



The MEC for Economic Development and Tourism
Mr. Petrus Ngomane
Private Bag X11215
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1200

Dear Sir

Re: Request for accommodation establishments in particular Guesthouses, Bed and Breakfasts and lodges to change their category to residential.

The tourism industry has been hard hit by the Covid-19 pandemic' including guest houses and bed and breakfast establishments who are finding it difficult to trade and most are on the verge of closure, threatening the livelihoods of the owners and the workers.

Many of these accommodations have seen a 95% drop in occupancy since the introduction of the lockdown on the 26th of March 2020, in particular those that are in the towns and cities, with no means of income generating alternatives as most of the owners and workers depend on these establishments for survival. The increasing number of Airbnb's which are offering similar types of accommodations and yet are not charged commercial rates further squeezes these establishments out of business. Despite these matters being raised with local municipalities little or no intervention has been made.

The commercial rates that continue to be charged have put a strain on the ability of these establishments to continue to operate and preserve the much-needed jobs the country requires. It should be noted that the effects of Covid -19 began earlier than the 26th of March 2020 leading to many of the establishments struggling to pay their rates, resulting in accrual of services debt and municipalities switching off their services.



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Registration number: 1998/025398/08

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LC Sheard (Executive Director, Tourism), RS Ndlovu, FC van Wyk, RW Gibbs, Dr. PN Fakude,
SE Jacobs, N Naidoo, Prof. D Mabunda, MHA Stroud, N Elliot, AM Briggs, JP Barnard

COO: M Grimbeek



It is against these challenges that the Kruger Lowveld Tourism is urging local municipalities to consider the following as relief measures to help to keep accommodation establishment in businesses thus saving jobs:

- I. Temporary reclassification of the property-rating category from commercial to residential, at least until normal travel patterns resume post Covid-19.
- II. Payment arrangement to allow the establishment to operate and apply for a payment holidays without being charged interest fees.

It is evident that the tourism sector continues to be in the receiving end of the lockdown restrictions and that it is prudent for every stakeholder to come to the relief of the sector including and particularly local municipalities. Failure to assist the tourism sector will further lead to its total destruction and massive job losses.

Thanking you in anticipation

Kind Regards

Ikaneng "Oupa" Pilane

KLCBT President

Chairman: Kruger Lowveld Ehlanzeni Tourism (RTO)

13 January 2021

CC The MEC for CoGTA : Mr. Mandla Msibi



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