**ABSTRACT**

The purpose of the research report is to investigate the role that tourism plays in developing black-owned small enterprises and how it has contributed towards Black Economic Empowerment in the ten-year period between 1994 and 2004. The research drew from the aims of the Tourism White Paper and sought to review the problems and progress in transforming the tourism industry in South Africa and establish whether black entrepreneurs are making headways into an industry that can potentially change racial imbalance in economic control. The research was conducted among 40 black tour operators based mainly in Gauteng using a questionnaire. The report established that black tour operators, because of their previously disadvantaged background, are struggling to make an impact into the seemingly white-dominated industry.