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PUBLIC POLICY OBJECTIVES SHAPING TOURISM: FROM CHINA TO SOUTH AFRICA

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A research report submitted to the Faculty of Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master in Management (in the field of Public and Development Management)

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ABSTRACT

The relationship between South Africa and China has grown in all areas including tourism since 1998. China is considered to be one of its core source tourism markets. However, a recent decline in arrivals from China means there is a need to understand the nature of South Africa as a tourist destination for Chinese.

The aim of this study was to explore successes and challenges of the current South African tourism situation for the purpose of promoting South Africa in China.

We conducted non-structured and semi-structured interviews with people involved in the industry; colleted data from South Africa Tourism surveys and reports; and then interpreted the results, using content analysis.

We found five successful factors and seven challenges. The research identified crime and prices as areas of concern, about which we made some recommendations.

DECLARATION

I declare that this research report is my own unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master in Management (in the field of Public and Development Management) to the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

_____

Dasong Cao

31st March 2006

DEDICATION

To Xiudan, my wife, and Renfeng Lan, my mother-in-law, for their sacrifice and support.

To Xinhui and Xinyu, my daughters, for their patience.

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1. INTRODUCTION

1.1 BRIEF INTRODUCTION

This chapter introduces the research and provides background to the study. Specifically, it provides a summary of the research, problem statement, research purpose, and research question. Generally, this study explores the post-1998 relationship between South Africa and China in tourism. It examines the tourism relationship between the two countries, looking at tourism where South Africa is the country of destination. The methodology for this research is qualitative.

1.2 PROBLEM STATEMENT

After establishing a formal diplomatic relationship between the two countries, the tourists coming to South Africa from China have increased dramatically on a yearly basis from 1998 to 2004, except in 2003, during the SARS epidemic. However, recent statistics from South Africa Tourism show that, for the first time, there appears to be a falling trend: the numbers of tourists from China in the first quarter of the year(January to March 2005), compared with the previous season, have declined by 21.8% (South Africa Tourism 2005).

Tourism is one of the fastest growing industries in South Africa. China is becoming an increasingly important source country for tourists to South Africa. There has been a dramatic increase in the number of Chinese tourists going abroad. Hitherto, studies have been more focused on South African's traditional tourists' markets like North America and Europe. Research on tourism in China, especially on Chinese tourists visiting South Africa, is limited. Therefore, major factors that influence and/or hinder Chinese tourists to South Africa require exploring.

1.3 PURPOSE OF THE STUDY

The purpose of this study is to explore successes and challenges of the current South African policy of promoting tourism in terms of the Chinese market.

Through an analysis of attitudes and practices, this study examines the Chinese aspect of tourism. It further provides practical insights that might lead to a broader social understanding of Chinese tourists and also improve the tourism relationship between the two countries, especially from the perspective of South Africa as a country of destination.

1.4 RESEARCH QUESTION

The key question under investigation is:

What are the South African Tourism policy and strategy for the Chinese market, and how are they implemented?

Subsequently, the sub-questions of the study are as follows;

- What is the specific nature of the bilateral relationship between China and South Africa?
- To what extent does tourism benefit the South African economy?
- Which factors promote South Africa as a tourist destination for Chinese tourists?
- What factors prevent Chinese tourists from coming to South Africa?

1.5 SUMMARY

Tourism between China and South Africa has been growing since the two countries formalised their relationship. But, the current decrease of arrivals from China suggests that there are obstacles which need to be overcome. A review of the tourism situation is required based on a clear understanding of what happened, in order to decide what really needs to be done policy-wise and strategically.

2. LITERATURE REVIEW

2.1 INTRODUCTION

This chapter deals with the background study in terms of foreign policy, tourism and the nature of relationships between South Africa and China. It provides the framework under which the topic is conceptualised and offers a critical analysis of aspects of the literature on this topic. It also includes latest China-South Africa Policy and Co-operation tourism project between the two countries.

2.2 FOREIGN POLICY

There are many definitions of foreign policy. But, they all share the same core meaning which is around the actions designed to determine the relationship between one country and other countries.

In general, foreign policy can be defined as "the sum total of all activities by which international actors act, react and interact with the environment beyond their national borders" (Du Plessis 1999: 111).

It is true that while "foreign policy may superficially appear to be grandiose and elitist on account of the high politics …It must be remembered that foreign policy is merely an extension of social relations and domestic policy at large" (Du Plessis 1999 : 111). This may explain that while some people in developing countries blame the US for interfering in internal affairs of other countries, the US government and politicians tend to justify their actions as 'for the interests of USA'.

With the advent of globalisation, the importance of foreign policy is also increasing. The European Union, the African Union as well as the New

Partnership for Africa's Development (NEPAD) are all examples of how countries are interrelated.

2.3 SOUTH AFRICAN FOREIGN POLICY

South Africa isolated itself from most of the world in its apartheid era, which was almost half a century long. The new democratic dispensation broke the country's isolation and opened it to the rest of the world, China included.

Seven principles of South African Policy were published in an ANC document in 1994 which were consolidated in 1996 by the Department of Foreign Affairs as the following five(Department of Foreign Affairs 1996 as cited from Le Pere G & Van Nieuwkerk 1999 :250):

- The promotion of democracy and human rights;
- Accepting the supremacy of peace , justice and international law in guiding relations between nations;
- A commitment of the development of the African continent and the southern African region in particular;
- A belief that South Africa's growing economic development depends on regional and international co-operation in an interdependent world;
- A belief that our international relations must mirror our deep commitment to the consolidation of a democratic South Africa.

Some changes flowed from the Mandela regime's human rights based foreign policy to the Mbeki regime's more pragmatic policy, as a new set of priorities and normative principles were established. Both Idealism and Realism have had impacts on formulation of South African Foreign Policy (Le Pere & Van Nieuwkerk 1999).

To understand South African's foreign policy, one has to first understand the country's main interests as well as its changes. The country's five key strategic priorities are identified as following (Department of Foreign Ministry 2002):

- Speeding up delivery of basic needs and developing human resources;
- Building the economy and creating jobs;
- Combating crime and corruption;
- Transforming the state; and
- Building a better Africa and a better world.

Creating jobs is further identified as one of the priorities in the National Treasury Strategic Plan 2002-2005 (South Africa National Treasury, 2002).

As unemployment lead to poverty and crime, "Building the economy and creating jobs" is very crucial for a better South Africa. The policy adjustment from the Reconstruction and Development Programme (RDP) to the Growth, Employment And Redistribution (GEAR) strategy also has an impact on foreign policy. Tourism can create job opportunities and can also contribute to development and economic growth.

According to The South Africa Yearbook, "Tourism employs an estimated 7% of South Africa's workforce and is regarded as the largest provider of jobs and earner of foreign exchange" (Government Communication and Information System 2001:519).

Actually, during the period 1998-2002, tourism was the only industry in South Africa which contributed to GDP growth and employment positively (South Africa Tourism 2004).This is further confirmed by the Department of Trade and Industry (DTI):

> In 2004, the South African travel and tourism industry's contribution, including induced and indirect effects, to GDP was R 93.6 billion, or 7.4% of total. It is estimated that there are 539 017 direct employees in the tourism sector and 669 683 indirect jobs (Department of Trade and Industry 2005: 6).

Obviously, tourism satisfies these key priorities of the government and it is also related closely with the external environment.

2.4 TOURISM IN SOUTH AFRICA

The World Tourism Organisation (WTO) defines tourism as "activities of persons travelling to or staying in places outside their usual environment for a period of at least 24 hours and not more than one consecutive year for leisure, business or other purposes." (Malta Tourism Authority 2003:1).

However, it would be difficult to set strict boundaries from tourism to other economic activities from the above definition. The key conception of tourism would comprise transport, accommodation, catering, entertainment and related activities. It may be further divided into domestic tourism and international tourism in terms of countries of sources and destinations. This study looks at international tourism and focuses on China as the source country for South Africa.

South Africa is one of the most attractive tourist destinations in Africa and according to WTO, it is one of the 25 most attractive tourist destination countries in the world. China is one of the top 10 popular destinations (WTO 2004).

Tourism is one of South Africa's fastest growing industries. South Africa is one of the fastest-growing tourism destinations in the world, with 6, 4 million tourists having travelled to the country during 2002 (South Africa government Information 2003).

Tourism's contribution to South Africa's Gross Domestic Product was R93.6-billion in 2004, up from R72.5-billion in 2002 (South Africa Info May 10, 2005).

2.5 SOUTH AFRICA'S TOURISM POLICY

2.5 .1 The White Paper

The White Paper on Development and Promotion of Tourism in South Africa (DEAT1996) (hereinafter called the White Paper) provides a policy framework for tourism development and it emphasises responsible tourism as a basic principle.

The White Paper identifies 14 areas for which key policies should be developed, including:

- Safety and Security;
- Education and training;
- The financing of tourism and access to finance;
- Investment incentives;
- Foreign investment;
- Environmental management.

The key constraints listed in Tourism White paper are as follows:

- Tourism has been inadequately resourced and funded;
- Myopic private sector;
- Limited integration of local communities and previously neglected groups into tourism;
- Inadequate protection of the environment;

- Poor service;
- Lack of infrastructure, particularly in rural areas;
- Ground transportation sector not geared to service tourists;
- Lack of inclusive, effective national , provincial and local structures for the development , management and promotion of the tourism sector;
- Growing levels of crime and violence on tourists or visitors;
- At the provincial level, tourist organisations are still in disarray.

(Department of Environment and Tourism 1996)

2.5.2 Tourism Growth Strategy

South Africa Tourism started The Tourism Growth Strategy project in May 2001 in order to address key problems in the international tourism marketing of South Africa. This was further amended as 'The development of the Tourism Growth Strategy 2001-2003'.

In this Tourism Growth Strategy, China was identified as one of the 19 core markets and one of the 11 top outbound markets in the world.

2.5.3 Other Guidelines

Responsible Tourism Guidelines were set in 2002, which further set some quantified targets for the tourism sector. Those targets include economic, social and environmental objectives and indicators, and a shift that is more focussed on sustainable tourism.

Transformation initiatives are promoted in line with National BEE (Black Economic Empowerment) policy and the previous imbalances are addressed. Those who are historically disadvantaged are identified as beneficiaries.

2.5.4 Tourism Act 1993

This Act makes provision for the promotion of tourism in South Africa and regulates and rationalizes the tourism industry. It caters for the maintenance and enhancement of standards of facilities, coordinates and facilitates the functioning of the tourism industry. It also makes provision for the registration of tourist guides.

In 1994, The Regulations regarding Tourism Travel Insurance and Regulations regarding Tourist Guides were added to the Act.

In 2000, This Act was further amended as the Tourism Amendment Act, which included regulations on tourist travel insurance and also on the training and registration of tourist guides (South Africa Parliament 2000).

2.5.5 Tourism Sector Strategy

On 8 November 2005, the DTI finalized the Tourism Sector Development Strategy and published it as a draft document for public comment. This document set up goals and key program actions to deal with strategic challenges and opportunities. This document discussed strategic themes of black empowerment, production development and investment, tourist transportation, employment, productivity and skills. However, other key issues like institutional alignment, tourist safety and security were not sufficiently covered (DTI 2005).

2.5.6 Stakeholders

The key stakeholders in the tourism industry can be identified as follows:

- Department of Environment Affairs and Tourism(DEAT) – the national authority responsible for policy formulation and implementation;

- Provincial tourism authorities;
- Tourist Forum-Advisory body for DEAT;
- South Africa Tourism — Promoting South Africa internationally;
- South Africa Tourism Services — Tourist Industry organisation;
- The Tourism and Hospitality Education and Training Authority (THETA) -- Responsible for education and training.

(Government Communication and Information System 2001)

However, we must understand that the tourism industry cannot by itself ensure its own development. For success, positive elements should include stakeholders more broadly, and co-operation from other departments, the public and private sectors as well as NGOs and local communities.

2.6 SOUTH AFRICA –CHINA RELATIONS

China and South Africa are respectively regarded as giants in their own continents and both are in the developing world. China supported South Africa's struggle against Apartheid. Both countries regard each other as strategic partners.

On 1 January 1998, South Africa established full diplomatic relations with China. Since then, bilateral ties between the two countries have developed relatively smoothly (China and South Africa, Ministry of Foreign Affairs of PRC 2003).

2.6.1 Senior Visits and Important Agreements

Top leaders of South Africa and China have exchanged ten official visits (see appendix A) during the period April 1998 to September 2004.

These top visits show that the two countries have identified each other as strategic partners. Both countries have expressed the need to consolidate and develop their relationship.

The leaders of the two countries also initiated three important agreements, viz.:

- The Pretoria Declaration on the Establishment of the Partnership between the People's Republic of China and the Republic of South Africa (April 2000);
- The Exchange of Notes on the Establishment of Bi-National Commission between the Government of the People's Republic of China and the Government of the Republic of South Africa (December 2001);
- In April 2000, China and South Africa signed an agreement on cultural cooperation.

(Sources: Ministry of Foreign Affairs China 2003, Ministry of Foreign Affairs South Africa 2003)

2.6.2 Trade Relationship

South Africa is China's largest trade partner in Africa while China is one of the top 5 trade partners for South Africa (Department of Trade and Industry 2004). The trade volume between China and South Africa accounted for 20 percent of the total trade volume between China and Africa. In 2002, total trade between China and South Africa reached US$2.58 billion, up 16.1 percent from the previous year. Of the total, China's exports amounted to US$1.311 billion, 25 percent more than in the previous year, and imports amounted to US$1.269 billion, up by 8.2 percent.

By the end of June 2002, the Chinese government had given its approval to 96 enterprises for their investment in South Africa, with contracted value of US$190 million. South Africa had 205 investment projects in China, with contracted value of US $130 million (Chinese Foreign Ministry 2003).The trade volume between China and South Africa increased from R 9.3 billion in 1990 to R 23. 3 billion in 2003. The two countries sought to further intensify economic linkages (South Africa Info 2004). In 2004, the bilateral trade volume nearly surpassed US$ 6 billion, an increase of 52.8% over the previous year. China's export to and import from South Africa grew 45.5% and 60.9% respectively (Conversation with an official from the Chinese Embassy, June 2005). In 2005, the bilateral trade volume reached to US$7.27 billion, reflecting a further increase of 23% over the previous year (Africa Times Jan 10 2006).

2.6.3 Bilateral Investment

By the end of 2004, the two-way investment had exceeded US$500million. South African conglomerates, such as Anglo-American, SAB-Miller, Khumba Resources and Naspers, have developed a substantial presence in China. A Letter of Intent was also signed in 2004 between Sasol and a consortium of Chinese companies for coal-to-fuel conversion. Sappi also injected US$58 million in China. One of the biggest Steel Chinese enterprises, Jiuquan Iron & Steel Corporation also expanded Ferro-chrome joint Venture projects in South Africa. TV set and other home appliances manufactured with Chinese investment and technologies have already secured a niche in the South African market (Liu Guijin 2005).

2.7 SOUTH AFRICA AS CHINA'S TOURIST DESTINATION

China does not permit other countries to market themselves as tourist destinations in China unless they have been designated by the Chinese authorities as 'approved destinations'. In December 2001, China granted

South Africa an "approved destination status" (Minister of Foreign Affairs, PRC, 2001). At that time, such honour was only given to 16 countries, mostly from Asia. South Africa was one of the few non-Asian tourism partners of China. However, implementation only started in 2003 when South Africa was one of the 24 designated destinations for Chinese tourists (China National Travel Agency, 2004). In February 2003, South African Tourism approved 21 South African tour operators to engage with the Chinese mainland market.

On April 1, 2003, the Memorandum on the Implementation Plan of Chinese Citizens' Organized Visits to South Africa officially came into force. A day later, the first self-sponsored Chinese group of tourists arrived in South Africa (Ministry Of Foreign Affairs, PRC 2004). In June 2003, South Africa sent out its first ever attaché to China (South Africa Info 2005). These developments led to the first Chinese tourists' wave to South Africa. In 2003, while over 9000 South Africans visited China, South Africa received more than 40 000 Chinese visitors.

During 2004, tourists from China increased by a remarkable 20% more than in 2003 (South Africa Tourism, 2004). During the first quarter, the increase was 39%, compared with the increase in the same period in the previous year (Xinhua Daily, 15/06/2004). Surprisingly, according to a research report on international tourists by South Africa Tourism, the tourists coming from China from January to April 2005 decreased by 15.9%, as compared to what happened in the same period in 2004 (South Africa Tourism, 2005).

2.8 MARKETING SOUTH AFRICA IN CHINA

Van der Westhuizen (2000) argues that South Africa should market itself as a tourist destination because it has a lot to offer. And yet, the promotion of South Africa is poor and inefficient, resulting in the South African flag

“not flying too high”. South Africa Tourism is the official tourism marketing organisation whose responsibilities involve marketing South Africa in the world. In 2004, South Africa Tourism did a research in China and the result was an 84-page long research document entitled “Marketing South Africa in China” (South Africa Tourism, 2005).

Some of the findings from the research include:

- SA is priced above its competitors in the Chinese market;
- SA has low product diversity as compared to other long haul destinations;
- Thailand, Malaysia and Singapore are the primary international holiday destinations of Chinese travellers;
- SA has a standardized package based on the HK model (7 days 5 nights in Johannesburg, Pretoria, Sun City and Cape Town);
- South African group packages flow through multiple channels to Chinese consumers;
- Sponsored travel destination choice is typically driven by the consumers or decision-makers in the organization;
- Group formation failure happens in the final three weeks. The key determinant of timing is visa application processing and then airline bookings;
- South Africa is particularly adversely affected by group failure dynamics because of lack of scale;
- Beijing, Shanghai and Guangdong appear to be the travel centres.

Though 14% of the Chinese market is positive towards SA, only 6% is most likely to visit SA in the next 5 years. Biased perception about SA people, safety concerns and lack of knowledge are strong barriers for Chinese travellers (44%, 42%, and 41%) (South Africa Tourism, 2005).

South Africa Tourism also initiated the Fundi Tourism Expert Course (destination specialist training) which were specifically designed to enable the travel provider to sell South Africa more effectively. The Fundi was introduced to China during “Shanghai China International Mart” in November 2004.

From 22nd to 24th September 2005, South Africa held the biggest tourism promotion in China called “Alive with possibilities” and it attracted many role players in the tourism industry.

2.9 CHINA'S AFRICA POLICY

China and Africa has a long history of friendship and interchange. China and Africa shared some similar experiences and supported each other in the past century.

On January 12 2006, The Chinese government issued in Beijing an official paper of "China's Africa Policy" “with a view of promoting the steady growth of China-Africa relations in the long term and bringing the mutually-beneficial cooperation to a new stage” (Ministry of Foreign Affairs China 2006: Foreword).

The document consists of six parts and it reviews Africa's Position and Role, China’s relation with Africa, China’s African policy, Forum on China-Africa Cooperation and Its Follow-up Actions. The document especially emphasises its effort of enhancing All-round Cooperation between China and Africa, including tourism co-operation.

The document states that “China will implement the program of Chinese citizens' group tour to some African nations and, grant more African countries, as they wish and as far as feasible, Approved Destination Status for out-bound Chinese tourist groups. China welcomes citizens from African nations for a tour of the country” (Ministry of Foreign Affairs

China 2006: Part IV.7). On 19 January 2006, The Chinese Embassy and The African Institute of South Africa co-hosted a briefing in Pretoria on January 19 to explain this policy. Ambassador Liu Guijin said: “This was the first time the Chinese government has issued a policy paper on Africa” (Liu Guijin Jan 2006).

2.10 CHINESE-SPEAKING TOURIST GUIDE TRAINING PROGRAM

Based on an agreement signed by The Department of Environmental Affairs and Tourism and the Chinese Embassy of The People's Republic of China in SA, between March 2005 and January 2006, eighteen black tourist guides were trained in the Chinese language by an expert sent from China. Thirteen of them completed the program and will be sent to China for experience internship. This was the effort of both South African and Chinese governments to train Chinese speaking tour guides and help with capacity building in the transformation process.

2.11 SUMMARY

We see that it is under the public policy framework that the two countries developed the relationship and it is against this background that the people of both countries have showed interest to visit each other. This has enabled tourism to grow between the two countries. It is also quite evident that the government of South Africa has realized the importance of tourism and identified priorities and constraints.

3. METHODOLOGY

3.1 INTRODUCTION

This chapter provides the research method used in data collection and analysis. The study uses the qualitative research approach. Neuman (2003) argues that qualitative research provides a means through which a researcher can judge the effectiveness of particular policies, practices or innovation. There are three aspects of qualitative research — description, analysis and interpretation (Wolcott 1994, as cited from Ely et al 1997). Ely (1997) argues that researchers should not follow any one approach too rigorously but rather adapt approaches according to the needs of the data. In this study, this principle is followed and these three aspects are looked at and approaches are adapted accordingly.

Though this study is mainly a qualitative study, at certain stages, some aspects of quantitative research approach are also used. The study is exploratory in nature, which for Bless and Higson- Smith (1995) may be useful in understanding a situation, phenomenon, community or person. Observations and interviews were also used in data collection. Some of the interviews were non-structured, others were semi-structured. Bless and Higson- Smith (1995) argue that the non-structured interview allows those interviewed to expand broadly on the topic as they see fit to focus on particular aspect etc. Semi-structured interviews enable in-depth data collection and any unclear statements can be clarified by the researcher at the time of the interview. Interviews were carried out and these allow the researcher to make observations during the course of interviews. Materials are also being collected during the interviews.

People and organizations that were targeted for observation and interview include:

- Chinese Diplomats in the Embassy, The Economic and Commercial Counsellor's Office of the Embassy;
- Officials in the Department of Environmental Affairs and Tourism(DEAT);
- South Africa Tourism;
- Gauteng Tourism Authority;
- Tour operators;
- Tour Guides;
- Chinese Tourists travelling South Africa.

3.2 DATA COLLECTION STRATEGIES

3.2.1 Primary Data

Primary data is sourced through the following means:

- Non-structured interviews;
- Semi-structured interviews.

3.2.2 Secondary Data

Secondary data is collected through the following:

- Library;
- Online computer searching;
- Attendance of conferences/ meetings/workshops to gather papers and speeches;
- Research institutes;
- Embassy and Commercial offices.

3.2.2 Data Analysis strategies

Besides the collection of written materials, the method of interview was also used to collect the qualitative data. The researcher prepared some interview questions and direct observation was also made during the interviews.

De Vos (1998) describes 5 steps in data analysis, as follows:

1. Collecting and recording data;
2. Managing data;
3. Reading and memorising;
4. Describing, classifying, interpreting;
5. Representing, visualizing.

The researcher used the above-mentioned methods and further interpreted them by using figures and tables. Information storage methods were also used with proper filing and classification for easy retrieval. The researcher realized that there were difficulties as his work as well as family responsibilities took some of the time away from his research work but a minimum of 2 hours were allocated for this purpose each day to ensure success. The researcher has already made some contact with some diplomatic offices and tourism related authorities as well as some tour operators. The researcher is also a registered tourist guide and planed to guide a few tourist groups for more observations to gain insight. The remuneration from guiding was also used for this research purpose to cover costs incurred in research work.

3.3 SIGNIFICANCE OF THE STUDY

This study is significant, as it seeks to explore the current tourism policy aiming at the China market and its implementation process so as to

determine whether it has promoted South Africa as a tourist destination. The research examined obstacles hindering Chinese tourists from coming and problems they have hitherto encountered on tour in South Africa.

The research has endeavoured to validate the negative perceptions that people had about South Africa. It provides a voice to the Stakeholders, which might help them to improve their thinking as well as their work. The study is of direct benefit to policy makers, government department officials, tour operators, and other interested stakeholders who have interest in promoting tourism between South Africa and China. The findings from this research could be useful in forming a basis for further research on international tourism where South Africa or China is one of the partners — i.e. source or destination. It could also provide useful information in improving existing and/or potential stakeholders' performance.

3.4 DELIMITATIONS AND LIMITATIONS

The interview technique inherently has bias as a method. Yin (1994, cited in Tellis, 1997: 8) indicates that interviews tend to suffer from three types of bias, namely: "response bias", "incomplete recollection" and "reflexivity". During our interviews, the researcher also felt it was hard to avoid those types of bias especially the first two. The researcher tried to cover "incomplete recollections" by sourcing confirmed written information but could not find a better way to deal with the "response bias".

Due to time constraints, limited capacity and scarcity of resources, the study also has certain delimitations, as it only focuses on South Africa as the destination for Chinese tourists.

The limitations anticipated in the research relates to the fact that China only initiated its implementation plan for organized groups to visit South

Africa in 2003. Consequently, there was not enough literature and research on this topic. Little was known, for example, on how South Africa would respond to Chinese tourism and how South Africa would implement its tourism policy. It also looked rather early to make holistic evaluations at the time. Some scheduled interviewees were not available, or reluctant to be interviewed.

Ethically, the researcher communicated ethical issues relating to confidentiality and ensured anonymity of the respondents at all times and any publishing regarding their views or mentioning them would be communicated with them for confirmation of approval prior to publication.

3.5 SUMMARY

This study was exploratory in nature. The methods applied were mainly qualitative. Both primary and secondary data were collected, classified, analyzed, and interpreted. While there are limitations to this study, it is significant as it might be of help to South African policy-making and strategy on international tourism, for example, in re-developing its tourism policy and strategy for the burgeoning Chinese tourist industry.

4. FINDINGS

4.1 INTRODUCTION

In order to get insights from people working in the industry and from tourists, the researcher designed different questions (see Appendix B and Appendix C) and set up interviews with respondents. Secondary data were also collected and categorized with findings being presented. As respondents were from different areas and were involved in the tourism sector in different ways, their perspectives were also from different angles. In this chapter, responses were summarized according to the groups to which they belonged, viz.:

- Officials from South Africa tour authorities;
- Chinese diplomats in South Africa;
- Tourism Industry organizations;
- Training institutions;
- Tour operators in South Africa;
- Chinese tour guides in South Africa;
- Chinese tourists visiting South Africa.

4.2 PROFILE OF PARTICIPANTS IN THE INTERVIEWS

We interviewed four officials from South African tourism authorities at national and provincial levels, two Chinese diplomats in South Africa, two lecturers from local training institutions, two officials from a tourist organization, six tour operators, eight tour guides, and 40 Chinese tour group leaders, representing 300 visiting tourists. We conducted electronic and telephonic interviews with officials and staff at the South African Embassy (Beijing). We also had conversations with various people including officials in tourism authorities, diplomats, and people from the Chinese immigrant community in South Africa.

4.3 RESPONSES FROM TOURISM AUTHORITIES

Box 1 Comments from officials of SA tourism authorities

- Tourism contributes a lot to South African economy; it has outperformed all other sectors in terms of both job creation and contribution to GDP.
- China is a very important source market for South Africa.
- The government has realized that a new strategy should be developed to address the decline of tourists from Chinese market.
- We have not aggressively promoted South Africa in China
- We need to pay attention to both destination marketing and destination management.
- Tourism brings foreign money but we should also look at where these dollars go.
- Problems we are facing are lack of capacity and lack of funds.
- Transformation is also an important goal for the industry.

We approached officials from various levels in the tourism authority. We interviewed four officials and visited their websites for more information.

Respondents from the Department of Environmental Affairs and Tourism (DEAT) and Gauteng Authority indicated that the White Paper on Tourism (1996) provides a good platform for tourism development. In South Africa, Tourism is growing rapidly and has great potential to attract many tourists annually. In terms of the South African economy, tourism has out-performed all other sectors in the area of job creation, thereby significantly contributing to the GDP. But, there is still room for greater improvement. According to officials at the Gauteng Tourism Authority, the following problems are outstanding:

- National policy framework was formulated without adequate consultation from provincial and local levels;
- National, provincial and local strategies do not always harmonize with each other;
- Poor communication between stakeholders;
- Lack of coordination and co-operation between national and provincial levels, and between public and private sectors;
- Slow transformation in terms of destination management.

Officials at national level, however, did not agree with the above analysis. They argued that the "Tourism Act is the fundamental principle which clearly guide all the levels" and "there is co-ordination" between national and provincial tourism authorities. Officials at both levels indicated that South Africa had identified China as one of the most important source countries of tourists coming to South Africa. China was identified as one of the 11 markets with over one million long-haul outbound departures, and was considered as one of the nine "core markets" (the rest being Japan, Australia, France, Germany, Italy, Netherlands, UK, United States (South Africa Tourism 2002: 18). Market segments were identified in China and the proposed tourists were mainly those who had high income, in big cities. Officials expressed the wish to attract more tourists from China. China would be one of the three main source countries by the year 2020.

The South African Embassy in Beijing indicated that in the year 2004, more than half of the Chinese tourists traveled to South Africa on business or for official purposes. They were paid by the government or their companies for "business trips". After South Africa was awarded ADS (Approved Destination Status), more and more Chinese began to show interest in visiting South Africa. However, individual tourists are not allowed to travel as the Embassy was required to only issue group tourism visas. Visas are issued in Beijing (for the Northern Part of China) and Shanghai (for the Southern Part).

Surprisingly, during the first quarter of 2005, tourist arrivals from China declined for the first time since the SARS epidemic in 2003. This decline continued to the second quarter of 2005. South Africa Tourism thought that this decline was due to negative media reports on crime in South Africa (South Africa Tourism 2005: 5).

4.4 RESPONSES FROM CHINESE DIPLOMATS IN SOUTH AFRICA

Box 2 Comments from Chinese Diplomats

- I really think the government should improve the macro environment instead of take short term measures.
- Crime does exist in South Africa and it is no use to blame the media.

We sent interview requests to both the Chinese embassy in Pretoria and the General Consulate in Johannesburg. One representative was appointed to accept the interview while conversations were also done with other diplomats. The diplomats indicated that South Africa is a beautiful country with many attractions, nevertheless; crime in South Africa was indeed a big concern not only to the local Chinese community but also other nationalities who intended to travel to South Africa. One diplomat interviewee suggested the following factors as leading to the decline in Chinese tourists to South Africa:

- Safety and security issues in South Africa;
- Cost of traveling to South Africa;
- The flow of tourists to other markets like Europe and North America;
- Delays in visa processing for business travelers;
- Poor service.

The diplomats said that South Africa should try to improve the macro-environment especially in regard to safety and security and come up with a long-term strategy instead of short-term measures.

4.5 RESPONSES FROM TOURISM INDUSTRY ORGANIZATIONS

The following organisations appeared reluctant to discuss issues in detail and instead referred us to South Africa Tourism:

- Association of Southern African Travel Agents;
- Federated Hospitality Association of South Africa;
- Southern African Tourism Services Associations.

In September 2005, during a tourism promotion function held by a team from China, we met two officials from the Association of South African Travel Agents. Both officials said that there was a great tourism potential between the two countries, and yet 'not enough has been done'. One of them said, 'We do not know much about China and South Africa is also new to Chinese'.

4.6 RESPONSES FROM TRAINING INSTITUTES

We interviewed a principal of a training organisation and a senior lecturer teaching tourism development in the University of Johannesburg. Both respondents said that it was necessary to train more capable people to work in the industry. They also said that the link between the government and training institutions was weak. Both respondents were concerned that the prices for international tourists were higher than before and the exchange rate between Rand and USD had some impacts. Both respondents shared the view that the media exaggerated level of crime in South Africa. However, they also said that caution should be taken and

tourists should be warned not to visit unsafe venues. Ultimately, they said that South Africa had a lot to offer, and that the main drivers for international tourism, especially in the case of China, were:

- Natural attractions;
- Trade and business opportunities;
- The amount of casinos and special entertainment spots;
- Cultural diversity.

Box 3 Comments from training institutes

- SA Tourism is working together with DTI to promote South Africa from all angles.
- South Africa has priced itself out of the market. The rates for accommodation and transport are very high even compared to the rest of the world. The strong Rand also increases the rates as they are often set in US Dollar terms.
- The expectation of "value for money" is no longer appealing compared to the situation in the past few years when the Rand was weak.
- The crime rate might have some effect, but I believe that the price is the overriding factor (for the decline of arrivals from China).
- It is the report of crime which gives negative image of South Africa.

According to the respondents, the challenges and threats facing tourism were as follows:

- Shortage of flights;
- High cost of tours;
- High levels of crime;
- Poor service throughout the hospitality industry;

- Visa regulations.

In terms of policy implementation, the respondents indicated that while there was coordination at national level, problems existed at local and even provincial levels. There was also lack of funds, capacity and resources for tourism to grow.

4.7 RESPONSES FROM TOUR OPERATORS

We sent interview requests to 21 operators authorised to receive Chinese tourists, six of them responded.

Box 4 Comments from Tour operators

- We are getting fewer groups and much lower profit.
- Last year, many groups cancelled after the robbery of Chinese Jiangsu group.
- The price is too low and it will kill the Chinese market within 2 years – This price is not sustainable. Tour agents in China are very greedy.
- South Africa Tourism has tried hard to promote SA in China but not always successful.
- There should be more diverse itineraries, not just Cape Town, Johannesburg and Sun City. Maybe something like culture packages but we do not want to take the risk.

Most tour operators indicated that the Chinese market was a price-driven market. To attract Chinese tourists, tour operators in both China and South Africa would cut their price to the bottom. The competition was very tough. Four respondents said that they even had to price their tours lower than the cost, hoping that Rand would be devalued or tourists would do some shopping so that they (tour operators) might be compensated. Two respondents also indicated that the travel agents in China made changes at the last moment or even cancelled group reservations. One respondent complained that travel agents in China sometimes even changed inbound tour operators without notice. One saddening incident occurred in July 2005, as shown in the box below.

Box 5 Chinese tourists refused entry into South Africa

On 29th July 2005, a group of 17 Chinese tourists arrived at Cape Town Airport but was refused to enter by the immigration officers as the local travel agency (Fullmark) withdrew guarantees for the group. The reason was that the Chinese agency broke the agreement with Fullmark and appointed another local travel agency.

(adapted and translated from www.elong.com/ travelguide/ news.aspx?id=1277

4.8 RESPONSES FROM TOUR GUIDES

On 8th January 2005, the South Africa Chinese Tourist Guides Association was established. About 20 tour guides attended the founding ceremony. In the following weeks, we approached ten tour guides, eight of whom accepted interviews. Most tour guides said that life was getting difficult as the number of tour guides was increasing while tourists from China were decreasing. Some tour guides complained that they were not getting paid

in time, as tour operators were cutting costs, and even tips which used to be collected from tour leaders were now in the hands of tour operators. Some tour guides could not even get their remuneration at the end of the tour. (One of the tasks for the above association was to protect the rights of tour guides).

Box 6 Comments from tour guides

- Chinese Tourists know very little about South Africa and rely on us a lot. We should tell them more positive parts of South Africa but some untrained guides without qualification are also guiding and they often give tourists incorrect information and talk too much about crime.
- Most tourists are very surprised when they come to South Africa and are very impressed with its natural beauty.
- Tour operators are paying us less yet expect more work from us.
- If police can be seen around at tourist's sites, tourist will feel safer provided that they do not come to disturb or blackmail.
- South Africa is not making enough efforts to attract Chinese.

4.9 RESPONSES FROM CHINESE TOURISTS

Tour operators deliver feedback forms to each group visiting South Africa and those are filled by tour leaders at the end of the tours. We collected 40 such feedback forms. The researcher also accompanied 5 tour groups as a tour guide and also asked them to make comments. Sixty percent of the tourists said that they knew little about South Africa, and the information they had was from the internet, travel agents, television, and friends. Some said that the information they got from Internet and travel agents was quite different from what tour guides gave them. Seventy percent of these groups came to South Africa for business or official purposes. The majority of the tourists said they were not aware of promotion activities in

China by South Africa Tourism. Most of those respondents visited South Africa for the first time. Sixty-five percent of them said that they had traveled to at least one other country such as Singapore, Malaysia, Thailand, USA, or European countries. Some said they were initially not keen to visit South Africa as they did not expect to have fun in African countries and had been warned about the safety and security situation in South Africa. Most of these Chinese tourists came to travel in Gauteng (Johannesburg and Pretoria), Western Cape (Cape Town) and Northwest (Sun City). The Chinese tourists were impressed with the beautiful scenery and advanced infrastructure and facilities in South Africa. The majority of the tourists said that they could not believe that they were in Africa, as these facilities were at the level of Europe and North America (especially after their experiences in Cape Town and Sun City). They were also impressed with the protection mechanisms of the natural environment. One Chinese senior provincial official enthused that he would bring over those in charge of environment protection in his province to visit South Africa again in order to learn something.

Negative factors which Chinese tourists listed were as follows:

- Safety and security;
- Long distance, long hours of flight;
- Business arrangement not satisfactory;
- Poor service at some 3 and 4 star hotels;
- Language barrier;
- Long hours waiting to get out of the airport at custom check points;
- High cost of traveling to South Africa.

Box 7 Some Comments from Chinese tourists

Positive	Negative
• South Africa is beautiful, it is much better than we expected, we can not believe we are in an African country! • We enjoyed the lovely weather, beautiful country and wonderful people. • We are very impressed with the beautiful scenery and nature protection. • There were too many negative 0reports about the crime. It does not seem to be that bad, maybe we are just lucky. • South Africa has transformed itself from apartheid to democracy peacefully and there are so many lessons we can learn from. • We love Nelson Mandela, He is a great statesman, and we need leaders like him.	• Crime is our biggest concern, we are scared all the way in South Africa. • Services at certain places are poor and the efficiency is quite low. • It seems that the immigration officers like to check Chinese. • We wanted to find some business opportunities and discuss with local officials or businessmen but this was not arranged.

Box 8 Additional comments from Chinese tourists

- I did not know much about South Africa, but I heard a lot about Nelson Mandela. We also heard it is not a safe place.
- China and South Africa are both developing countries, however during the process of economic development, some natural environment were not protected in China.
- Beautiful scenery, lovely climate but terrible crime!
- I just love casinos! Besides, we were told it is very safe at casinos.

4.10 DATA FROM SOUTH AFRICA TOURISM RESEARCH REPORTS

The following data were collected from South Africa Tourism, reselected and summarised. The main sources were from the following:

- South Africa Tourism Index Quarterly Report Q1,2004,
- South Africa Tourism Index Quarterly Report Q2 2004,
- South Africa Tourism Index Quarterly Report Q3 2004
- South Africa Tourism Index Quarterly Report Q4 2004
- South Africa Tourism Index Quarterly Report Q1 2005,
- South Africa Tourism Index Quarterly Report Q2 2005,
- South Africa Tourism Index Monthly Review July, August, September 2005)

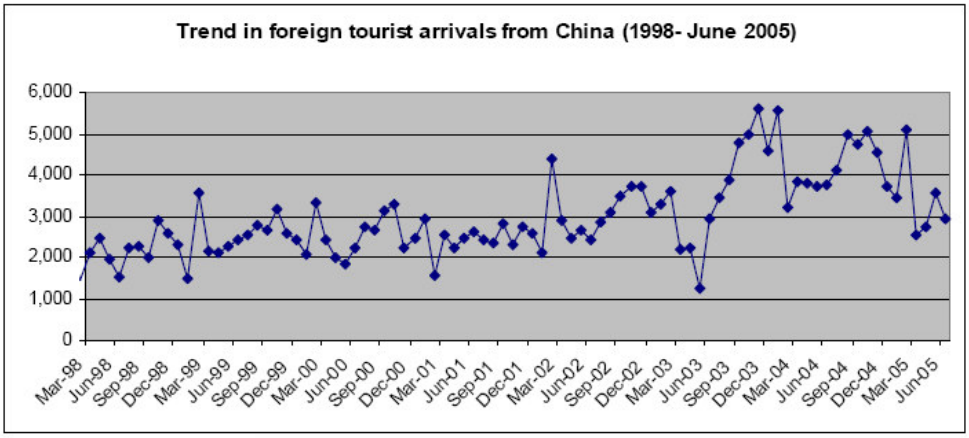
Table 1 Tourist arrivals from leading countries Aug. 2005

Country	Aug 2005	Aug 2004	Difference	%	Jan to Aug 2005	2004	Difference	%
UK	34,434	31303	3131	10%	295,696	279,803	15,893	5.7%
USA	23,414	19240	3994	20.6%	158363	139,638	18,995	13.6%
Australia	6,523	6,081	442	7.3%	47,940	46,412	1,528	3.3%
Lesotho	133,515	115,770	17,745	15.3%	1,057,210	928,399	128,811	13.9%
China	**3,875**	**4,967**	**-1,092**	**-22.0%**	**27,773**	**32,981**	**-5208**	**-15.8%**
Total	**157,702**	**146,869**	**10833**	**7.4%**	**1,204,263**	**1.155064**	**49 199**	**4.3%**

Table 2 Comparison of Number of tourist arrivals from China

	Q1	Q2	Q3	First Three Quarters
2004	12615	11279	13834	37728
2005	9863	9251	11937	31051
Difference %	-21.8%	-17.98%	-13.71%	-17.7%

Figure 1 Trend in Chinese tourist arrivals (1998-June 2005)



China	
CAGR 98-04	15.5%
CAGR 01-04	27.9%
CAGR 02-04	29.6%

Figure Source: South Africa Tourism Index Quarterly Report (Q2 2005 p20)

Table 3 Purpose of visit (Q2 2005)

	Holiday	Shopping	Business Travelers	Business Tourists	Visiting Friends and Friends	Other	Total
China	**37.2%**	**1.9%**	**28.1%**	**17.8%**	**4.9%**	**10.1%**	**100%**
All Foreign Tourists	27.6%	25.6%	9.1%	6.6%	21.8%	9.3%	100%

Table 4 Provincial Distribution-Share of visitors (Q2 2005)

	Gauteng	W.C	E.C	KZN	Mpum.	Limpopo	N.W	N.C	F.S
China	66%	51%	6%	12%	10%	Not Available	28%	2%	2%
All Foreign Tourists	49%	19%	6%	24%	13%	7%	8%	2%	2%

Table 5 Foreign Direct Spend in SA (Inc Capital Expenditure Q2 2005)

	Average spend in SA	Number of arrivals	
China	R6,704	9,251	R62,021,244
All foreign Tourists	R7,450	1,616,027	R10,342,897,514

Table 6 Total cost for the trip in SA (Q2 of 2005)

	Total cost for the trip (including airfare)	Total prepaid expenses	Total expenditure in SA
China	R20,179	R13,646	R6.704
All Foreign Tourists	R18,715	R11,022	R7,450

Table 7 Satisfaction Rating

	Hospitable & Friendly people	Domestic Flights	Natural Attractions	Public Transport	Accommodation	Availability of information	Service levels	Safety and Security	General Infrastructure	Customs and immigration
China	4.31	4.13	4.79	3.32	4.30	3.90	3.87	3.15	4.02	3.77
All Foreign tourists	4.66	4.53	4.66	4.33	4.63	4.48	4.47	4.10	4.56	---

Figure 2 Satisfaction rating Q2 2005

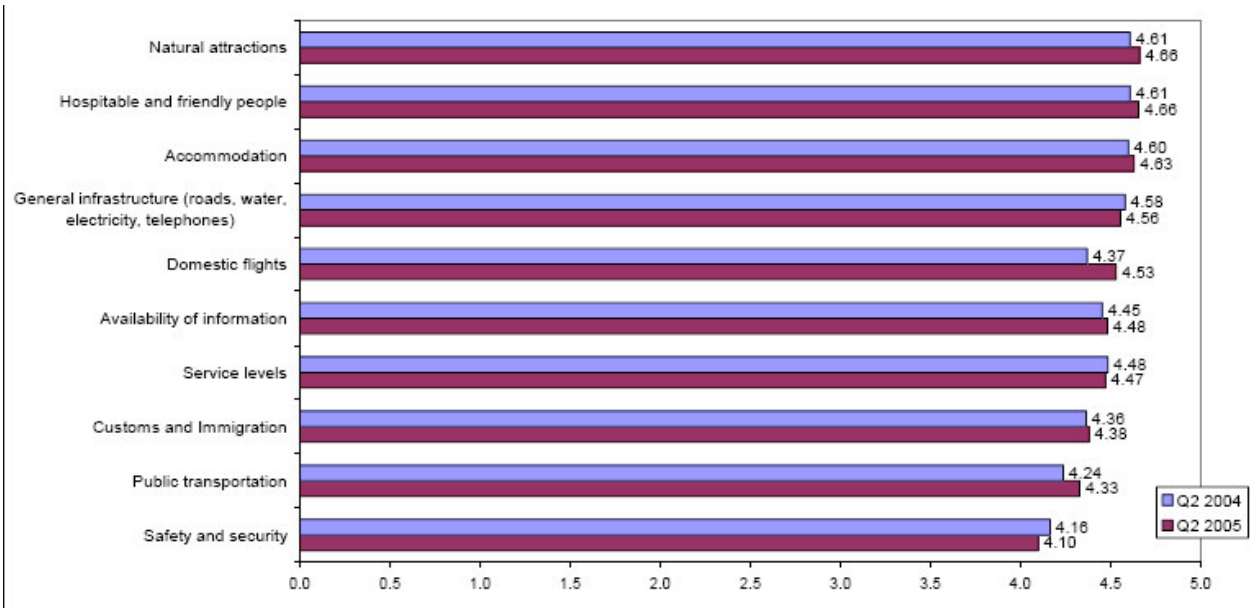


Figure Source: South Africa Tourism Index Quarterly Report (Q2 2005 p61)

4.11 SUMMARY

We see that while South Africa has a sound macro policy framework and there are many attractions for Chinese tourists, there are also problems

which are obstacles to the development of tourism in the country. Responses sometimes differ. There is ongoing debate around issues such as crime control and commodity pricing.

5. INTERPRETATION

5.1 INTRODUCTION

The central question in this research (see Chapter 2) is:

What is the South African tourism policy and strategy for the Chinese market, and how is it implemented?

We also identified the following sub-questions:

a What is the nature of the bilateral relationship between China and South Africa?
b To what extent does tourism benefit the South African economy?
c Which factors promote South Africa as a tourist destination?
d What factors prevent Chinese tourists from visiting South Africa?

This chapter endeavours to analyse and interpret the major findings based on the literature review (chapter 2), interviews and data (chapter 4). The preceding chapter presented the findings according to different respondents. This chapter engages an analysis and an interpretation of the findings.

5.2 PUBLIC POLICY SHAPING TOURISM

While no tourism policy framework is designed especially for the Chinese market, there is a strong link between foreign policy and tourism growth in China and South Africa. South African foreign policy is based on its domestic policy needs and the policy approach towards China shaped the tourism growth from the Chinese market. We conclude that it was for the interest of South Africa to establish diplomatic relations with the People's Republic of China. Since then, the relationship between the two countries

has grown significantly in all areas, including tourism. This was confirmed by all the respondents. China was identified as a core market in the South African Tourism Growth Strategy of 2001, and negotiations with China began for South Africa, only to see it gain the Approved Destination Status (ADS).

While visits from China increased after 1998 when the two countries established a formal relationship, it is the ADS that stimulated the boom of Chinese tourists after 2003. Before South Africa got its ADS, it was mainly government officials who paid official or business visits to South Africa. The ADS opened the door for holiday making group tourists. The tremendous increase in number of tourist arrivals from China from 2003 to 2004 was a direct result of ADS, even though there was a drop between March-June 2003 due to the SARS epidemic in China in that period. (See Page 42, Figure 1). In 2005, the number of tourist arrivals from China decreased. South African authorities noticed the decline. Based on interviews with selected officials, a new strategy attracting Chinese is about to emerge, proving that South Africa will still consider China as an important tourism market.

5.3 TOURISM CREATES JOBS AND CONTRIBUTES TO GDP GROWTH

Research reports by South Africa Tourism showed that tourism creates jobs and contributes to GDP growth in South Africa. We confirmed this from the literature and the interviews with local officials of tourism authority. Chinese tourists, as part of international tourists, also contributed to job creation, and hence to GDP growth. However, there are different expectations and understanding toward the conception of “employment” as it is different from traditional employment in the manufacturing industry. Some jobs created in the informal sector are sometimes not included statistically, for example, street vendors along tour route also make a living

on tourism.

5.4 TOURISM POLICY IMPLEMENTATION

The Tourism Act, the White Paper, the Tourism Policy Strategy have provided a platform for tourism industry to grow. The latest published Tourism Sector Strategy (p.10) also said that there is a mechanism for coordination between different departments at national level. However, no such mechanism exists between national, provincial and local levels. Poor coordination and poor communication tend to lead to poor performance. There is also lack of funds regarding tourism development. This problem seems to exist at all levels of government. While the private sector provides service, and is one of the beneficiaries, the partnership between public and private needs improvement.

5.5 FACTORS PROMOTING SOUTH AFRICA IN CHINA

South Africa has a lot to offer to international tourists and basically satisfies or even exceeds the expectations of tourists. For the Chinese market, the most obvious are as follows:

5.5.1 Beautiful scenery

Visitors from China are impressed with the country's beautiful scenery. South Africa is very attractive, for example, the city of Johannesburg is covered with trees and grassland. Pretoria is a garden city with some historical buildings. Golf fields and Valley of Waves in Sun City as well as many attractions in Cape Town are all very appealing to Chinese tourists.

But, many beautiful places in South Africa are currently not on the “standard itinerary". The Garden Route, for example, is not known to many Chinese tourists.

5.5.2 The Natural Environment and its Protection

China and South Africa are both developing countries. However, during the process of economic development in China, some parts of the natural environment were destroyed. Chinese officials can learn and gain from the experiences of South Africa in this regard.

5.5.3 Casinos

As casinos are prohibited in China, Chinese tourists take the opportunity to try their luck in the casinos in South Africa. A negative factor is language barrier; tourists did not enjoy TV programs or movies, and they would rather play casinos to kill time, especially those tourists who stay in the hotels of Sun City or Emperor Hotel in Johannesburg.

5.5.4 Nelson Mandela’s Image

Nelson Mandela is the only South African that every Chinese tourist knows about, as he is widely respected in China. Tourists often ask questions about him and would like to know more so that they can tell their relatives and friends. Tourists who visited Nelson Mandela Square all have their pictures taken with his copper statue. This demand is not fully utilized as the standard itinerary does not include places like Robben Island and Soweto.

5.5.5 Wild Life

South Africa is also well-known for its rich and varied wild life. It is appealing to most travelers from European and American markets. However, this is not necessarily always the case with all Chinese tourists. While tour operators arrange tourists to visit Pilanesberg Game Reserve, this is mainly due to the proximity of Sun City. Only about half of them showed interest while seeking wild animals. Some tourists wanted to stay for less than the arranged two-hour game drive. Only a few tourists visited Kruger National park; and those who visited did not all enjoy this as the "big five" were not easily seen.

5.6 FACTORS INHIBITING TOURISM

Different respondents cited various problems and obstacles, viz.:

5.6.1 The management of crime

South African government officials and lecturers from local tourism institutions did not think crime was the biggest concern. But, Chinese diplomats, the local Chinese community, tour operators and tourists felt it was the most serious issue threatening South Africa as a destination. Given this divergence of perceptions about safety and security, the question would be "Is crime a reality or just a perception"?

We read local Chinese newspapers and found the following serious crime reports involving Chinese.

- In 2004, around 60 Armed Robberies, 22 Chinese died.
- In 2005, two Chinese police officials were sent to South Africa by Chinese government to combat crime and protect Chinese citizens, over 40 cases of armed robbery aiming at Chinese happened, 8 Chinese died.

This shows that there is a reason to look at crime as a reality at least for the locally based Chinese. However, percentage of crime against Chinese tourist groups is lower is not very high. Local Chinese businessmen are more likely to be targeted. While the local Chinese media encourages victims to report incidents to the police and the media, the Chinese were often reluctant to do so unless it became very serious, leaving cases unreported. Some did not even report to the police. There are various reasons why Chinese victims do not like to report crime. For most Chinese, they do not want to be exposed as they tend to believe this will inform evil people that they have money, leading to more attacks. Some illegal immigrants chose not to report after they were attacked since they were afraid they would be repatriated by the police once they were identified as 'illegals'. The local Chinese community believes that the level of crime against the Chinese is worse than was reported, and was certainly not exaggerated by the media.

Box 9 Report on Crime against Chinese Tourists

On 4th August 2005, a group of officials from Jiangsu Province arrived in Johannesburg in the morning. In the afternoon on the same day, while they were meeting some businessmen in a Chinese shopping centre, 6 armed robbers came into the meeting room, attacked them, and took away all the money and cell phones. Three were injured (Adapted and translated from China News 2005, 5th August 2005).

At 8:30 pm on 29th November 2005, a delegation from Ningxia coal mining industry, suffered armed robbery; one was injured. The armed robbers got away with cash, cameras, computers and 4 passports. After the incident, they got assistance from the General Consulate in Johannesburg and went back to china (Adapted and translated from African Times, 06/12/2005).

Between January and February 2006, about 20 armed robberies, targeting Chinese, were reported in local Chinese newspapers. Four Chinese died from the robberies. These recent cases also show that crime was a genuine concern in Chinese tourism, especially, considering these happened when Chinese were celebrating the Lunar New Year. These incidents made big news in main Chinese newspapers both in South Africa and China. We also searched the internet immediately after these big robberies for local English media coverage but we found that none of them was reported.

It is interesting to note that officials from the South African tourism authorities believed that the media exaggerated the level of crime in South Africa and they consequently saw this media sensationalism as the main reason for the decrease of tourist arrivals from China. The Chinese community, on the other hand, blamed the local media for the negative image of local Chinese. A typical example was around the report on the raid by the Scorpions, Home Affairs and SARS on a Chinese shopping centre called Dragon City on 15th August 2005. It was alleged that there was money laundering happening in that shopping centre, which led to the raid. However, there is no evidence to date of such a criminal act or any other related crime. All the major newspapers and radio covered the raid on the following day. The Star described Dragon City as "the epicenter of criminal activity in Johannesburg". Chinese community leaders went to protest and the *Star* admitted that some reports were not true, but refused to apologize (African Times 2005).

It seems the debate continues on:

- *What image should be set, if it is necessary to set a positive image of South Africa, how about the image of South African Chinese community?*

- *Is crime really serious or it was exaggerated by the media?*

- *What should be blamed, the crime itself or the report of the crime? Should the crime be addressed or should the report be directed?*

We believe that it is important to set the positive image of South Africa as well as the local Chinese community which contributes to the growth of the South Africa economy. However, it is even more important to control crime, whether or not it is within the Chinese community, or in South Africa.

5.6.2 Price – too Expensive or too low?

If one looks at the statements regarding price, it appears that some tour operators are claiming the price is too low, while others reflect the price is too high. Further analysis would find that they are looking at the price in different ways, based on the same fact that the cost has increased for Chinese tourists. The cost of accommodation, transportation and services increased partially due to the fact that the Rand appreciated or increased in value. To keep competitive and attract Chinese tourists, all tour operators, try to cut their cost to the bone and make the price cheap. However, this may not be sustainable.

5.6.3 Air Travel

While negotiations regarding direct flights have been going on for years, there is still no direct airline between Mainland China and South Africa. Chinese mainland tourists visiting South Africa come via Hong Kong, Singapore, or other countries. As Chinese holiday makers only have time to travel during three golden weeks (first week of May, first week of October and the Chinese Spring Festival at the end of January or early February), booking flights during these festive weeks is very difficult.

5.6.4 Public Transportation

Public transport is poor in South Africa, especially, if compared to the situation in China where taxis can be found 24 hours in the streets of any big cities. Tour operators in South Africa arrange transport during the day. For those who want to have some experience of night life in South Africa, it is not easy to arrange public transport because it seems either unsafe or inconvenient. Tour operators who used to provide transport in the evenings in the past no longer do so now in order to cut down on costs and also to avoid safety issues.

5.6.5 Visa Processing

While group visas for tourists are no longer difficult, the visa process for business tours are not as easy because the process takes much longer and is less likely to be granted. South African visa officers in Beijing do not usually give reasons why applicants are refused.

5.6.6 Access to useful Information

The fact that most Chinese tourists are surprised when they visit South Africa indicates that there is lack of access to useful information about South Africa. Findings also show that lots of Chinese have incorrect perceptions about South Africa. The following are most common:

- South African black people are lazy, violent and not friendly;
- Johannesburg is the capital city of South Africa;
- The Cape of Good Hope is where there's a dividing line between the Atlantic and Indian oceans;
- South African blacks are mostly Zulu, who are militant and aggressive;
- The Chinese are not welcome in South Africa.

These wrong perceptions indicate that South Africa is yet to promote itself in China.

5.6.7 Poor Business Arrangements

Business travelers have special needs. Chinese business travelers are mostly funded by government or their companies. They may thus be less worried about the cost of travel in comparison with self-funded tourists. However, they do need to report what they have learned or done when they return to China. Chinese officials like to meet some local officials. Chinese entrepreneurs would like to have meetings with local businessmen. Even if for those who are more interested in traveling, they need to at least show that they did have some business in South Africa. For those who come for business, they are more likely to feel really disappointed if business activities are not arranged.

5.7 ANALYSIS OF SOUTH AFRICA TOURISM REPORTS

We also collected and categorised data from South Africa Tourism reports and reorganized them into tables, as in Chapter 4. This data is interpreted and analysed as follows:

5.7.1 Numbers of Tourist Arrivals from China

Table 1 and Table 2(pp. 34, 35) show that in 2005, while the number of arrivals from the rest of the world increased as compared to the same period in 2004, the number of Chinese tourists kept decreasing. The decreasing trend slowed down from -21.8 % (Q12005 vs. Q12004) to -13.71 % (Q32005 vs. Q3 2004). Interestingly, in the third quarter in 2004 and 2005, there were more Chinese tourists than in the first two quarters, while the golden weeks of traveling fall in the first two quarters (February

and May). This suggests that the golden weeks in China do not necessarily have any serious impact on Chinese travelers to South Africa, as travelers in that period may choose countries or places more easily accessible, while business tourists and travelers will purposely avoid those golden weeks. The third quarter is the summer season in China with unpleasant high temperatures in most areas. This could help us partly explain why there are more Chinese business tourists during this period. South Africa Tourism blamed the media for the decrease of Chinese arrivals:

> There has been a consistent decline out of China this year, which is driven by negative perceptions of safety and security in media reports there about South Africa (South Africa Tourism 2005: 5)

While these negative perceptions about safety and security might be one of the reasons, there were other factors as discussed under 5.6 of this chapter. It is also interesting to know that from January 2005, the Chinese ruling party began a movement called “Maintaining the advanced character of the Communist Party Member”. This movement might have had some negative impact on tourism as officials traveling abroad without proper reasons could attract criticism. Another possible reason is that senior Chinese officials need official invitation letters from government authorities at destination countries to prove there is real business.

5.7.2 Purpose of Visit

Table 3 (p. 35) shows why tourists come to South Africa.

Business Tourists are those who visit for meetings, incentives, conferences and events. Business travelers are tourists who visit South Africa for professional and/or other business activities (South Africa Tourism 2005). During the second quarter of 2005, business travelers and business tourists from China altogether catered for 46% of this category

while the average was 15.7%. This shows that there is a significant difference between Chinese and other tourists. As the majority of Chinese are not that affluent to travel abroad, of the majority of Chinese tourists who visit South Africa is funded by government or companies for business purposes. For such travelers, business meetings are critical and if demands of such tourists are not catered for, they would be discouraged.

5.7.3 Provincial Distribution-Share of Visitors

Provinces visited most by all foreign tourists were Gauteng, KwaZulu Natal and Western Cape in sequence. However, the most visited by Chinese were Gauteng, Western Cape and North West. This is in accordance with the findings from Chinese tourists that most of them follow the Johannesburg - Sun City - Cape Town pattern/route. This pattern was initially designed by tourism promoters in Hong Kong and proved to be successful.

5.7.4 Total Direct Foreign Expenditure in SA (Including Capital Expenditure)

The average spending by Chinese tourists was comparatively lower than the average of all other foreign tourists. However, there was 'hidden spending', which was not calculated. Most Chinese tourists spent some money purchasing diamonds and souvenirs. The majority of tourists spent a lot on playing in casino but these expenses were not included.

5.7.5 Total Cost for Chinese Tourists

The total cost of travel for Chinese tourists is high due to the distance between China and South Africa. Currently, for example, there is no direct flight, and this contributes to the high cost. The Rand – Dollar exchange rates also contribute to the increased cost. In the year 2005, Rand vs.

Dollar rate was kept at a strong level of ± 6.15 and this also rendered the cost higher than in the previous years when the Rand-US dollar was much weaker. As Chinese tourists are sensitive to price, increased cost of travel prevented some tourists who were self funded from visiting South Africa. Higher costs also make profit -driven travel agents or tour operators not so keen to promote the South African tourism market.

5.7.6 Satisfaction Rating

Table 7 (p. 36) shows Chinese were satisfied with natural attractions (4.79 out of 5) and felt south Africa had hospitable and friendly people. But, they were not satisfied with "safety and security" (3.15) and public transport (3.32). This coincides with the findings from the interviews with visiting tourists and tour operators. It suggests that natural attractions are the most encouraging factor while safety and security are the biggest concern for Chinese tourists.

Figure 2 (p. 36) is a comparison of satisfaction rating by all international tourists, which further indicates that the above-cited feelings of the Chinese has no difference in terms of natural "attractions" (4.66 out of 5 on the top during Q2 2005) and "safety and security"(4.10 at the bottom during Q2 2005). If we compare such ratings between the second quarters of 2005 and 2004 (Q2 2005 vs. Q2 2004), it becomes clear that the satisfaction rating with the "attractions" increased (4.66 vs. 4.61) and that of "safety and security" declined (4.10 vs. 4.16). No doubt, tourists are becoming more satisfied with natural attractions and less satisfied with "safety and security". In November 2005, Mahandra Naidoo, chief director of tourism development at Department of Environment Affairs and Tourism, said, at a tourism conference, that South Africa had lost 22 million visitors over the past five years because of concerns about safety and security (Cole , B 2005).

5.8 SUMMARY

There is little doubt that natural attractions in South Africa are appealing, even if they are not yet fully explored for Chinese tourists. Issues of safety and security are the biggest obstacle to tourism development. Promoting South Africa remains a great challenge in China as South Africa needs to set a positive image of herself. At present, the Chinese have scanty information about South Africa, resulting in wrong or misleading perceptions. Direct flights, better business arrangements, quicker visa processing, and sustainable prices would attract more tourists from China.

6. CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter provides an overall summary of the research and offers some recommendations of the study. It also puts forward suggestions for potential areas of further study.

6.2 CONCLUSION

The research was exploratory in nature. The purpose was examining the relationship between South Africa and China regarding tourism, especially where South Africa is a tourist destination for the Chinese tourists. It explored factors leading to the success or promotion of South Africa as well as challenges threatening the image of South Africa as a Chinese tourist destination.

The study concludes that since South African policy makers decided to develop a formal diplomatic relationship with China and tourism relationship between those two countries, South Africa has benefited from a steady flow of Chinese tourists, only to face decline in 2005. South Africa has many attractions for Chinese. But, at present, there are hindrances to the process of tourism growth as South Africa's image—especially in the crucial area of safety and security-- is yet to be corrected in mainland China. While debate continues on these crucial areas, China will remain an important source country for South African tourism for a long time to come.

6.3 RECOMMENDATIONS

Considering the findings of this research, recommendations maybe made in the following areas:

From analysing respondents' perceptions, it seems that different views towards safety and security do exist and this indicates that there is lack of communication and understanding of the real situation regarding crime. Whether agreed or not, crime is mentioned by all respondents and it is worth addressing. For those who believe crime is not a big issue, study should be done to prove this; on the other hand, for those who perceive crime as the biggest concern, they also need to be well informed so that their concerns can be reduced.

Crime should be combated by the national government, some special efforts should be made to ensure safety and security at tourist spots and anti-crime measures should be made public so that tourists know that they are protected. It is the responsibility of South Africa government to combat crime as no organization alone can fulfil the task. It also needs efforts by the whole society. Media should be exposed to the efforts made by the government against crime if South Africa were to achieve a positive image.

Media can also help to promote South Africa as a destination as there are many positive elements which are appealing to tourists. Special TV programs should be made available in Chinese language to promote the positive images of South Africa in China.

The Department of Environment Affairs and Tourism should develop a strategy or policy specifically for Chinese market after broader consultation with shareholders and experts. There should be more co-operations between the South African Government and Chinese government in the

field of tourism in line with China-Africa Policy. Lack of access of correct information suggests that South Africa Tourism should continue further promotion in China and raise awareness of South Africa in more diversified ways. It might be a good idea to organize books or materials about South Africa, which were written by experts in South Africa to be translated into Chinese, as such information in Chinese especially on internet are often from many of those who visited South Africa for just a few days and there is bias and their own perceptions according to their own experiences.

More funds should be allocated for the purpose of promoting South Africa after cost-benefit analysis. While the standard package tours can still be maintained, tour promoting organisations and tour operators should be more innovative in designing new itineraries based the demands of tourists. Tour operators should provide what tourists need instead of what tour operators like.

As nature beauty is the most appealing element for Chinese tourists, places like Garden Route should also be actively promoted. Business activities should be well arranged to suit the needs of business tourists and business travellers. South Africa can also be promoted as a business destination if those destination promotion organizations such as South Africa Tourism can work together with trade and investment promotion agencies and exhibition centres.

In China, every big city has a foreign affairs office and other international trade or investment organizations to deal with requests of foreigners for visits to relevant authorities or enterprises, South Africa may also consider doing something similar as this not only promotes tourism but may also bring out business and investment opportunities. For Chinese tourists, South Africa can also be promoted as a business destination with necessary preparations and arrangements.

This demand requires partnership with the Department of Trade and Industry so that South Africa policies, business opportunities, industry information can be exposed to those tourists. The process for finalizing direct flights between China and South Africa should be speeded up. Coordination and cooperation should be consolidated through all levels of tourism authorities so that resources can be fully utilized. It is also important to build up capacity needed in the industry. Public and private co-operation should be encouraged. Tourism authorities should also regulate the tourism market to deal with issues like illegal tour guiding and low standard service. More sustainable prices should be regulated though organizations of the tourism industry.

6.4 SUGGESTIONS FOR FURTHER RESEARCH

Since there is disagreement with certain issues like the impacts of crime on tourism, a more explorative study should be carried out. While the factors from South Africa are explored and analysed, factors from the Chinese side also need to be explored as what happens in China have impacts on Chinese travelling abroad. Another related research subject maybe the evaluation or review of South Africa Tourism policy and strategy to see what has been achieved and what still needs to be done in general.

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APPENDIX A

TOP VISITS BETWEEN SOUTH AFRICA AND CHINA

- In April 1998, South African Vice President Thabo Mbeki visited China;
- In February 1999, Chinese Vice President Hu Jintao visited South Africa;
- In May 1999,South African President Nelson Mandela paid a state visit to China;
- In November 1999, Li Peng, Chairman of the National People's Congress (NPC) Standing Committee, paid an official visit to South Africa;
- From April 24 to 27, 2000, Chinese President Jiang Zemin, at the invitation of his South African counterpart Mbeki, paid a state visit to South Africa;
- From April 19 to 25, 2001, at the invitation of Speaker Ginwala of the National Assembly of South Africa, Li Ruihuan, Chairman of the Chinese People's Political Consultative Conference (CPPCC) paid an official goodwill visit to South Africa;
- From December 9 to 11, 2001, at the invitation of President Jiang Zemin, President Mbeki paid a state visit to China. Accompanying Mbeki to China were Minister of Foreign Affairs, Minister of Defence, Minister of Public Enterprise, Minister of Safety and Security, Minister of Trade and Industry, Minister of Justice and Constitutional Development , Minister of Environmental Affairs and Tourism and Minister of Minerals and Energy;
- From August 31 to September 6, 2002, at the invitation of the South African Government, Chinese Premier Zhu Rongji came to South Africa to attend the World Summit on Sustainable Development and paid a working visit to the country;
- From 26 June to 30 June 2004, Zeng Qinghong, Deputy President of Peoples Republic of China Visited Republic of South Africa;
- From 26 September to 30 September 2004, Deputy President Jacob Zuma of South Africa paid an official visit to the Peoples Republic of China.

(Sources: Ministry of Foreign Affairs China 2003, Ministry of Foreign Affairs South Africa 2003)

APPENDIX B

INTERVIEW REQUEST LETTER

Dasong Cao (Charles)
Candidate for Master Degree of Management
(in the field of Public & Development Management)
University of Witwatersrand

Dear Respondent,

I am currently studying towards a Masters Degree in Public and Development Management, at the University of the Witwatersrand. As part of my course requirements, I should conduct a research study. As I worked in Tourism Industry both in China and South Africa, I am extremely interested in tourism policy and implementation regarding China as a source country (South Africa as a destination for Chinese tourists). The Research Topic of this study is called:

"Public Policy Objectives Shaping Tourism: From China to South Africa"

As your organization is an important role player in tourism industry, I am therefore requesting an interview with you and would really appreciate if you can arrange at a time of your convenience.

Note: This is an anonymous interview for academic research only and will be kept confidential

The main question is:

<u>What is the South Africa Tourism Policy and strategy for Chinese Market and how is it implemented?</u>

Some further questions around this will be as follows:

- How does such policy and implementation promote tourism particularly regarding arrivals from China?
- What do you think about the co-ordination and co-operation from other departments\role players?
- What have been done to promote South Africa as a tourist destination? What achievements have been made?
- What do you think is the reason that the arrivals from China are decreasing after tremendous increasing for the past few years?
- What still needs to be done to promote South Africa in China?
- What are the challenges and threats facing tourism industry in this regard?
- Which factors promote South Africa as a destination for Chinese tourists?
- What factors encourage and inhibit tourists from Chinese market?

It is hoped that the responses from such interview will provide very useful insights and it will certainly make great contribution to my research report.

Your participation in this will be greatly appreciated as it may assist in providing useful and valuable information on promoting South Africa as a destination for China.

I am hoping to have the interview ASAP and your earliest response will be appreciated.

APPENDIX C

INTERVIEW GUIDELINE

This is an interview schedule, which will be used as a guide in the interview. The interviewer will follow up on issues that the interviewee raises. Questions are prepared as prompts when required.

Please note that the information will only serve for academic research purposes and will be kept anonymous and confidential

I IDENTIFYING INFORMATION

1. Position
2. Job responsibilities
3. Number of years in the job
4. Previous work experience
5. Professional qualifications

II Interview Questions

Interview Questions A---To Tourism Authorities

Central Questions around which the semi-structured interviews were based:

1. What is the South Africa Tourism Policy and strategy for Chinese Market and how is it implemented?

2. What else do you think South Africa can do to attract foreign tourists, Chinese in particular?

Sub-questions prepared as prompts if required:

1. How does such policy and implementation promote tourism particularly regarding arrivals from China?
2. In your opinion, does tourism contribute to local economy and job creation?
3. What do you think about the co-ordination and co-operation from other departments\role players?
4. What have been done to promote South Africa as a tourist destination? What achievements have been made?
5. What do you think is the reason that the arrivals from China are decreasing after tremendous increasing for the past few years?
6. What still needs to be done to promote South Africa in China?
7. What are the challenges and threats facing tourism industry in this regard?
8. Which factors promote South Africa as a destination for Chinese tourists?
9. What factors encourage and inhibit tourists from Chinese market?

Interview Questions B-- to Tour Operators

1. When did your company get involved into Tourism business? When did your company begin to receive tourists from china?

   贵公司何时成立？从何时开始接待中国团队？

2. What kinds of groups do you usually receive? (Official Visits, Business, Travel only)?

   贵公司接待的旅游团体是哪一种?(公务考察？商务考察？旅游团队？)

3. Your source of tourists? (Through offices in China? Contracts with

Chinese Agencies? Introduced by local Chinese?)

你们的客源以哪种形式为主？（从国内自行组团？受国内旅行社委托？当地华人介绍？）

4. How many tourist groups have you received last year? How many tourists in total?

   去年贵公司共接待了多少旅游团? 共计多少人？

5. What is your opinion of competition? Do you think the current market price reasonable?

   旅行社之间的竞争激烈吗，您认为目前市场上的旅游价格是否合理？

6. How do you view the tourism future in South Africa?

   您认为南非旅游业的前景如何？

7. What is your comment on South African Tourism policy, what do you think the SA government should do to promote tourism?

   您如何看待南非的旅游政策，您觉得南非政府还应该做些什么？

8. Will your company also prepare for the 2010 World Cup, how?

   2010 年南非举办世界杯，贵公司将如何为这一良机做相关准备？

9. Any suggestions /comments/ideas regarding attracting tourists from China?

   任何其他有关促进中国游客来南非的建议、想法？

Interview Questions C--to tour guides

1. What is your qualification? a. Middle School b. Junior College c. University

2. When did you become a registered tour guide? Did you have any previous experience related to tourism industry?

3. How many groups have you received last year (last three months)?

4. If we divide the groups under two categories, (a) Official or business (b) Leisure or holiday only, what is the percentage between these two?

5. What do you think is the reason that the arrivals from China are decreasing after tremendous increasing for the past few years?

6. What do you think the Government should do to promote South Africa as a destination in China?

7. What factors encourage Chinese tourists?

8. What factors prevent Chinese tourists from coming?

9. Write any of your comments/suggestions regarding promoting tourism in China.

Interview Questions D -- to Chinese tourists

1. What did you know about South Africa and how?

   您以前对南非了解吗，是通过哪种途径了解南非的？

2. Why did you choose to visit South Africa?

   您为何选择到南非来旅游？

3. Was it difficult for you to get the Visa?

   签证困难吗？

4. How much did you pay for this trip? Do you think the price is reasonable compared to other destinations?

   您交了多少团费？您认为贵吗？

5. What do you feel about South Africa?

   您对南非的感受如何？

6. What is your comment of tourism in South Africa?

   您对在南非旅游的评价？

7. Are you satisfied with this trip? Do you want to come back again?

   您对此行满意吗？是否还愿意再次来南非?

8. Are you going to recommend SA as a tourist destination to your relatives/friends? Why or why not?

   您回去后是否会推荐您的朋友或亲人到南非来旅游？ 为什么？

9 Write any of your comments/suggestions to SA Tourism Authorities.

   您对南非政府旅游部门的任何想法，建议.