

African Continental Free Trade Agreement to be welcomed as a boost for tourism



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South African businesses don't have to try hard to find new markets, they just have to look in their own backyards at other African states. Intra-African trade is notoriously poor - in fact, it's the worst of any region of the world at just 18%. While the causes are numerous, one stands out: it is extremely difficult to do business across borders on the continent. Businesses from Africa find a more welcoming approach from markets outside our continent.



Danny Bryer

During March a historic event took place – the signing by 44 African nations of the Kigali Declaration on the establishment of the African Continental Free Trade Area. The agreement promotes the creation of a single market across the continent through the abolition of cross-border tariffs and greater efficiency at border posts. Opening up nearby markets, through making it easier to take goods across borders and through removing prohibitively expensive tariffs, can only bode well for African businesses.

The agreement is geared to provide a boost to all countries, but some will struggle to reap the benefits. They will need to improve their infrastructure and enhance their systems to create far more credible customs and passport documentation. Those with more established economies, like South Africa, are more likely to reap the rewards of the potential new market of over 1.2 billion people. Our sophisticated infrastructure – good road networks, a well-developed transport system, and a relatively stable supply of electricity – means that we have a headstart.

Opening borders good for travel and tourism

industry

All these factors are core to the success of the tourism and hospitality industry, as is ease of movement across borders. It is thus encouraging that 27 countries also signed a pact allowing for the free movement of people across the borders of their countries. Last year, our Department of Home Affairs published its International Migration white paper, in which it indicated its support for the concept of an 'open border' passport among African Union countries. This could be applied to particular categories of people, such as those who travel regularly for business.

Easing visa controls means more African businesspeople will visit our shores, which is positive for the local tourism industry. Regional tourism will be further boosted if we drive the expansion of air routes to South Africa from other African states. Our established hotel industry and conferencing facilities make South Africa the leader on the continent for business travel, and we will benefit from a greater drive within the African market.

Water sustainability the new watchword

While the outlook for the tourism industry has been strong for a number of years – essentially since the 2010 Football World Cup – challenges presented by the drought affecting a number of provinces put the positive growth in the industry at risk. But, considering the importance of this sector to the economy – in the Western Cape alone, the industry contributes around R38bn annually – we cannot afford to allow the ravages of nature to damage the industry.

Water sustainability has become the new watchword for the future of our economy and should become a national priority. The public and the private sector must join forces to take whatever action is necessary for South Africa to experience the sort of growth we are capable of in the future, no matter the natural events our country may face at a particular time.

ABOUT DANNY BRYER

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