.

We have found in the tourism planning studies that we have undertaken in Southern Africa and elsewhere that a structured and logical approach is required in the assessment of tourism potential of areas.

KPMG has developed a specific model to assess the tourism potential of destinations. We have applied this model in our assessment of the tourism potential of the Western Cape. Using desktop research, we collected, reviewed and collated all existing data and information on tourism in order to be able to compile an inventory of tourism activities, facilities and attractions in the study area. We also visited each of the countries under study in order to meet with key decision-makers and risk takers and visually apply the model.

The aim of the supply audit was threefold:

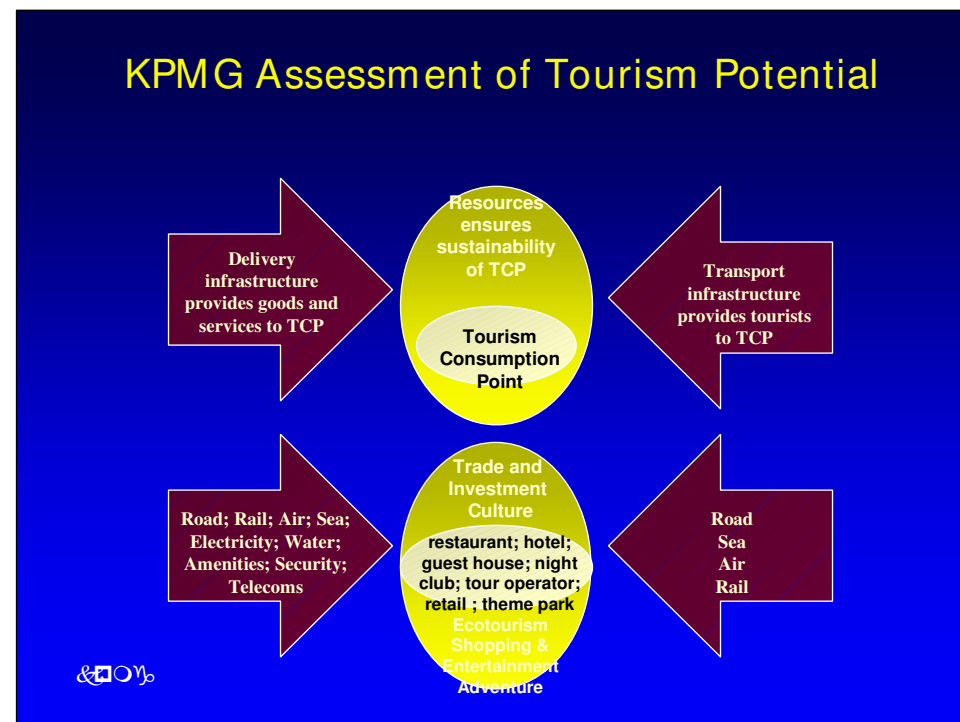
- to assess the provision of tourism facilities, attractions and infrastructure and to identify gaps to inform project identification and recommendations regarding product development;
- to identify the roles, responsibilities and effectiveness of existing tourism structures and organisations, with the aim to align efforts and resources where possible; and
- to examine existing alignments of national government policies and identify gaps to inform future direction in the development of the Integrated Tourism Development Framework.

The supply audit therefore provides a clear picture of “what do we really have”, and begins to provide indications of future developmental linkages and opportunities.

Our study team also considered the following:

- existing tourism markets:
- visitor numbers (domestic and foreigner);
- average length of stay;
- visitor origin, profile and major feeder markets (i.e. United Kingdom, France, Germany, Southern Africa);
- visitation by local residents;
- principle areas visited and activities undertaken;
- market positioning - a review of the Western Cape as a tourist destination and “benchmarking” with other destinations.

The demand assessment provides information to ensure that product development and destination marketing strategies are market led and product and market successfully matched.



## Establishing a Western Cape product portfolio

The diversity and richness of the Western Cape tourism product supports its position as leading South African destination. The various attractions in the Cape Town metro area, the diversity of the Provinces' regions combined with the rich cultural heritage of the Province and a cosmopolitan and fashionable international image provide a collective attractiveness unparalleled in South Africa.

Clear definition of product opportunities and market requirements highlights both strengths and weaknesses, enables appropriate market positioning and therefore maximises resource allocation. In order to define the base product strengths of Durban as a destination we have compiled a database for the Province and combined this with GIS capability to conduct a high level audit of tourism product and plant. We have allocated each component to a product. The range of product is informed by those identified within Tourism in GEAR and defined opposite.

From the market research undertaken by KPMG and the Western Cape Tourism Board, we have identified ecotourism, adventure, culture, trade and investment, MICE and sport and events as the most significant products for the Western Cape. In order to define the base product strengths of the Overberg region as a destination, we have conducted a high level 'audit' of product. We have allocated each physical attribute to the range of products identified within "Tourism in GEAR" and the National Spatial Tourism Framework as being national priorities. Cruising and health and fitness are important future products. Shopping and entertainment and sun, sea and sand exist but are secondary at present.

The key areas of existing product provision as shown in the maps overleaf are:

- Cape Metropolitan Area;
- Stellenbosch-Paarl-Franschhoek;
- Worcester Winelands;
- Hermanus-Stanford;
- Mossel Bay-George; and
- Knysna-Plettenberg Bay.

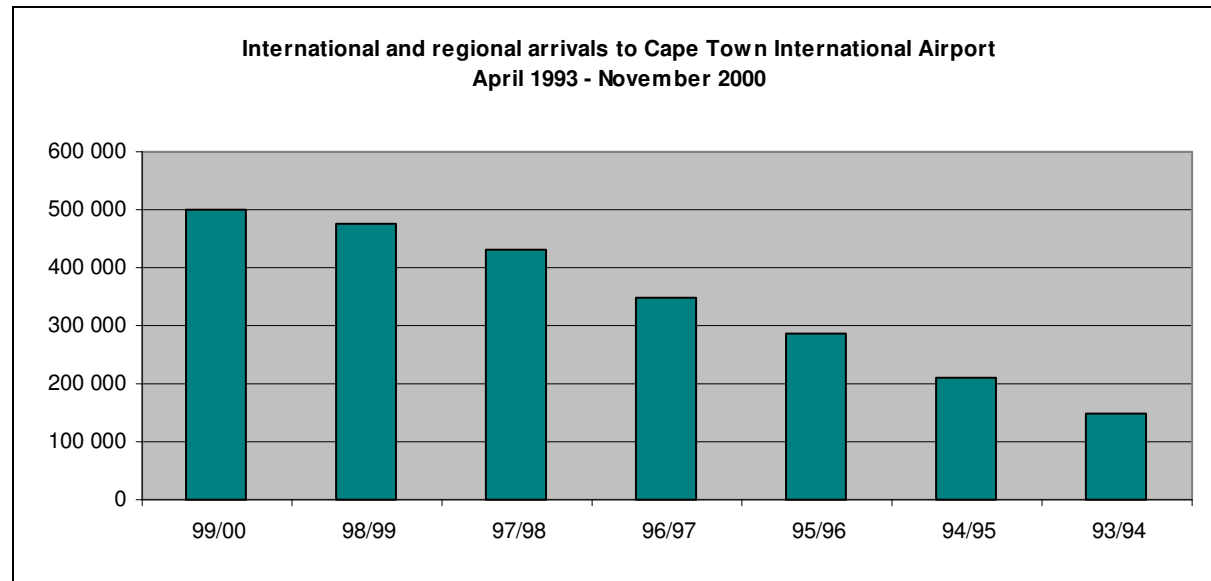
The above offer current tourism product and activity. There are other areas within the Western Cape that offer potential based on the opportunity for maximisation of resources through density, product clustering and linkage. We believe that the following areas can greatly enhance the current product portfolio:

- Beaufort West;
- Langebaan-Saldanha;
- Cederberg-Clanwilliam-Van Rhynsdorp;
- Barrydale-Swellendam; and
- Struisbaai-Cape Agulhas.

Products are clustered around the Cape Metropolitan area, traditional holiday towns along the coast, or historical and commercial towns in the interior. Those products not located in such areas have tended to be marginalized. Creativity and innovation to capitalise on nature and expanding the product base from that attained above will be hugely important to growing tourism. It makes sense however to focus initially on growing strong products and therefore creating an environment in which future development of under-utilised products can occur.

Prioritisation of some areas above others can cause conflict. There is however a need to recognise that if resources are spread thinly delivery will be minimal. If strength is concentrated then areas of product outwith the initial focus will benefit. The argument is similar to building an army. Strength of numbers gathered along the way provides a secured terrain on which to move forward. Moving the front line forward is a strategy which serves to build on critical mass and scales of economy. In this instance the Cape Metro area is the large cog which moves all the smaller cogs within the Province.

Product	Definition of Product
Ecotourism	scenic beauty and wildlife
Culture	historical, social, political
Adventure	wilderness and challenging environment
Sun and sand	beach or significant inland water
Shopping and entertainment	retail and/or nightlife centre
Cruising	port
Health and fitness	spa waters, springs and/or conducive environment
Trade and investment	international, provincial or local business centre
Meetings, incentives, conferences and exhibitions (MICE)	proximity to business centre and/or stand alone conference facility
Sports and events	host to event of provincial, national or international importance



Source: Airports Company South Africa

\*: 2000/2001 figures available to November 2000 only



## Infrastructure (1)

### Introduction

Although infrastructure is generally planned using set standards and user requirements, precise tourism usage of infrastructure is not available as it is a shared resource between the tourist and the local population. Available information on tourist use of infrastructure is resort or site specific and is relatively meaningless at a provincial scale.

Realising infrastructure provision is not an exact science, we approached the issue from a strategic perspective. We placed emphasis on linkages between the areas defined previously and assessed provision on this basis.

### Road

Cape Town is linked to the rest of South Africa by three well-developed major national motorways. The N1 leads through Bloemfontein, Johannesburg, Pretoria and Pietersburg to the Zimbabwean border. The N2 leads along the south coast through Port Elizabeth, East London and Durban northwards to Mozambique. The N7 leads up the Atlantic Coast towards the border with Namibia. Drive time to the commercial and population centre of Gauteng is approximately 12 hours.

Provincially, the Western Cape is well served by arterial roads, many of which have been upgraded recently. Motorways linking Cape Town with outlying destinations such as the Winelands, West Coast and the Garden Route are conveniently located and enable quick and easy access. Public transportation in Cape Town and the Province is minimal forcing commercial travellers and tourists to hire vehicles. The resultant effect during peak periods i.e. (Christmas and New Year) is heavy congestion on major routes across the Province.

### Air

Cape Town International Airport (CTIA) is the main tourism gateway to the Western Cape. The Airports Company of South Africa is investing in improvements to the structure and fabric of the existing airport including additional parking for aircraft and capacity for 6.5 million passengers compared to a current capacity of 5 million. By 2015 the terminal satellites will have the capacity to handle 14 million passengers. The new international terminal has had significant positive impacts on the appearance and efficiency of the airport. The airport's connection with the city remains weak. Inter-modal linkages between road, rail, air and sea are a must for a modern tourism destination. As tourism to the Western Cape increases, the development of a direct transport link with the city becomes a logical conclusion.

South African Airways (SAA) is the national carrier and provides the most frequent service between Cape Town and other major urban centres in South Africa. International connections are limited with direct flights to London (British Airways, Virgin and South African Airways) as well as Atlanta (South African Airways) having recently been established. Direct regional linkages include, amongst others, Harare, Windhoek, Nairobi, Accra, Lusaka and Dar-es-Salaam.

Although Johannesburg International Airport (JIA) will continue to be the "hub" airport for Africa, the role of CTIA as an international airport will certainly increase, its importance as a tourism gateway is recognised by ACSA and SAA. The Western Cape is located sufficiently far away from major global centres to ensure that for the international market air access is the only viable mode of transport. There is a need for more direct international flights from key international cities and pressure is being exerted on the relevant authorities. Independent travellers and tour operators feel that the need to "hub" through Johannesburg is a hassle factor and are not impressed by the need to change terminals. Passenger demand and strategic partnerships will deliver an increase in international flights directly into CTIA thereby boosting tourism arrivals and providing additional business opportunities across the sector. The discussion of international air access is a massive issue for Cape Town and will be dealt with in more detail in the next phase of this study.



## Infrastructure (2)

### Sea

Cape Town is a major player in the import and export industry in Africa. The continual upgrading and investment in harbour facilities and equipment by port managers, Portnet, ensures that the port will continue to deliver a high standard of service and maintain a competitive edge. Pro-active steps taken by Portnet have increased cargo volumes 120 per cent since the beginning of the decade – container traffic rose from 2.1m tons in 1990/1991 to 4.5m tons in 1999. The graph alongside indicates the tonnage handled by the port since 1995.

Cape Town has great potential as a cruise destination and could be positioned to take advantage of anticipated growth in this form of tourism. Cape Town is already a highlight on many cruise itineraries. Eighteen liners docked in Cape Town during the last six months. Room night business from the crew and passengers is however minimal as visitors tend to reside aboard. The average docking time of a cruise liner is less than one day. The opportunity to market tourism products outside of metropolitan Cape Town to cruise operators is largely untapped.

It is a product of the future and the Western Cape and Cape Town must position itself to be the capture its share of this market. The development of purpose built cruise facilities and relevant support infrastructure will enable the city to gain an advantage over its competitors. A location of such a facility alongside the International Convention Centre could be an important linking point between the ICC and the V&A Waterfront. The Chief Directorate must take the lead in negotiating with Portnet on land availability and infrastructure and must also ascertain from the cruise operators their requirements. Portnet has been instrumental in the formation of the Port Management Association of Eastern and Southern Africa (PMAESA). The association aims to market the region as a primary cruise destination. If such efforts serve to increase the number of passenger liners to Cape Town (with overnight docking) it will be possible for growth in cruise related room nights.

### Rail

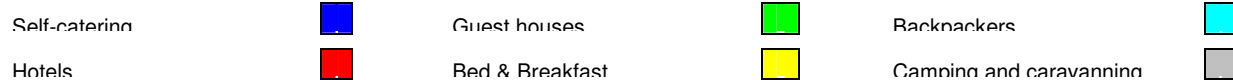
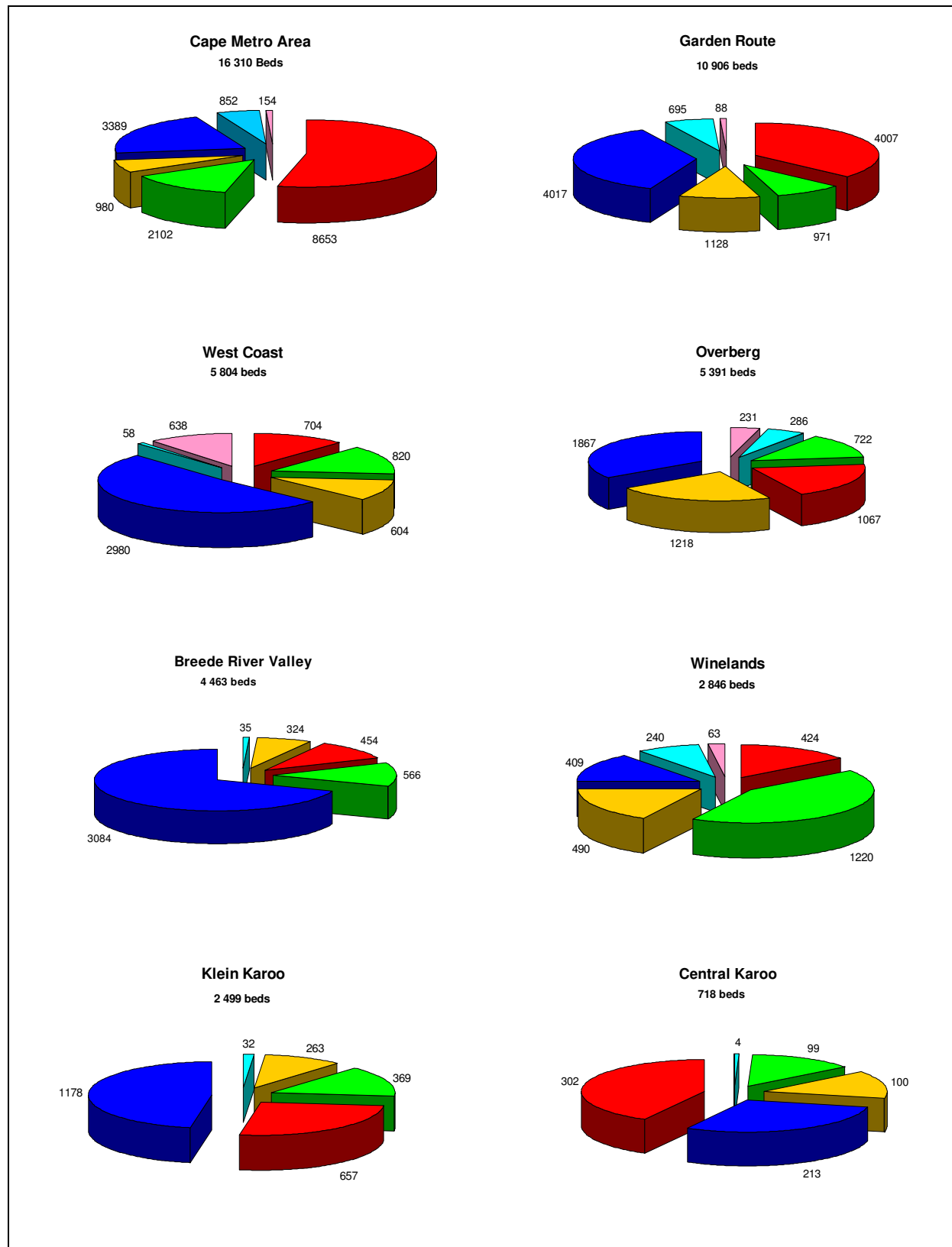
The rail network falls under the control of Spoornet and the South African Rail Commuter Corporation (SARCC). Spoornet provides rail transport mainly for goods and containers, but it also transports passengers travelling long distances between major cities. The Western Cape is linked to major cities and towns and the rest of Africa by a comprehensive freight and passenger railway network. Thousands of tons of containerised freight and bulk traffic begin their journey into Southern Africa from the main terminus in Cape Town. Luxury rail services such as the Blue Train and Rovos Rail, as well as several cross-country passenger train services, depart from this terminus and journey as far north as Victoria Falls in Zimbabwe and Dar-es-Salaam, Tanzania.

The provincial rail network has been largely neglected and under-utilised. The lack of a rail link between Cape Town International Airport and the city is a constraint. The rail network has an important role to play in future strategies. Consideration must be given to upgrading and privatisation of strategic sections of rail and we believe the Chief Directorate should utilise all its influence to ensure that this occurs. The Province has an opportunity to utilise rail to provide access to the market.

### Conclusion

Infrastructure links products and markets. It is a means to an end. The construction of infrastructure does not result in a product. For example, an airport can release frustrated demand – it cannot create demand. Infrastructure should operate in a seamless manner, transporting and supporting the tourist through to the destination or destinations. Inter-modal connectivity is an important aspect of most successful destinations and is lacking in the Western Cape. Infrastructure issues must be addressed on an integrated base or a continuation of what exists will result. Government at all levels has a role to play in infrastructure provision in order to create the enabling framework in which private sector can be persuaded to develop. The management and development of the existing base will to a large extent determine future business and tourism growth.





Source: Western Cape Tourism Board Accommodation Guide

### Tourism plant

The WTO definition of a tourist is “a temporary visitor staying at least 24 hours, whose purpose could be described as leisure, business, visiting family, conference or mission”. We have utilised statistical information from the Western Cape Tourism Board and Statistics South Africa together with our primary research. Accommodation facilities comprise hotels, resorts, guesthouses, bed and breakfasts (B&B’s), self-catering establishments including short-term rental houses and caravan parks. The supply of accommodation in the Western Cape is highly concentrated in the following main areas:

- Cape Metro Area
- Garden Route

These regions account for approximately 55 per cent of total bed stock. The Overberg, West Coast and Breede River Valley each comprise between 9 and 12 per cent of total bed stock. The remaining regions – Winelands, Klein Karoo and Central Karoo – together have only 12 per cent of room stock. Demand is, as a consequence, also polarised and tourism dispersal minimal. To maximise potential of the Western Cape as a destination for tourism, avoid further pressure on the metropolitan area and achieve more equitable distribution of tourists around the Province, then investment must be made in tourism infrastructure in order to leverage private sector investment in less developed areas. Balancing the distribution of beds between the Cape Town hub and the hinterland will benefit all, and facilitate the flow of tourists into lesser-known areas, thereby supporting regional integration.

We have summarised the beds available in the regions of the Western Cape in the diagram alongside. Self-catering accommodation comprise more than a third (36 per cent) of accommodation (in terms of supply of beds) supply, followed by hotels (32 per cent). The remaining third cent is made up of guesthouses (14 per cent), B & Bs (10 per cent), Backpackers (4 per cent) and caravanning & camping (2 per cent). The relative supply of the various types of accommodation varies from region to region.

Spatial imbalances in accommodation are not restricted to supply of establishment and beds. Occupancies are significantly lower in the interior than the Cape Metropole. The Metropole also contributes almost 70 per cent of total hotel income in the Province. The table below reflects average bed and room occupancies and hotel income for the various tourism regions. The table indicates statistics for hotels only. Since no mechanism to collate and report occupancy rates of other types of accommodation exists, the hotel trading statistics of Statistics South Africa is currently the definitive measurement of supply and demand for the Western Cape.

	Room occupancy		Bed occupancy		Hotel income		
	Dec-00	Feb-01	Dec-00	Feb-01	Dec-00	Feb-01	% of total
<b>Western Cape</b>	56.9	65.9	46.7	48.4	130988	145265	
<b>Cape Metropole</b>	<b>61.3</b>	<b>76.7</b>	<b>50.4</b>	<b>56.6</b>	<b>90282</b>	<b>112468</b>	<b>68.92%</b>
Winelands	50.4	63.7	42.2	48.7	8362	7881	6.38%
West Coast	40.9	34.5	32.2	25.9	3144	1906	2.40%
Little & Central Karoo	49.2	40.7	36.4	28.0	3850	2856	2.94%
Garden Route	55.9	48.6	47.9	37.8	12841	9771	9.80%
Overberg	41.2	49.2	34.9	36.6	8497	8699	6.49%
Breede River	30.7	27.9	21.3	20.6	1735	1682	1.32%

Source: Statistics South Africa

The realisation of the tourism potential of areas outside the Cape Metro area depends on the development of a supply of tourist facilities (hotels and other accommodation, restaurants, etc.) The development of new tourism plant will increase profile, enhance critical mass and mobilise resources. Investment in private sector tourism facilities is a private sector responsibility. The primary objective of the private sector is profit. If Government wants to develop tourism, particularly in areas which are disadvantaged, it must intervene to create a suitable environment for investment. Intervention must be targeted at areas that have strength of product to leverage private sector into supply.

## Understanding tourism space in the Western Cape

Tourism flows in the Western Cape typically radiate out from the gateway and hub of Cape Town into the surrounding Winelands, following the N2 along the Garden Route to Port Elizabeth. Traditional stops en route include Wilderness, Knysna and Plettenberg Bay. Both international and domestic tourists exhibit this pattern.

The coastal regions of the Western Cape have long served as holiday destinations for the traditional leisure market. This has resulted in the growth of resort towns of varying sizes along the coast. Second-homes feature strongly, with a large proportion of visitors returning to the same town year on year. Plettenberg Bay, Knysna, Wilderness and Hermanus are core areas of second-home development.

The populations of towns close to the Cape Metropolitan Area burgeon over weekends, especially during the summer months. Traffic volumes in the direction of Cape Town from Hermanus at the end of weekend are proof of the popularity of such towns.

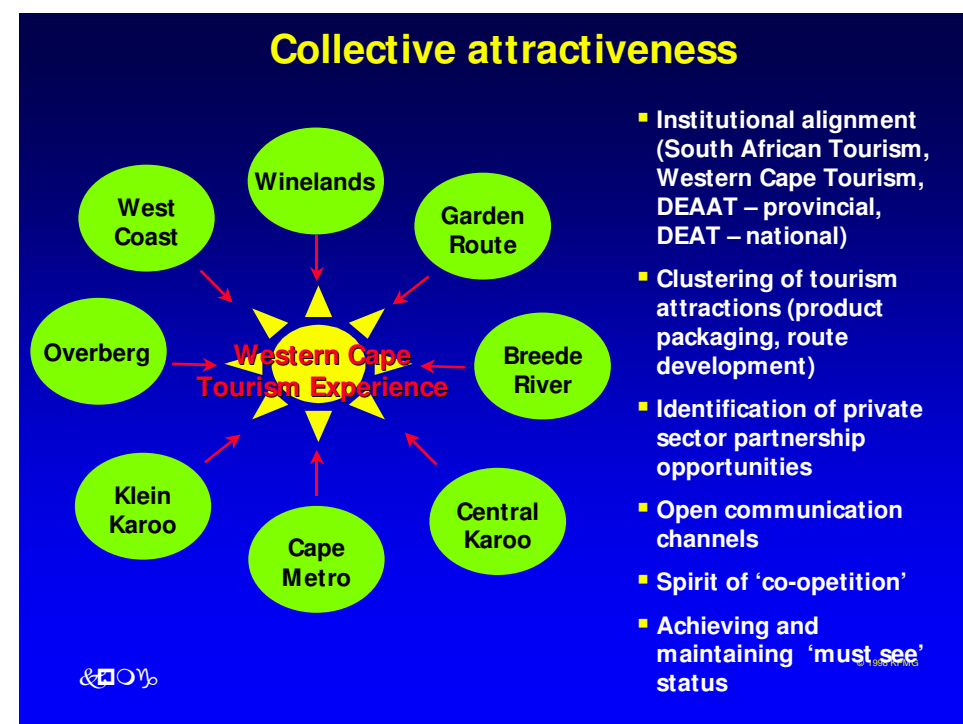
The historical prevailing patterns of movement described above have left parts of the West Coast, Breede River Valley and Overberg regions either virtually devoid of tourism development, or with a sparse and scattered distribution of tourism products and facilities. The perception that the tourist experience gained does not warrant the effort needed to access these areas, has effectively relegated such regions to a position of "outback".

The dynamics of tourism have of late resulted in the dilution of these patterns. The non-metropolitan areas increasingly benefit from the raised international profile of the "brand name" of Cape Town. The West Coast, Overberg, and Breede River areas are attracting an ever-increasing share of tourists. This dispersal is the result of several forces, including relatively lower prices of accommodation, an expansion in the range of services and attractions of towns and villages, an increasing awareness about the provincial diversity of tourism, and market trends such as the search for more diverse and unique experiences. The enhanced profile of the hinterland regions can also be ascribed to changes in demand with affluent tourists seeking more distinctive, combined and unique experiences. The growth in domestic tourism is primarily related to the growing internal market of independent and affluent visitors who are interested in adventurous and unique experiences.

The surge in demand has not only resulted in the development of new products and facilities in the Cape Metropolitan Area, but has also influenced the hinterland in a ripple effect. Tourism has moved along the coastline with a "beach head" established at each point. Regions such as the Winelands, Breede River and Overberg report increased volumes of tourists flowing into their areas. These are the new destinations, not only for tourism but also for investment and commercial growth.

Full realisation of the potential of the Western Cape is dependent on building stronger linkages throughout the Province, and especially between the various regions and the Cape Metro. The Cape Metro area acts as a 'feeder' to the Province and it is therefore important to understand the mechanisms of these linkages and how they manifest themselves in product development and market demand. Through this understanding, proper product development and marketing focus can be applied.

The environment of the Western Cape is breathtakingly unique and the cultural heritage and lifestyles provide abundant opportunity for the development of innovative products. Maximum use of the environment and heritage and diversity in facilities will be essential to smoothing the marked seasonality of the Western Cape. The aim must be to attract a range of target markets with different expectations in terms of facilities and experiences at the destination.





## Route development in the Western Cape

The identification and marketing of routes is common practice in tourism destinations worldwide, and based on the idea that a group of products under a unifying theme or banner is more attractive than the individual components. Routes guide travellers along carefully constructed experiences of an area creating a sense of 'journeying' rather than merely travelling.

The most well-know route of the Western Cape, the Wine Routes, developed as early as the 1970's. The last decade has seen a proliferation of routes as tourism areas turned to routes as a key mechanism in establishing a unique identity. Many of these routes are restricted to the administrative boundaries of tourism regions and themes often overlap with those of other regions of the Province. Only in recent years have regional stakeholders realised the potential of routes to expand the product across administrative boundaries. This has led to the creation of several transfrontier routes.

The map overleaf illustrates the relative density, and disjointed nature of routes in the WC. This creates a marketing and tourism signage nightmare for the Province. The origins of some of the routes in the WC are described below



- **Route 62** - Modelled on the legendary by-way linking urban and rural communities between Chicago and Los Angeles, Route 66, this route spans regional boundaries. The route steers away from the main transport artery, the N2, and takes the traveller along a scenic route through farming towns such as Calitzdorp and Ladismith, historic Amalienstein and Zoar, and the fruit growing and wine producing towns of Barrydale, Montagu, Ashton, Robertson, McGregor, Wolseley, Ceres, Worcester and Tulbagh. Route 62 has grown in popularity, and has significant positive economic impact on the hinterland are suffering form rural depopulation and decreasing economic opportunity in traditional economic sectors such as agriculture.
- **MTN Whale Route** - A growing international interest in whale-watching and the unrivalled land-based whale watching areas along the south western coast of South Africa has led to increasing numbers of tourists visiting the region. Hermanus was the first to capitalise on the presence of whales off its coast and has successfully positioned itself as the prime destination in this thematic route. Although Hermanus remains the core of the Whale route, the route now takes in coastal towns from Nature's Valley in the Southern Cape to Doringbaai on the West Coast
- **Wine routes** - The first of South Africa's wine routes, the Stellenbosch Wine Route was established in 1971 as a joint marketing venture by the owners of Spier, Delheim and Simonsig wine farms. The success of this route in drawing visitors to the wine estates and cellars has led to the creation of no less than 13 wine routes in other parts of the Western Cape. Although most are much smaller in scope than the 29 strong membership of the Stellenbosch wine route, most have adopted the principles of strong branding and co-operative marketing.
- **West Coast thematic routes** – Under auspices of the Wets Coast Investment Initiative, a range of thematic routes based on the key destination attributes of the West Coast have been delineated are marketed by means of brochures and a website. Routes currently marketed include the West Coast Mission Route, West Coast Fossil Route, West Coast Bird Route, West Coast Sea Kayaking route and West Coast Flower Route.
- **Cape Metro thematic routes** – Cape Metropolitan Tourism promotes a number of routes in the Cape Metro area by means of a route booklet – Cape Floral Kingdom Route, Lighthouse and Shipwreck Route, Ghost Route, etc. The booklet provides a general description of the points along each route, but the routes are neither all delineated on maps nor signposted.
- **Other thematic routes** - The rich history, architectural heritage, abundant natural resources and diverse cultural make-up of the WC has given rise to a range of other routes throughout the Province, e.g. The Khoisan Heritage Route, Blockhouse Route, Overberg Flower Route, etc.

Although routes can be effective tools in distributing and directing tourism flows in a destination, the WC has reached a situation where the multitude of routes is confusing to the tourist. The implications of wasted marketing resources and dilution of marketing impact are obvious. An alternative is the marketing of themed areas, i.e. clusters of thematically related products and experiences, rather than non-expansive, linear routes. This approach would ensure the inclusion of a greater number of product and facilities within the marketing loop.

## Socio-economic context of the Western Cape

The socio-economic characteristics of the Western Cape play an important role in directing and informing the tourism development framework. Tourism has a developmental role to play in the Province. Realism is however a priority or else both resources and credibility will be diluted.

The population of the Western Cape was estimated to be 4.5 million in 2000. About 85 per cent of the population is urbanised, with metropolitan Cape Town accounting for approximately 3 million inhabitants. Population growth in the Province is projected at a rate of 2.7 per cent per annum.

Large income inequalities prevail, which just under 60 per cent of all households earning less than R1500 per month (White population 15.5 per cent, Africans 17.2 per cent). The lack of income amongst certain population groups in metropolitan Cape Town is also closely linked to a lack of access to other urban services and opportunities. The table alongside illustrates aspects of the experience of poverty in the Western Cape. Whilst the more affluent white areas are relatively well endowed with physical and social infrastructure this is hardly the case in many of the African and Coloured townships, and in rural areas. The high levels of poverty and unemployment, and the lack of housing and basic amenities that exist amongst the African population and sections of the Coloured community have contributed greatly to stagnant economic development amongst these communities.

Of the 1.7 million strong labour force, total unemployment stands at about 18 per cent, and at least 15 per cent of the labour force is involved in the informal sector. The experience of unemployment is felt most heavily among African and Coloured workers where unemployment levels are 31 per cent and 18 per cent respectively. The rate of unemployment is especially high amongst black women, who are disproportionately represented in low paid employment (e.g. as domestic workers or in low paid jobs in the textile industry). The levels of illiteracy amongst the less advantaged communities are also high and are significantly higher amongst woman than men.

There is a growing gap between the skills offered by the labour force and those required for a globally competitive economy. Just over 23 per cent of the workforce is classified as unskilled, with 47 per cent of the African labour force and 26 per cent of Coloured workers classified as unskilled.

The people of the Western Cape are a unique asset and collectively comprise a diverse range of cultures and traditions. They also possess high levels of technical and vocational expertise in comparison with the rest of South Africa. Some 21 per cent of the population have matric qualifications but more than a third of the adult population has no more than a Grade 8 education. Over the past five years the Western Cape has had the highest matriculation pass rate of all the provinces. The pass rate of the Province has been declining, however.

Government at national and local levels has taken the initiative to alleviate the level of poverty and support the upliftment of the previously disadvantaged communities. To achieve the objective of greater equality in economic opportunity the informal sector and the medium, small and micro-enterprise sector and mega projects needs to be supported.

Tourism is perceived to be the solution to many of the social and economic problems facing the Western Cape and South Africa. An ad-hoc approach to planning and general lack of co-ordination has resulted in initiatives being formulated in a vacuum and a situation where public and private sector lack direction. Alignment and harmonization of national and provincial departmental plans and strategies must focus upon establishing rapid and transparent communication channels and adoption of frameworks for delivery. It is easier to establish credibility if "all are talking the same language" and pulling in the same direction. Definition of priorities is key to this outcome.

Role of government
<p><b>Leadership</b></p> <ul style="list-style-type: none"> <li>■ what powers are responsible for what functions and activities - e.g. national, local government departments, public institutions, private sector, etc; and</li> <li>■ who makes decisions and what criteria are used in making decisions - identification of institutional structures, bodies and individual that will drive and communicate direction.</li> </ul>
<p><b>Integrated management</b></p> <ul style="list-style-type: none"> <li>■ what policies and guidelines are required - an examination of all policies "shaping" the destination and the creation of alignment and integration of tourism requirements are crucial;</li> <li>■ what are Swaziland's broad economic objectives and how do these relate to identified tourism requirements; and</li> <li>■ what plans and initiatives are in place and what is planned for the future - tourism must position itself in to influence direction.</li> </ul>
<p><b>Quality control</b></p> <ul style="list-style-type: none"> <li>■ who implements to ensure desired delivery and who s responsible for the ongoing management control and maintenance of identified tourism projects.</li> </ul>



## Conclusion

The Western Cape has window of opportunity as a destination of tourism it has the product and infrastructure to be a world-class destination that can compete with the likes of British Columbia, New South Wales, Victoria, Florida, California, etc. This situational analysis has focussed on three main areas as a starting point for the delivery of an integrated framework for tourism in the Province. These are as follows:

- What does the Western Cape offer as a destination in terms of product;
- Current infrastructure provision; and
- Profile of existing markets and their movements.

The review raises more questions than perhaps it answers. It paints a picture of unrealised potential in product terms, relatively good infrastructure provision and a market profile that is the envy of the rest of the country.

There exists however much confusion with regard to branding, positioning and institutional actions and capacity. The focus on development at provincial level is an important element of this framework. It is important to recognise that development in the Western Cape takes a different form than elsewhere in the country. The potential for government to package bankable anchor projects and have them funded by private sector is more likely in the Province than elsewhere given inherent potential. This potential must be recognised and acted upon in determining human and financial resource allocation.

These are the key issues as we move into the next phase of this study. Much work is currently being done. We would council however that this work must be communicated better to all stakeholders and that the potential for conflict remains high. It would be a shame to lose the momentum that currently exists as a result of major initiatives and investments that are happening across the Province.

The next phase of this study will start to bring together a vision for tourism in the Western Cape that relates directly to a spatial and marketing framework. We will draw upon international best practice to prepare a plan for delivery.