Summary: PPT facilitation at Spier

Summary of initial scoping report

INTRODUCTION

The aim of the Pro-Poor Tourism (PPT) Pilots project is for the PPT team and site partners to identify and implement linkages that bring benefits to poor people, and make business sense to the operator. The initial ('scoping') stage of PPT facilitation involves understanding the current linkages between the tourism company and local (poor) stakeholders, and identifying the needs and assets of the company and local stakeholders. Building on this, the next key step is to identify the type of linkage or linkages that should be developed and with which local partners. From there, PPT facilitation supports the partnership through stages - from making joint commitments into implementation.

Initial scoping reports have been prepared for each partner site by compiling information gathered during 2003[1], in order to provide background information for prioritisation and implementation of PPT actions. These cover

1. stakeholder analysis (identification of needs and assets of company and community);
2. assessment of existing linkages between stakeholders;
3. discussion of potential linkages.

This report is a summary of the full scoping report for Spier. It is based on the pilot site work and discussions at Spier during 2003, when the focus of work was developing linkages with Kayamandi and the idea of a 'Gateway' was discussed. Since this report was written, in early 2004, a new focus of work has emerged, involving pro-poor changes to Spier's procurement. Nevertheless, the 'Gateway' discussion remains in this report for and procurement issues are not covered here, but will be covered in future reports.

What is PPT facilitation?

PPT facilitation is a service provided to a tourism company and its local stakeholders, to assist in building linkage(s) between them. The support facilitates the process of developing a joint vision, exploring mutually beneficial linkages, planning tasks, and achieving successful implementation.

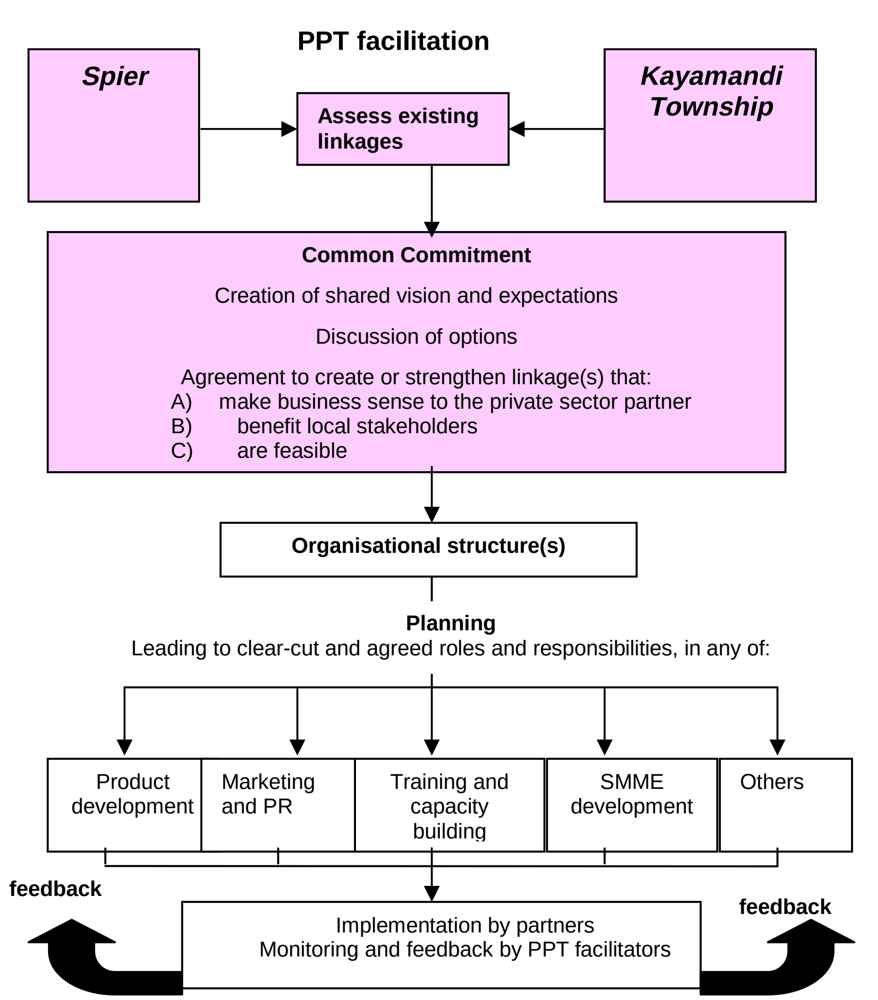
The facilitation format is flexible but provides a generic tool that will be adapted to each site. It can be applied to the creation of a very specific linkage concerning one product, or to building a long-lasting partnership with many components. As a point of departure and drawing on the programme's skills base, PPT facilitation helps create agreement between partners on what could be achieved, and then focuses on developing the organisational structure(s) needed to deliver the linkage(s) they have prioritised. Efficient organisational structure(s) are pivotal to the parties achieving their vision in partnership. From this, clear planning of tasks and support for implementation follows.

The facilitation format is designed as an implementing tool. It demystifies PPT and provides an operational guide to site developments. The figure below highlights the way in which PPT is facilitated. The shaded areas of the diagram illustrate on which steps PPT facilitation has so far focused at Spier.

[1] This report has been finalised in December 2003 and distributed in January 2004, however, the background information on tourism flows and business details was gathered during 2003 and thus some parts may not be the most up to date.

The main focus of PPT facilitation in 2003 was on preparing initial scoping reports for each partner site. These include:

1. stakeholder analysis (identification of needs and assets)
2. assessment of existing and potential linkages between stakeholders.



Steps in PPT facilitation:

Step 1:
Assess linkages between company and local (poor) stakeholders. Identify needs and assets of company and local stakeholders.

Step 2:
Development of a common vision between company and local stakeholder(s). Agreement on linkage(s) to build together.

Step 3
Development of an efficient structure for implementing linkage and partnership.

Step 4**:**
Design of detailed action schedule with clear-cut roles and responsibilities for stakeholders, including externals where necessary.

Step 5:
Implementation by partners, supported by ongoing monitoring and feedback by PPT facilitators.

PPT facilitation entails the following components:

1. **Identification of stakeholders, existing linkages, stakeholder needs and assets**
2. **Establishment of a common vision and agreement and commitment for its implementation**
3. **Development of joint organisational set-up responsible for implementing the vision**
4. **Planning of implementation roles/responsibilities**
5. **Implementation and Monitoring**

a. Stakeholders: Spier and local stakeholders

a. The company: its priorities, needs and assets relevant to PPT

Spier leisure comprises a great variety of tourism-related operations. They include accommodation (the village at Spier with 155 rooms), catering, sporting facilities, conference facilities, cultural and wildlife attractions, as well as a number of related ventures. Currently only about a quarter of Spier's activities are directly wine related. Spier, a private equity firm, is divided into several business clusters (Hotel and Leisure, Agribusiness, Winecorp, Green Technologies and property development) and three non-profit organisations (Spier Arts and Culture, the Spier Institute and Lynedoch Development). Spier also has several other initiatives to benefit the environment and/or community (see below). The size of the combined Spier property is approximately 1,000ha, located just outside the town of Stellenbosch. Table 1 summarises company characteristics. The size and variety of the Spier operation, combined with its strategic location, non-profit commitments, and development plans make it a critical operation for increasing the involvement of local people in tourism in the winelands.

Table 1: key company characteristics of Spier

Name	Spier
Location	Western Cape, Stellenbosch Wineland
Size of operation	A medium size wine producer (60ha), but large scale leisure facilities and accommodation provider (currently approx. 300 beds, 10% of Stellenbosch's bed stock – to more than double in the next few years).
Type of company	Spier is divided into the following divisions: 1. Hotel and Leisure; 2. Agribusiness; 3. Winecorp; 4. Green Technologies; and 5. Property Developments. It further runs three non-profit organisations: 1. Spier Arts and Culture; 2. the Spier Institute; and 3. Lynedoch Development.
Annual turnover of Spier	Village at Spier – income forecast for 2002 = R50m [2]
Type of product(s)	Accommodation, conference facilities, entertainment, educational/study, sporting (golf and tennis), wildlife (see description below)
Size	Village at Spier Hotel – 155 rooms (approx. 300 beds) – development plans for a 250 room Ritz Carlton Hotel and 150 room simple service hotel in the next few years
Pricing structures	R1180-1190 (Village at Spier) – upper end
Number of visitors annually	600,000 – of which over 90% are day-trippers. The Village at Spier has currently an annual average occupancy of 55%, making this approximately 50,000 staying guests.
Socio-demographic characteristics of visitor segment	Middle-class, large conference segment for staying guests
Seasonality of demand	High% of visitors between December and February
Origin of visitors	Predominantly South African (conference as well as leisure market) – strong increase in international arrivals, in particular the UK and German markets.
Number of Employees	400 (200 permanent) at the hotel and leisure division, 1000 in total
Source of employees	Spier has a policy to recruit largely within a 15km radius; 80% of those recruited in 2003 were local black/coloured employees. Concessionaires at Spier must follow a minimum 60% PDI policy; the majority of employees reside in Kayamandi, Ida's Valley, Cloetesville and Jamestown, all of which are impoverished central or northern Stellenbosch suburbs
Seasonality of employment	High seasonal employment – half of the work force is in temporary employment

[2] http://www.leadership.co.za/issues/2002mar/articles/spier.html

Spier's business development plans are particularly important given the potential for developing local linkages through their implementation. Spier's main approach is to move away from being purely a member of the 'wineland' family to becoming a tourism/recreation destination. In part this is due to Spier's efforts to seek business opportunities outside the traditional wine industry (i.e. diversification away from a wine mono-culture), and partly because of the past difficulties for Spier wine to compete with higher quality estates in the area. Spier has actively chosen not to make 'wine' its USP but to concentrate on a wide variety of leisure activities. As the largest recreation/leisure business in the Stellenbosch area, Spier faces with limited competition concerning the activities and accommodation on offer. New developments at Spier include the ambitious $81 million de Zalse development plan (for hotel development and housing developments). Given these business development strategies, Spier has business needs that can be served by PPT linkages, as well as considerable assets to contribute, as summarised in Table 2.

Two important strategies within Spier's overall approach are to promote Stellenbosch as an attractive holiday destination and to encourage visitors to increase their length of stay, rather than visit on day trips from Cape Town. To achieve these, development of a variety of local attractions and products is important. It is also worth noting that the Stellenbosch Municipality: Integrated Development Plan 2002 – 2006 identified a number of major business opportunities such as improvement and development of the local arts and crafts sector, including opening opportunities or developing entrepreneurs. It also identified the need to market Stellenbosch more effectively, diversity attractions, and integrate access for poor stakeholders.

Table 2: Spier's assets and needs relevant to PPT

Spier assets relevant to PPT	Spier needs relevant to PPT
• A highly diversified product – offers everything under the sun • Multiple operations and thus opportunities for linkages • Leader in the area in terms of visitor numbers • Leader in terms of diversification and desire to diversify further (i.e. arts and crafts, community tours etc) • Commitment to innovation and to social and environmental goals • Access to currently 600,000 visitors annually • Land ownership, access to infrastructure • Marketing muscle • Willingness to invest – assets available plus funding from IFC	• The establishment of Stellenbosch as a 'long-stay' destination away from purely day-tripping business (increase in occupancy rates) • Increase of visitor numbers • Effective marketing of the area, i.e. one that this not solely based on day-tripping • Sufficient attractions to entice visitors to stay on – diversification away from day-tripping wine visits – development of new attractions • Reduction of seasonality • Economic feasibility of existing and planned accommodation structures • Development of shopping facilities • link to area-specific cultural attractions to create a long-stay incentive (i.e. township tours, shebeens etc)

b. Local stakeholders:

Local stakeholders that have linkages with Spier come from a number of townships: Kayamandi, Ida's Valley, Cloetesville, and Penil. At this point, information is provided on Kayamandi, and further information is needed on the others.

Kayamandi Township

Kayamandi is located on the outskirts of Stellenbosch and was founded in the early 1950s as part of the increased segregation during the Apartheid regime. In 1966, the nine biggest employers in the Stellenbosch district (among them the University, the city administration, several vineyards and a fruit packing company) got together to erect 38 ready-made-homes, so called hostels. Kayamandi was originally built to house exclusively black migrant male labourers employed on the farms in the Stellenbosch area. Living conditions remain harsh in the township, with 1996 estimates showing unemployment averaging 42% and 86% of household living in informal dwellings. Summary data on living conditions in Kayamandi and Western Cape are in Table 3.

Table 3: living conditions in Western Cape and Kayamandi (1996)[1]

	Western Cape	**Kayamandi**
Female/male ratio	51,1% / 49%	49% / 51%
Age division	37% (16-35) of the total population / 5,2% (65+)	83% under 40 years of age
Illiteracy	n.a.	13%
Unemployment	17,8%	42% (60% in some wards)
Language	Afrikaans (59,2%), English (20%)	Xhosa (over 90%)
Households in a house on a separate stand	54,6%	13.9%
Households living in informal dwellings	16,6%	86.1%
Paraffin as main source of energy	13%	n.a.
Electricity usage for cooking	76,3%	83%
Flush or chemical toilet in dwelling	85,8%	(75 people per toilet)
Piped water in dwelling	75,3%	16%
Refuse removal at least once a week	82,2%	n.a.

1: source is 1996 census data. Data in brackets is from other independent sources.

Kayamandi has limited tourist attractions and facilities currently. These include:

- Shebeen with "the best views over Stellenbosch" (Poultney)
- middle-class homestays
- Vuka Creativity – craft producer
- Kaya Trust Centre

There are other potential tourist attractions such as the 'old hostel', street cooking, township shacks.

There are several existing support organisations within the community, which include:

- Kaya Trust Centre:
- Ikamva Lethu Centre ("Our Future" centre)
- Stellenbosch Business and Learning Centre

Table 4 outlines some of the local stakeholders' assets and needs relevant to PPT development.

Table 4: Kayamandi assets and needs in relation to PPT

Stakeholder assets	Stakeholder needs
• Culture and political heritage, as a basis for a tourist product to supplement existing wine product • Vuka Creativities – good crafts base • Shebeen(s) • Existing strong support organisations (Business and Learning Centre, Kaya Trust Centre) • Trained up guides and training structures • Land (80ha) and agricultural produce	• Entrepreneurial activity and business development • Employment creation • Product development • Marketing, link to existing routes & access to tourists/markets • Training and education • Sanitary facilities • Improved housing and utility services • Need for more effective coordination of a number of existing organisations

c. EXISTING PPT LINKAGES between Spier and neighbouring communities:

There are already a number of linkages between Spier and local stakeholders, and several Spier initiatives to benefit the local community and environment. These are summarised in Table 5.

Table 5: existing linkages between Spier and local stakeholders

Economic linkages	Non-financial livelihood linkages	Information and partnership linkages
More specifically:		
local enterprise linkages[3]: o Go Organics, the largest supplier of organic vegetables set-up by Spier and owned by seven local farmers with a 27% of equity supplies also the village at Spier o 'zero waste' policy led to insourcing of new local businesses such as the organic compost division and waste removal contractors o set-up of Biolytix o organisation of local crafts fair o organisation of exhibition and sale of local arts o organisation of cultural tours **Jobs** High proportion (%?) of workers are from within 5km o Concessionaires are obliged to employ 60% HDIs o Extensive staff training programme through The People's Experience company. o Keen to create a 'diverse' management structure through internal promotions and training **Collective income sources** o Spier Vineyard Trust – workers own 25% of equity o Go Organics – workers own 27% of equity	**Local access to infrastructure and services** o Lynedoch Development: 150 Cluster houses for Spier workers and farmers. o Primary School and Montessori school o Clinic at Lynedoch o infrastructure of the Sustainability Institute **Mitigation of environmental impacts and competing use of natural resources** o Cleaning of rivers and dams o Fynbos rehabilitation o Rehabilitation of farm land o Share of infrastructure (i.e. water, electricity, roads, sewage plants at Lynedoch) o Biolytix waste management to purify waste water o 'zero waste' policy – all waste is recycled or sorted on site o Organic farming is a key business of Spier **Capacity building, training** o Staff training via the People Experience Company and internal promotion structures and incentives o Open training courses in organic farming held by the Sustainable Institute o Arts and crafts display and exhibitions **Social, cultural contributions** o Spier Arts Trust, Arts & Crafts market (2002) o Spier Institute o Lynedoch development	**Participation of the poor in decision-making** o Equity ownership and management control over Go Organics and Spier Vineyards o Workers' participation in Spier company decision making, i.e. elected board of trustees **Partnerships between poor stakeholders and private sector** o Collaboration between Spier and Kaya Trust **Information and communication to the poor** **?** **Action for supportive pro-poor policy/planning framework** **-**

d. Potential for developing PPT linkages at Spier

There are many different ways in which existing PPT linkages can be strengthened or new ones created. This section briefly reviews them, and then focuses on the main option discussed so far – the Gateway. In considering different options, 3 criteria (among others) are particularly important. Any linkage should:

[3] Local enterprise linkages may be either (1) direct trade between the company and providers of inputs to the tourism business, such as farmers (these are 'upstream' linkages) or (2) a business or support relationship between the company and providers of tourist facilities and products, such as craft-makers or local guides, who supply tourists themselves (these are downstream linkages).

i. Make business sense to the operator – generate benefits that (over time) will outweigh transaction costs or financial costs, and ideally be integral to the top commercial priorities and business developments on which the operator is focusing in the medium term

ii. Impact on a significant number of poor people in the area and meet one or more priority development needs.

iii. Be feasible – likely to be implemented and succeed.

Table 6 presents a brainstorm of a variety of possible strategies that could be developed or strengthened. These are not prioritised in terms of the criteria or necessarily recommended, but serve as a basis for stimulating discussion.

Table 6: Examples of possible strategies for expanding and strengthening existing linkages[4]

Increase economic benefits	Enhance non-financial livelihood impacts	Enhance information-sharing and partnership
Stimulate local enterprise linkages and boosting local tourism enterprises[4]: o Formalise the local crafts fair into a permanent structure rather than occasional occurrence o Establishment of permanent structures for exhibition and sale of local arts and crafts o Organisation of cultural tours o Expand existing businesses such as Go Organics and Spier Vineyard Trust o Consider getting involved in using existing waste removal contractors to establish waste recycling company **Boost local wages: more jobs, or at a higher level** o increase proportion of workers from within 5km o expand promotional structure to allow local employees to move up the ladder o increase the stipulated percentage of HDIs employed by concessionaires from 60% to ? o extend staff training programme o focus strongly on creating a 'diverse' management structure through internal promotions and training **Create collective income sources** o Expand equity of Spier Vineyard Trust and Go Organics	**Increase local access to infrastructure and services** o Focus on innovative infrastructure sharing opportunities at Lynedoch Development o Extend the places available at the school supported by Spier o Open-up the use of the infrastructure available at the Sustainability Institute **Mitigate environmental impacts and addressing competing use of natural resources** o Continued emphasis on conservation, rehabilitation and natural resource sharing o Share infrastructure (i.e. water, electricity, roads, sewage plants at Lynedoch) **Capacity building, training** o Intensify staff training via the People Experience Company and internal promotion structures and incentives o Provide training courses for non-staff members held by the Sustainable Institute **Improve social, cultural impacts** o Extend the Spier Arts Trust programme and training opportunities at the Spier Institute	**Increase participation of the poor in decision-making** o Increase workers' participation in Spier company decision making, i.e. elected board of trustees; o Extend decision making power o Consider equity ownership and management control over the accommodation and attraction site **Build pro-poor partnerships with private sector** o Extend collaboration between Spier and Kaya Trust o Form new partnerships with SMMEs o Form over-arching, sustainable organisational set-up **Increase flows of information, communication to the poor** o Establish open-forum for the exchange of information o Provide written company policy information to neighbouring communities o Organise tourism-information evenings to neighbouring communities, SMMEs, other stakeholders **Create more supportive policy/planning framework** Assist local residents/businesses in voicing their needs to Stellenbosch Tourism and the municipality.

As Table 5 shows, there is some scope for continuation and expansion of *existing* PPT linkages, for example in:

[4] Some of these may already be done or underway, given that our information is incomplete.

- Strengthening Spier's current linkages with **local SMMEs**, such as through a regular crafts event, and permanent craft-selling space, new cultural tours, and a waste recycling business.
- Continued action to develop **infra-structure** needed by Spier in a way that simultaneously brings local benefit. Provision of housing and schools clearly meets local priorities and is an area in which Spier has already prioritised as part of its commercial developments. As a further example, developing the water supply for expansion of Winecorp vineyards could be done in a way to support other commercial enterprises.
- The many existing organisations and associations that link Spier to outside communities appear useful if somewhat ad hoc. There may be scope to expand these business relations, or use these existing initiatives to build more **partnership** with residents perhaps through consolidating them into a local partnership structure. There is also potential for these associations to focus on developing new cultural and recreational products that fit within the 'gateway' concept outlined below. A partnership that plans an Arts Festival together one year, may plan a tourism village together another.

In terms of creating new linkages, development of a tourism 'gateway' development immediately leaps out from the above criteria:

i. **It makes business sense**: The gateway is central to Spier's business development and current market repositioning because it is a means to increase visitor length of stay and diversify further into leisure rather than wine.

ii. **Impact on the poor**: The characteristics of gateways mean that they *can* be (though are not necessarily) developed in ways that integrate poor stakeholders:
   - Residents can become involved as entrepreneurs in new business brought together at the gateway site.
   - It can be developed through new types of partnership between formal tourism and local residents/businesses.
   - other spin-off livelihood benefits from collaboration on the physical planning of facilities and services such as transport routes, training, signage, security measures, communication systems or recreation facilities.

iii. **Feasibility:** The promotion of arts/crafts/ heritage products rather than simply focusing on wine is supported by visitor demand and identified as a growth strategy by the Stellenbosch Municipal Authority. Assuming it is core to Spier's business development, there is every reason for Spier to implement it successfully.

The gateway approach

The nature of Spier's somewhat different wineland product, and particularly the need to attract staying visitors, make the gateway idea the natural next step in business development. To achieve a substantial increase in staying visitors and average length of stay will require: market research and identification of the target market(s); a range of quality products that appeal to the target market(s); sufficient and quality infrastructure; effective marketing and promotion; and working partnerships for new products, effective new relations with communities/entrepreneurs and avoidance of conflicts with other Stellenbosch stakeholders that would disrupt tourism flows.

Positive impacts for local stakeholders depend on what exactly is entailed in the gateway and how it is implemented. Various possible impacts are shown in Table 7. Many of these impacts relate to enterprise development, though there may also be other local benefits that can be generated from tourism routes and gateways via development of new infrastructure and services, or local input into shared decision-making.

Table 7: possible pro poor benefits from gateway development

Elements of gateway development	Potential benefits to local stakeholders
Accommodation facilities	More visitor nights and expenditure in the area; infrastructural development
Wider range of attractions	Cultural, heritage, historical, township, products run by local people
Information centre	Marketing for PDI products and services
Decanting point for large bus groups to change to smaller more tailor made tours	Smaller tours could include heritage/township tours and use local guides
Sales outlet for traditional wine and other goods	Sales of art, craft, food, and other local products
Integration of a variety of products under one brand	Promotion and quality seal for local goods and services
Infrastructure development	Shared use and benefits – from roads, signage, communications, security improvements etc

Probably the three most important requirements for bringing benefits to local stakeholders from a gateway are:

- Commercial success of the businesses and gateway concept;
- Explicit consideration of how to increase local linkages throughout design and implementation;
- Effective partnerships and good leadership, both within the community and with Spier.

This would require PPT facilitation to ensure local stakeholders join in building the vision, influencing plans from the start, and to develop realistic partnerships. As an initial input, a draft report on experience of developing routes and Gateways (Meyer 2003) is now available.

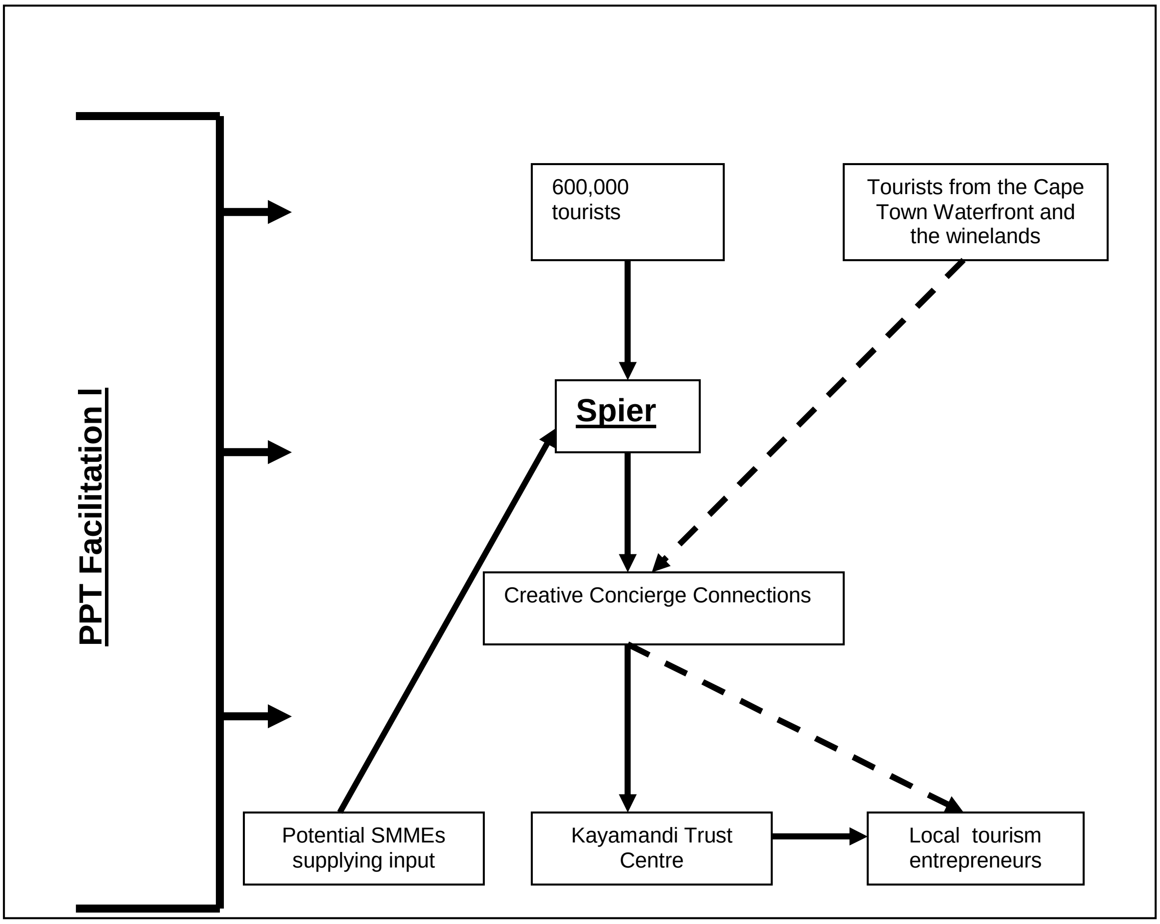
e. Overview of potential for expanding linkages

Spier Leisure is in the process of significantly expanding and adapting its product and facilities. The vision is for Spier to 'be seen as the most desirable tourist destination in the area' and current plans focus on development of Spier as the leading centre for African Art. The planned developments may take 10 years.

Meanwhile, Spier remains firmly committed to integrating PPT into its operations and expansions. Spier's vision here is for tourism to add value and wealth to all stakeholders. A key objective is to increase access to tourists for the traditionally disadvantaged and impoverished in the area. While the idea of a physical Gateway for tourists to reach local services has been postponed, the approach will continue to develop Spier and a local tour operator, Concierge Connections, as a virtual gateway.

Since the first PPT visit, a considerable amount has already been achieved. Relationships have developed with Kayamandi Trust, local Bed and Breakfasts have received assistance from Spier, particularly in marketing and training, and a working partnership evolved with Concierge Connections who offer tourists alternative tours.

How can PPT facilitation continue to help expand Spier's linkages to local entrepreneurs?



The suggested approach [5] is to focus on a key set of linkages between:

- Spier Leisure – a source of 600,000 + visitors a year
- Concierge connections – who channel tourists from Spier and from Cape Town to local products
- Kayamandi Trust – a voice for Kayamandi, a potential coordinator of local enterprises, a potential training base;
- Local tourism enterprises – providers of services and goods to tourists (eg homestays, cultural visits)
- Local enterprises who are potential providers of inputs to Spier operations. Potential here may be assessed and developed by new PWC work on clusters and economic linkages. Possibilities to collaborate with this will be explored.

PPT facilitation can focus on helping to strengthen these linkages. In particular it can assist with

- Institutional linkages, stakeholder communication
- Training – assessing needs, advising on content, sourcing input,
- Product development discussion
- Providing an outside perspective; advising on good practice and problem resolution.
- The focus is flexible and aims to fit with what is most useful in assisting Spier to achieve its PPT goals.

[5] Note, since the time of writing, the agreed focus of PPT has been adapted to embrace wider procurement and supply chain issues.

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Appendix

Tourism context in Western Cape and Stellenbosch

1. The context: A brief summary of tourism in the Western Cape and Stellenbosch[6]

Tourism in South Africa in 2001:	Western Cape Province
▪ Foreign tourist arrivals: 6.4 million, an 11.1% increase over 2001 ▪ The top five source markets are neighbouring SADC countries (i.e. 1.5 million arrivals from Lesotho alone). ▪ The biggest overseas markets are the UK (approx. half a million arrivals), Germany (just under a quarter of a million) and the US (around 175 thousand). ▪ Domestic tourism makes up around 70% of the tourism value to South Africa. ▪ Europe is a very important growth market: UK (24% increase in arrivals between 2001 and 2002), Germany (22%), France (35%), Netherlands (14%), Italy (29%), Ireland (43%), Portugal (34%) and Spain (37%) ▪ 61% of air travellers are repeat visitors and 87% of land visitors ▪ Arrivals are seasonal and cyclical. The peaks are in December and the valleys are in June. The difference is approx. 60,000 arrivals. This pattern is repeated every year. ▪ The average length of stay for air tourists who visited South Africa in 2002 was 14.4 days, while the average length of stay for land tourists was 8.1 days ▪ While holiday and VFR visitors stayed on average 14 nights, shopping and business travel was far shorter with 4 days and business travellers with an average of approx. 5 days ▪ Value estimated at R90.4 billion in 2000 to which overseas visitors contributed R25.9 billion. Almost level with gold, 2nd largest earner of foreign currency for SA. ▪ Projected growth of 11.6 % p.a. to 2010. ▪ Total foreign direct spend in 2002 is estimated to have been R48.8 billion. ▪ On average just over 40% of total trip cost is spent in South Africa ▪ In 2002 tourism contributed approx. 10.9% to South Africa's GDP. • In 2002 492,654 people were employed in the sector. It is estimated that by 2005 tourism employment will make up 9.3% of all employment	• Value estimated at R15.4 billion p.a. (R7.2 billion from overseas tourists and R8.2 billion from domestic visitors). • Projected growth to R34.7 billion by 2010 at current prices. (Overseas R22 billion and domestic R12.7 billion). • Contribution is estimated at between 9% and 13% of the regional economy. • Province received 830,000 overseas visitors during 1998 and 6.1 million domestic visitors. 8.5 million bednights sold to overseas visitors p.a. • In 2002 the province received 976,000 visitors • Target of the Western Cape Tourism Board is to increase the number of overseas visitors to 3 million by 2010 • 9 of the top 15 national tourism attractions of SA are in Western Cape. The Province has a 28 % share of the national market.

6 Unless otherwise stated the figures supplied here are from South African Tourism, The Western Cape Tourist Board and the Stellenbosch Tourist Board. (http://www1.capetourism.org/Downloads/Western%20Cape%20Trends%20Card.pdf), http://www.wesgro.org.za/BusSector/showArticle.asp?artId=56; http://www.istellenbosch.org.za/
The Macroeconomic Significance of Travel and Tourism to the Economy of the Western Cape, Wesgro, February 1998, 27 pages.
The Western Cape Tourism Sector: Background for Investors, Wesgro, August 1998, 16 pages.

2. Western Cape Tourism (foreign visitors) at a glance in 2002

Number of overseas visitors to the Western Cape	976,000
Number of African-Air visitors to the Western Cape	70,000
Number of African-Land visitors to the Western Cape	326,000
Percentage of South Africa's overseas visitors visiting the Western Cape	53%
Percentage of South Africa's African Air visitors visiting the Western Cape	21%
Percentage of South Africa's – African Land visitors visiting the Western Cape	8%
Total spend by all foreign visitors to the Western Cape	R17,3 billion
Estimated number of nights spent by all foreign visitors to the Western Cape	12 million
Largest source market of bednights sold in the Western Cape	UK and Germany
The most popular Attractions in the Western Cape for foreign visitors	Cape Town V & A Waterfront, Nature Attractions e.g. Table Mountain, Cape Point, The Wine Route Stellenbosch, Nature Conservatories e.g. Kirstenbosch, The Garden Route, Robben Island
Share of all domestic holiday trips taken that were spent in the Western Cape (2001)7	22.8%
Spend by domestic Tourists in the Western Cape (2001)	R2.9billion

3. Stellenbosch tourism development

Stellenbosch's economic sector with the highest growth rates are tourism related services. Tourism is estimated to contribute around 15% to Gross Regional Product. The local accommodation, restaurant and wine farm tourism sector, catering mainly for an upper income tourism segment is well developed. The facilities/establishments include: 257 smaller accommodation establishments, over 143 up-market restaurants, 125 Wine estates, several major golf estates.

The Stellenbosch Municipality: Integrated Development Plan 2002 – 2006 identified a number of major business opportunities, all of which may well be relevant to development of PPT options:

- Improvement and development of the local arts and crafts sector, including opening opportunities or developing entrepreneurs
- Packaging and offering unique tailor-made tours run by excellent tour guides to small, so far unmarketed groups (e.g. culture, arts, heritage, historical, architectural)
- Developing, marketing and packaging adventure tourism and nature related assets
- Spin-offs for marketing, tour-operators and related companies.

However, at the same time, several obstacles and short-comings were identified for Stellenbosch's tourism sector which include:

- Stellenbosch is not marketed effectively by the Stellenbosch Tourism Bureau.
- More could be done to develop and market agri-tourism.
- There is a need to beautify the entrance of the valley to attract more visitors.
- More varied and diversified attractions and facilities for visitors are needed.

7 The total number of domestic visitors to the Western cape is not available from this data source and therefore not included in this table

- There is a lack of integration and access to tourism facilities and other opportunities for poor stakeholders.
- Tourism as catalyst for economic growth and job creation has not been used to its full potential.
- There is a need to provide accommodation for bus tourists and at the same time conflict over traffic congestion due to 40plus-seater busses in the centre of Stellenbosch itself.