



2019 -07- 09

**REPORT TO: THE EXECUTIVE MAYOR AND MEMBERS OF THE MAYORAL COMMITTEE
AND THE ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT PORTFOLIO
COMMITTEE**

6622721

1. ITEM NUMBER MC 15/07/19

2. SUBJECT

**FEEDBACK ON THE INTERNATIONAL EXECUTIVE INVESTMENT AND
TOURISM PROMOTION MISSION TO THE CITIES OF LONDON, PARIS
AND AMSTERDAM FROM 11 TO 19 MAY 2019**

ONDERWERP

**TERUGVOERING OOR DIE INTERNASIONALE UITVOERENDE SENDING
VIR DIE BEVORDERING VAN INVESTERING EN TOERISME NA DIE
STEDE LONDEN, PARYS EN AMSTERDAM VAN 11 TOT 19 MEI 2019**

ISIHLOKO

**INGXELO EMALUNGA NEPHULO/UHAMBO ELINGOTYALO-MALI
LESIGQEBA KUMAZWE APHESHEYA NENKUTHAZO YEZOKHENKETHO,
OLUJOLISWE KWIZIXEKO ZASE-LONDON, E-PARIS, NASE-
AMSTERDAM UKUSUSELA NGOWE-11 UKUYA KOWE-19 KUCANZIBE
2019**

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3. EVENT SUMMARY

EVENT DETAILS	
CONFERENCE/SEMINAR	INTERNATIONAL EXECUTIVE INVESTMENT AND TOURISM PROMOTION MISSION TO THE CITIES OF LONDON, PARIS AND AMSTERDAM
OTHER	N/A
DATE	11 TO 19 MAY 2019
VENUE	VARIOUS
CITY	LONDON, PARIS and AMSTERDAM
COUNTRY	UNITED KINGDOM, FRANCE AND THE NETHERLANDS

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ATTENDEE DETAILS	
NAME AND SURNAME	DESIGNATION
ALDERMAN IAN NEILSON	DEPUTY EXECUTIVE MAYOR
ALDERMAN JAMES VOS	MAYCO MEMBER: ECONOMIC OPPORTUNITIES & ASSET MANAGEMENT
MR LANCE GREYLING	DIRECTOR: ENTERPRISE & INVESTMENT
DR DENVER VAN SCHALKWYK	MANAGER: INTERNATIONAL RELATIONS
MR REAGAN MATHYS	SPO: INTERNATIONAL RELATIONS
PROVIDE SUMMARY OF HOST ORGANISATION / CITY	
<p>Deputy Executive Mayor Ald Ian Neilson led a City delegation on an official Investment and Tourism Promotion Mission to the cities of London (United Kingdom), Paris (France) and Amsterdam (the Netherlands) from 11 to 19 May 2019. London is the capital and most populous city of England and the United Kingdom. The current Mayor of the city is Mr Sadiq Khan, the first Muslim mayor of a major Western capital. With an estimated Gross Domestic Product (GDP) of more than USD800-billion, PricewaterhouseCoopers estimates that by 2025, London will be ranked within the top 25 cities in terms of having the largest GDP. In addition, The Economist ranks London as one of the world's so-called economic hotspots with a sound financial service industry. Furthermore, Forbes lists the city as one of the major centres of for both Job Growth and Education in Europe.</p> <p>Paris is the capital of France, and its most populous city. The city is a major global centre for art, fashion, gastronomy and culture and has a population of almost 2.5 million people. The current Mayor of Paris is Ms Anne Hidalgo. According to the Brookings Institute, Paris' Gross Domestic Product (GDP) was US\$822-billion in 2015, and it is estimated that the city will be one of the world's six richest cities by GDP in 2020. PricewaterhouseCoopers projects, in similar vein, that Paris will be one of the world's eight richest cities in the world by GDP in 2025. Paris is both the political and economic capital of France. The region's economy displays the specific characteristics of a large global city. The most important economic sectors are high-value-added service industries (e.g. finance, IT services, etc.) and high-tech manufacturing (electronics, optics, etc.).</p> <p>Amsterdam is the capital of the Netherlands and has a population of approximately 2.5 million people across the metropolitan area. The current mayor is Ms Femke Halsema. The City is home to a vibrant creative industry and a host of innovative start-ups with Amsterdam becoming widely known as a Knowledge City. The city government is actively pursuing policies to improve Amsterdam's position as a global knowledge centre, allowing it to compete favourably with other major cities. Toward this end, the City of Amsterdam has adopted the triple helix model which focusses on partnership and collaboration between government, knowledge institutions, business and civil society. In addition, the city was ranked 4th globally, as a top tech hub in the Savills Tech Cities 2019 report (2nd in Europe). This substantiates the claim that Amsterdam is fast becoming a world renowned Technology City.</p>	

4. OBJECTIVES

From an investment promotion perspective, key objectives of the Mission included, namely in

- London, embark on a variety of engagements, seminars, networking sessions and events aimed at attracting investors within the Business Process Outsourcing (BPO) sector to Cape Town;
- Paris, to attend Viva Tech to establish links and networks in the tech sector. Also, meet with airlines e.g., Air France with regards to direct airlinks;
- Amsterdam, establishing links and networks with vertical agriculture companies and tech companies as well as aerotropolis companies in order to attract investment into Cape Town.

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From a tourism promotion perspective, key objectives of the Mission across the three cities included, namely

- Initiating co-marketing and knowledge sharing relationships with European City Destination Marketing Organisations (DMOs);
- Commence discussions with DMOs regarding partnership opportunities with CTT;
- Meeting and improving business relationships with South African Tourism Country Managers, Hub Heads and offices to grow tourism to Cape Town;
- Engaging with the top 3 to 5 outbound (to South Africa) travel agents, tour operators and representatives in each City;
- Mitigate against a significant drop in tourist arrivals to Cape Town over the last 12 months. This drop in tourist numbers is in large part due to the “day zero” messaging and resultant perceptions of Cape town due to the water crisis. However, the effects of an increase in crime and perceptions of safety are also areas that will be targeted with a more positive messaging.
- Promote and directly market a more positive destination brand in Paris, London and Amsterdam.

5. OUTCOMES

- | | | |
|-------------------------------------|---|-----------------------------|
| <input type="checkbox"/> | - | Partnership Agreement |
| <input type="checkbox"/> | - | Membership Agreement |
| <input type="checkbox"/> | - | Grants Agreement |
| <input type="checkbox"/> | - | Memorandum of Understanding |
| <input type="checkbox"/> | - | Statement of Intent |
| <input checked="" type="checkbox"/> | - | Other |

6. ACTIONS REQUIRED

- 6.1 Provide the South African High Commission with Tourism Promotional Material and Collateral [Responsible: CTT]
- 6.2 Provide the High Commission with a key contact in Cape Town Tourism (CTT) to discuss how the City can secure a stall at the upcoming “South Africa in Trafalgar Square” Event [Responsible: IR]
- 6.3 Wesgro to make contact with the High Commissions Office for more details on support programmes related to new farming methods in Italy [Responsible: Wesgro]
- 6.4 The City of Cape Town to pilot a focused skills programme which aims to improve the various skill sets required for team leaders and managers in the BPO sector [Responsible: Enterprise & Investment]
- 6.5 Wesgro to work with Thomas Cook to increase their market share into Cape Town through the Air Access programme [Responsible: Wesgro]
- 6.6 CTT to provide UK Tour Operators with an updated list of restaurants in Cape Town [Responsible: CTT]
- 6.7 CTT to work with BA (in particular Gatwick) to develop collaborative marketing material to stimulate uptake in the Cape Town market [Responsible: CTT]
- 6.8 Wesgro to continue working with BA through the Air Access programme [Responsible: Wesgro]

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- 6.9 City of Cape Town to take BA request for improved capacity and slots to the Network Planning engagement (once Airport Expansion is complete) [Responsible: Enterprise & Investment]
- 6.10 City of Cape Town to work with the Good Hotel to replicate their youth training programmes [Responsible: Enterprise & Investment]
- 6.11 City of Cape Town to communicate skills needs to the British Council with a view to establish a partnership and gain assistance with programmes to bridge the skills gap. [Responsible: Enterprise & Investment]
- 6.12 City of Cape Town to explore what training programmes related to British Council sponsored programmes False Bay College can provide [Responsible: Enterprise & Investment]
- 6.13 Develop a joint marketing campaign between CTT, Air France and SA Tourism Office in Paris to promote and better market Cape Town as a destination for the French population. [Responsible: CTT]
- 6.14 Ald Vos and Lance to raise the issue of access to the slow lounge for Air France and expansion of lounges in general at the Cape Town International Airport. [Responsible: Enterprise & Investment]
- 6.15 CTT to work with Tour Operators to better market Cape Town's new Tourism Product Offering while also raising awareness of Cape Town as a Tourist destination of choice in France. [Responsible: CTT]
- 6.16 Wesgro and the City of Cape Town committed to continue working with the Bel Group to facilitate further investment into the province. [Responsible: Wesgro + Enterprise & Investment]
- 6.17 Lance to setup engagements with the Airports Company South Africa (ACSA) to discuss multipurpose development opportunities of the Cape Town International Airport [Responsible: Enterprise & Investment]
- 6.18 Wesgro to investigate the possibility of commissioning a study on airport logistics. [Responsible: Wesgro]
- 6.19 Maintain links with London & Partners with the view to collaborate with them concerning events and conferencing [Responsible: CTT].
- 6.20 Share details of the Safety Ambassador Programme with Amsterdam & Partners [Responsible: CTT].
- 6.21 Collaborate with Amsterdam & Partners to mitigate reputational damage that could exist/ arise with regards to Cape Town [Responsible: CTT].

7. IMPLICATIONS

7.1 Constitutional and Policy Implications	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
7.2 Environmental implications	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
7.3 Financial Implications	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
7.4 Legal Implications	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
7.5 Staff Implications	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
7.6 Risk Implications	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>

8. RECOMMENDATIONS

Recommended that:

- a) the contents of this feedback report **be noted**.
- b) The Report be referred to the Economic Opportunities and Asset Management Portfolio Committee for noting.

Aanbeveel dat:

- a) daar van die inhoud van hierdie terugvoeringsverslag **kennis geneem word**.
- b) die verslag ter kennisname na die portefeuljekomitee oor ekonomiese geleenthede en batebestuur verwys word

Kundululwe ukuba:

- a) **Makuqwalaselwe** okuqulathwe yile ngxelo enika ulwazi.
- b) Ingxelo mayigqithiselwe kwiKomiti yeSebe laMathuba ezoQoqosho noLawulo lweeMpahla (ii-Asethi) ukuze iqwalaselwe.

9. GENERAL DISCUSSION

9.1 London Leg

9.1.1 Courtesy Call with the High Commissioner

The High Commissioner (HC) welcomed the delegation with the Deputy Mayor (DM) thanking her for their hospitality and allowing the delegation to utilise the High Commission's facilities to conduct Investment and Tourism Promotion engagements during their stay in London.

The HC enquired as to what the purpose was for the Cape Town delegation being in London to which the DM responded that it was the first of three legs and was primarily aimed at promoting the Business Process Outsourcing (BPO) sector and tourism. The HC requested for Cape Town's Tourism team to connect with the High Commission as there will be a Tourism event in September called "South Africa in Trafalgar Square" and she would very much like to have a Cape Town stand at this event, as well as have access to promotional material and collateral for the High Commission to utilise and disperse among their networks. The DM agreed and noted that the City of Cape Town would be happy to oblige in this regard.

The HC enquired as to what Cape Town is doing to promote entrepreneurship. Ald Vos responded that through the City's sector support programme, they are providing access to funds and skills training to promote entrepreneurship. The UK CG noted that the Consulate has been supporting the 'UK/SA Tech Hub', which is aimed at supporting entrepreneurs and is a possible area to share once the programme has reached a level of maturity.

Wesgro noted that they are always promoting various sectors related to not only the Cape Town economy but the broader Western Cape. These include, but are not limited to, clothing and textile, air access and agriculture to name a few. The HC mentioned that the Chinese will always be superior in clothing and textile, the key for Cape Town will be to develop a niche product offering that can create demand. In addition, she mentioned that there may be support opportunities for new farming methods in Italy and advised Wesgro to get in touch with her office upon return to Cape Town for the contact. Lastly, in response to air access she requested to make the Cape Town International Airport more pleasant for travelers that have long layover periods, to which Ald Vos spoke about the Airport upgrades and that this was certainly a consideration in the planning of these upgrades.

9.1.2 BPO: User Day Discussion

The Chief Executive Officer (CEO) of Business Process Enabling South Africa (BPESA) introduced the BPO User Day Discussion. He highlighted that the purpose of the session is for companies that invested in Cape Town to provide an overview of their experiences in order to improve the service offering and rectify any bottlenecks in the sector. It's important to note that all companies who attended the User Day Discussion was originally based in the UK and/or services the UK market, employs at least 500 or more employees with most indicating during the discussion that opportunities to expand operations further do exist in Cape Town. DM officially opened the session and expressed his interest in hearing the experiences of stakeholders in the room. Alderman Vos added that the City wants to assist industry in alleviating challenges they experience while operating in South Africa, but more specifically in Cape Town.

Key discussion points from the companies represented thus focused on challenges they experienced and what areas required attention in order to improve the attractiveness of Cape Town (and South Africa as a whole) as a world renowned Business Process Outsourcing (BPO) location.

These challenges included:

- **Perception:** All investors highlighted that once they conducted desktop research on preferred destinations to setup their respective BPO operation/s - Cape Town (and South Africa) - did not come out as a top destination. This is due to broad and general perceptions of the prevailing political climate, safety and security, transport and energy infrastructure. The overall impression and picture when conducting a desktop study is that South Africa and Cape Town were not ideal investment destinations.
- **Safety:** The perception of safety and security in South Africa is mostly negative in the international media and receives more media attention than other aspects. The experience of companies operating in Cape Town demonstrated that employees have been mugged and an international head of customer experience was robbed at gun point while in the Cape Town CBD.
- **Political Climate:** The group felt that this may not be such a big issue given the results / outcomes of the recent elections. The certainty that the president-elect, Cyril Ramaphosa provides has mitigated this challenge.
- **Transport Infrastructure:** The virtual collapse of the rail system was flagged as an immediate risk to the future viability of some call centre operations,

particularly those that are based in the Cape Town CBD. The prevalence of strike action in this sector was also flagged as a further challenge.

- **Energy Infrastructure:** The uncertainty regarding energy provision was flagged as a risk to the cost competitiveness and productivity of call centres.
- **Management Capacity:** The lack of management capacity was highlighted as a particularly problematic challenge that required intervention.

In response to the above, City representatives mentioned that fixing the public transport system is critical and will be a focus area of the newly elected provincial leadership. In addition, it was noted that the City has an Energy Department due to the realisation of how critical energy is to grow the economy. Furthermore, the City works closely with unions and the Mayor engages directly with communities when strike action occurs. Lastly, it was resolved that supporting focused skills programmes in financial literacy and focused skills around team managers are an area for the City to explore in collaboration with the sector.

9.1.3 SA Tourism UK Office & Top UK Based Tour Operators

The Tourism Engagement was opened by Ald Vos, who expressed that Tourism is a key sector for Cape Town. He emphasised that Cape Town is focusing on business, leisure, culture and community tourism product offerings. He added that the Cape Town International Airport will support the A380, 747 and expansion of Domestic and International terminal buildings. He did acknowledge that Cape Town was dealing with perceived challenges around safety, water, visitor experience and Visas. The remarks were ably supported by a comprehensive and detailed presentation by CTT, which included key statistics of the tourism market in Cape Town, new product offerings, key trends and various other factors that were complimented with several promotional videos that gave a graphic overview of the product offerings and experiences.

The South African Tourism (SAT) offices noted that the global Tourism Market has become more competitive with consumers having more choice, especially in Africa, and more specifically East Africa (e.g. Kenya, Tanzania and Ethiopia). Other countries are capitalising on having direct flights and looking at price comparisons where other destinations in Africa are cheaper than South Africa and Cape Town. Thomas Cook airlines requested that Wesgro's Air Access team work with them to increase their market share into Cape Town.

The tour operators asked some questions and provided comments related to both overviews provided above and detailed below:

- In terms of the Crisis Support Programme, how often was it used and how long has it been in existence? CTT responded that the programme was established five years ago and is used roughly seven times a month. Operators felt this programme could be marketed better but they also cautioned against too much marketing, because it may create a perception that Cape Town is not safe. CTT mentioned that they are developing a safety app.
- What opportunities are there for growth in the Cape Town Tourism Market? CTT responded that new experiences are being developed such as Community Tourism which focuses on Townships, adventure and luxury tourism offerings. CTT explained that they will be training agents on the updated offerings. Operators explained that these offerings need to be easy to

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sell and limit the liability on their part due to regulations governing the industry in the UK.

- Operators requested that CTT provide an updated list of restaurants that they can provide to their clients to give Tourists an idea of the wide selection in Cape Town.

9.1.4 British Airways

Ald Vos opened the discussions with British Airways (BA) and explained that Cape Town promotes direct flights and view these as a catalyst for economic growth. He explained that the Cape Town International Airport will be expanding and will accommodate larger aircraft, such as the A380. Wesgro supports these goals through the Air Access initiative with the City working in collaboration with the Agency to expand and improve direct flights. In response, BA expressed interest in improving their capacity and slots as the airport expands and requested support to make this a reality. The City expressed that they would support BA in this request and will take it to the next network planning meeting.

BA explained that Cape Town is an important destination and have seen a 34% increase in forwards over the last three months. However, the volume versus yields ratios is not so great but has improved in recent months. It was emphasised that they are losing out on business during the March/April Gap with a focus in the new year to increase capacity over the Easter period.

Ald Vos noted that there is an opportunity for Cape Town to work with BA to share marketing collateral, develop and share new routes as well as tourist experiences. This would expand the value proposition of Cape Town. BA noted that they do not have a direct marketing team and do not have video material. In this regard, CTT endeavored to work with BA (in particular Gatwick) to develop collaborative marketing material to stimulate the uptake in the Cape Town market.

9.1.5 BPO Advisors Breakfast and Investor Lunch

The DM opened the session, Mr Greyling provided an overview of the Cape Town economy and BPESA provided a more focused overview of BPO in the world and explained the value proposition of Cape Town. The breakfast attracted BPO Advisors, while the Lunch attracted large corporate investors.

The DM's introductory remarks introduced Cape Town and provided an overview of the societal, cultural and population dynamics of Cape Town as a key selling point for the advantage which Cape Town offers in the sector. Mr Greyling provided a detailed overview of the Cape Town economy, noting important and pertinent sectors, key growth areas and focusing on the BPO sector in Cape Town. BPESA complemented these presentations with a focus on BPO, with the aim to create better awareness and promote Cape Town as a key destination for the BPO Sector.

The delegates who attended the breakfast and lunch responded in the following ways:

- They wanted to know why the attrition rate was generally so high if there is such high unemployment? BPESA responded that they conducted an analysis on this and discovered that the attrition rate is exactly the same as any other BPO destination across the globe.

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- What made current investors actually settle in Cape Town? Overall, the most important thing is to delay risk and in the end the key selling point is to actually be in Cape Town, once you are there you will see the potential. Lastly, a key point was that the people of Cape Town ended up being more motivated, having greater empathy and therefore offering a superior quality to competing destinations such as Indonesia and the Philippines.
- City delegates asked what they could do better? The response from the audience was that a five-year picture is needed as there is too much negative news about SA in the UK, e.g. trains burning, corruption, etc that you just do not see in other countries. In addition, they need more confidence from front line leadership.
- Some further recommendations included selling Cape Town as a brand that understands the African market, can service the rest of Africa and is better connected in terms of digital infrastructure.

9.1.6 London & Partners

The purpose of this engagement was to either propose a formal working relationship between CCT and London & Partners or to at least initiate informal relations. CCT mentioned and illustrated the example of the signed agreement between CCT and New York Tourism of how London and Cape Town could ideally approach the proposed relations. In response, London & Partners noted that they are open to informal relations at this stage since they are currently focusing on relations closer to home, and more specifically between London and Paris. Ald Vos also proposed that the two cities could assist each other in the fields of events and conferencing to which London & Partners agreed to. The film industry was also mentioned as another possible space for collaboration.

9.1.7 Site Visit & Engagement with Royal Docks

The delegation embarked on a site visit and engagement with the Royal Docks regeneration task team. The session started with an address by the Mayor of Newham, Ms Rokhsana Fiaz.

She contextualised and explained that the Royal Docks went through a long period of decline economically and socially, but through participatory democracy have been upgrading the Borough. Some key statistics of the area including that 60% of the population is under 24 with key strategic projects including the Royal Docks Enterprise Zone and the creation of a New Culture Area. Her presentation was followed with Mr Greyling providing an overview of the Cape Town economy.

Thereafter, a presentation was done by a Social Enterprise called the Good Hotel. The hotel directly supports its community and environment through sustainability projects and offering a series of funded training programmes. The City indicated interest in developing a training programme based on a similar model to what the Good Hotel was offering. The engagement was concluded with a site visit to the Royal Docks regeneration zone where the delegation visited an office complex and businesses in the surrounding area.

9.1.8 Andrew Selous, MP

Ald Vos highlighted that Cape Town will be expanding the Airport and investing R7-billion with the capacity of both terminals to be increased. Furthermore, Cape Town is now known as the number one conference venue in Africa, while other sectors such

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as clothing and technology are improving. The DM explained that Tourism is only 4% of the Cape Town economy, which means that there is significant scope to increase the share.

Mr Selous enquired on the status of the Visa issue (i.e. unabridged birth certificate for minors) to which Ald Vos responded that National Government is still not clear on this issue although a regulation in the Government Gazette was issued with the purpose of scrapping the requirement, while also noting that SA is piloting e-Visa with New Zealand. Mr Selous thought it important to mention that London will be hosting an African Investment Conference in London in January 2020 and Cape Town should consider sending a delegation to participate.

On the topic of skills, Mr Selous noted that they are involved with TVET colleges in particular Northlink and they held an exchange recently. Mr Selous strongly encouraged the delegation to communicate their skills shortage to the British Council in order to partner with the City and assist Cape Town with the challenge of growing its skills base. In addition, there is an opportunity to work closely with the False Bay College regarding training programmes. The UK CG noted that they are involved in a Tech City initiative which includes financial technology and services.

9.2 Paris Leg

9.2.1 Air France

The DM opened discussions and explained to the Air France Team that key focus areas for the Cape Town delegation are Air Access and Promoting Tourism as well as noting the importance of consultation with all stakeholders in this process. Ald Vos added that the Cape Town International Airport would be upgraded to accommodate larger planes such as the A 380 and that the delegation was in Paris to get a sense if there were any challenges or issues that the City could help the Airline with.

Air France representatives emphasised that Cape Town is an important market for the Airline, but admitted that as a destination it needs more marketing and awareness in France. Flights are seasonal, with four flights in Winter and only two in Summer, with the airline having to decrease from three to two during the French summer period. Therefore, Cape Town is predominantly a French winter destination, whereas the airline would like a year round demand and not just a French Winter-Cape Town summer destination. CTT responded that they would be willing to facilitate the link between the SA Tourism office and Air France / KLM to better market the destination. Both parties agreed that a joint marketing campaign between CTT, Air France and SA Tourism Office in Paris. In this regard, Air France committed to provide KLMs marketing experts and that they would meet with CTT and SA Tourism.

With specific reference to the Cape Town International Airport, the CEO noted that the major challenge for them is the size of the Airport Lounges. The delegation responded that all aspects of the airport, including the lounges would grow and be enlarged. Ald Vos and Lance committed to investigate how they could improve access to the slow lounge and to specifically raise the issue with Deon Cloete from the Cape Town International Airport.

9.2.2 South African Ambassador

The DM opened discussions with the Ambassador, noting that the delegation will be meeting with a number of agencies and companies such as the engagement with Air France, which the delegation just arrived from. The Ambassador responded that one of the key tasks of the Embassy is to grow Outbound Tourism and further noted that South Africa is one of only five African nations with an Embassy in France.

CTT committed to provide the Embassy with the latest marketing material and collateral from CTT, in order to boost the marketing of Cape Town as a Tourist Destination in France. The DM discussed the issue of Visa's and enquired if progress has been made with the issue. The Ambassador responded that the Embassy issued a communication to say the requirement for unabridged birth certificates has been waved. Linked to the broader Visa discussion, the Embassy noted that they have observed an increase in work permits from France to South Africa, with almost 400 French Companies currently operating in South Africa.

9.2.3 Top France Based Tour Operators

Ald Vos opened discussions with the French Based Tour Operators and explained that Cape Town is broadening its Tourism Offerings to include community, leisure, luxury, adventure and hospitality. The ensuing discussion brought out the following important insights and findings:

- Sales figures have been down for the past two years, but are looking much better in 2019;
- Two most influencing factors of travel to Cape Town for the French are affordability and a variety of thematic offering;
- Themes that resonate with the French: family, nature, culinary;
- The French are focused on community and giving back so the community tourism offerings will appeal to this market;
- There is a need to focus on Cape Town's image/brand in France as there is little awareness;
- Look at packaging Cape Town with another African city such as Kenya or Tanzania for a 'Safari, City, Sea' offering;
- Tour operators need support and can work closer with CTT through incentivised training of agents and communications;
- Look at content sharing at the International French Travel Market (IFTM), which is taking place from 1 - 4 October 2019.

9.2.4 VivaTech Opening Day

The VivaTech event is a gathering of some of the world's leading minds in the technology and innovation space. The DM, Lance and Wesgro were invited to attend the event and observe the enormity of the technology exhibition. A primary reason for the delegation attending was to meet with Western Cape Tech companies that attended and presented at VivaTech. These companies included Aerobotics, DataProphet, Seamonster and Guardian Gabriel. They were afforded an opportunity to attend and present through affiliation with AfricArena. Due to logistics pressures the delegation only spent a short amount of time at the exhibition before they had to attend their next engagement.

9.2.5 Bel Laughing Cow Cheese

The Bel Laughing Cheese Group is currently in the process of setting up a head office in Cape Town and factory in the broader Western Cape (i.e. George). The Group executive provided an overview of Bel and explained that they have a turnover

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of approximately 3-billion Euro, over 13 000 employees and that South Africa would be the flagship country in the Sub-Saharan Region in the next two to three years, which means a substantial investment. They explained that their philosophy is that “whatever is sold in a country must also be produced there”, which means that when they move to South Africa they will produce the products locally.

They explained further that Bel believes in working with Local Partners and would produce one production line from the Lancewood Factory in George, with the Head Office of the Bel operation located in Cape Town (Durbanville). Wesgro and the City of Cape Town expressed their commitment to continue working with the Bel Group to facilitate the current and further investments.

9.3 Amsterdam Leg

9.3.1 Working Lunch and Meet with SAT Netherlands & Top Netherlands Based Outbound Operators

Ald Vos provided an overview of the Cape Town economy, tourism and also focused on air access, safety issues and the Cape Town Airport expansion. CTT also offered a detailed presentation, which was well received by all the operators. They noted that the recent drought caused major issues for the industry, but that they are seeing a slow turnaround now that the drought has been managed. In addition, negative media coverage of safety (or a lack thereof) in South Africa also causes problems for them to promote Cape Town as an ideal destination. Finally, because Cape Town is such a popular destination, they as operators find it difficult to some instances secure accommodation for their clients for extended stays of more than seven nights.

9.3.2 GROWx Vertical Agriculture Overview & Site Visit

The delegation met with a company that specialises in what is called ‘Vertical Agriculture’, which is closely associated with Urban Agriculture. Due to the climatic conditions in the Netherlands such as a relatively cold climate and lack of sunlight, agricultural businesses have developed innovative ways to grow crops. With this context in mind, vertical agriculture refers to indoor growing, within a highly specialised facility that allows controlling the climate temperature and amount of light.

It was found that a vertical agriculture facility can grow crops which are generally not easy to grow due to climate control. The key material that is used is perspex gutters, a specialised material for the seeds and water. Total cost of vertical agriculture setup is approximately 5000 Euro’s, these include the artificial lighting and steel structure to house the Perspex gutters for growing crops. The most expensive component in running a vertical agriculture setup is still the labour cost. Key crops that the GrowX facility specialises in are Micro Greens however; the facility can easily grow soft fruit and micro beans. An interesting point is that vertical agriculture systems are being used to grow cannabis in countries around the world.

9.3.3 Amsterdam & Partners

It was suggested that Cape Town and Amsterdam should consider a similar agreement such as the one between Cape Town and New York City, but with the emphasis on knowledge sharing as opposed to destination marketing. Amsterdam highlighted their interest in CCT’s Safety Ambassador Programme to ascertain how they could utilise asylum seekers in Amsterdam for a similar initiative. It should be stressed that Amsterdam’s tourism strategy is totally the opposite from that of Cape Town. Whereas Cape Town seeks to encourage more people to visit the city,

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Amsterdam endeavours to curb the number of visitors. The reason for this is that Amsterdam is a relative small city with limited space available. The stakeholders in the room agreed that they would be interested in exchanging knowledge on how to build the reputations of their cities positively since both cities have certain elements that could damage their reputations globally (e.g. drugs and sex as well as public drinking for Amsterdam). They will also work together to continuously boost the numbers for the direct Cape Town- Amsterdam KLM flight.

9.3.4 Aerotropolis: Overview & Site Visit

A Senior Airport Architect from the Netherlands Airport Consultants (NACO) provided the delegation with an overview and site visit of the Aerotropolis at Schiphol Airport in Amsterdam. Schiphol started in the 1930s, with the hub really starting to grow from the 1960s, with NACO having designed the Schiphol Airport.


The Airport has 72 million passengers a year and six runways (3.6 km and 4 km in length). The Airport is owned by the government, carries a particular national interest and is largely autonomous and run by itself. However, it was emphasised that the Airport has grown to a point where it cannot grow further. It was noted that the Amsterdam Airport has over 350 direct destinations which makes it a major international hub and the third largest in Europe, with Charles de Gaulle and Heathrow being the largest in Europe. The Architect explained that the Schiphol Plaza is actually a transport hub that is built on top of the railway station, it is therefore not a terminal. There is a strong sense that an airport should form part of an overall inter modal transport system. For example, 45% of people who arrive at the airport come via the train.

The airport is based on a one entrance concept, with a major walkway in the airport connecting offices such as the World Trade Organisation (WTO), Microsoft, Samsung, various hotels and in general, companies that need to be close to the airport. The Central Business District (CBD) of Schiphol was explored and found that international companies who rely on being connected, for example through international meetings are based in the CBD. In terms of revenue, 60% is non-aviation based such as business rents and parking.

The Architect noted that purposive government support created the growth at Schiphol Airport and emphasised the importance of forward planning as critical for development. For example, the hotel district was part of a second phase developed by Schiphol Real Estate (which is also state-owned). In addition, development agencies have facilitated and regulated to assist companies to locate at Schiphol, with government offering incentives to grow warehouses and logistics to 1.7mn tons annually. In addition, Schiphol has its own road network so logistics companies can run un-hindered and throughout the day. There is a significant opportunity to foster business clusters with all things coming together at the airport.

Based on the comprehensive overview and insightful site visit, Wesgro committed to investigate the possibility of commissioning a study of airport logistics. Lance committed setup engagements with the Airports Company South Africa (ACSA) to discuss the multipurpose development opportunities of the Cape Town International Airport.

FOR FURTHER DETAILS, CONTACT:

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SIGNATURE :			


MANAGER: INTERNATIONAL RELATIONS

DR. DENVER VAN SCHALKWYK

DATE

4/26/2019

COMMENT:

ACTION NOTED

☒ REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

LEGAL COMPLIANCE☐ NON-COMPLIANT

COMMENT:

NAME


Joan-Mari Holt

TEL

021 400 2753

DATE

05/06/2019

Certified as legally compliant: 
Based on the contents of the report.

CITY MANAGER

CITY MANAGER



NAME

Lungelo Mbandazayo

DATE

10 JUN 2019

City Manager☒ SUPPORTED FOR ONWARD SUBMISSION TO:MAYCO ☒RELEVANT SECTION 79 OR 80 COMMITTEE ☒☐ NOT SUPPORTED☐ REFERRED BACK

COMMENT: