



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE 33

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)

(MUNICIPAL ENTITY) TARIFFS

2021/22 Budget (May 2021)

Pricing Strategy 2021/2022 FY

The Cape Town International Convention Centre Company SOC Limited (RF) (CTICC) prides itself on being a financially sustainable municipal entity that attracts and retains events, in the pre-COVID-19 pandemic period.

The CTICC receives no grant funding from its shareholders, including the City of Cape Town (CoCT). However, as a result of the restrictions in place due to the pandemic the company has approached its shareholders for funds to continue as a going concern. The City of Cape Town has committed an amount of R200 million in share purchases over the months. As such, the CTICC must ensure that the costs of operating and maintaining both CTICC 1 and 2 are effectively managed and that sufficient revenue is earned through the hosting of events to cover any, and all, operational and maintenance costs and ensure that the CTICC retains its 5-star grading status.

In order to do this and to remain competitive in an ever-evolving and competitive market, the CTICC has a clear pricing strategy, which is reviewed on an annual basis.

In terms of this strategy, the CTICC's adopts two forms of pricing namely Premium Pricing as we believe our product offers value and memorable experiences to our clients, as well as Bundled Pricing, which is focused on package rates which are more suitable to the local and corporate market.

Validity of Rates

Package rates are made available for the calendar year (Jan-Dec) with an anticipated CPI related increase.

Rates are determined taking the following factors into consideration:

- CPI rate at the time of finalising its pricing,
- Competitor rates including local, national and international markets,
- Foreign currency fluctuations,
- Food costs (inflationary and fuel costs),
- Labour legislation and in particular sectoral determinations.

Due to the impact of the global pandemic and volatile market, the conference package rates have increased by 0% (July – December 2021) and 5.8% (Jan – June 2022), based on market dynamics and demand.

The below rates are published on our website in the client manuals:

Day Conference Package Rates for 2021/2022 Financial Year

Package	2021 (July – Dec 2021)	2022 (Jan – June 2022)
Full English Breakfast	R 304,35	R 334,78
Half Day Conference	R 513,04	R 547,82
Full Day Conference – Meeting rooms	R 573,91	R 604,35
Full Day Conference – Ballroom and Auditoria	R 643,48	R 691,30

Event Numbers

Our event number targets for the 2021/22 FY is 5 for International Conferences and 50 for the total number of events.

The CTICC strives to reach the event numbers target by actively launching promotions and campaigns to increase business from the local corporate and association market as well as business from local communities and organisations.

These campaigns are designed to increase the venue rental budget, but more importantly, are aimed attracting events in key economic sectors and addressing occupancy levels in low seasons.

Optimal Yielding Policy

The CTICC has developed an Optimal Yielding Policy aimed at attracting and retaining clients in key economic sectors that support the CoCT's IDP. Discounts are offered in line with the delegated authorities approved by the Board.