

## **MEDIA RELEASE - NO EMBARGO – 14 May 2002**

### **Greater St Lucia Wetland Park Authority**

Wave of investor interest in the Greater St Lucia Wetland Park, highlights the role of tourism as a peace industry

Reputable local and overseas companies are lining up to invest in a network of new game lodges, beach resorts and hotels that will fulfil government's promise to use tourism as a force for peace and reconstruction in the Greater St Lucia Wetland Park. Over 100 expressions of interest were received by the world heritage authority that manages the Greater St Lucia Wetland Park.

This surge of private sector interest - announced by Environment and Tourism Minister Valli Moosa at Indaba in Durban on Monday 13 May - highlights government plans to use responsible forms of tourism over strip-mining to generate economic growth and development in the St Lucia park.

"We have managed to attract a huge amount of interest from the private sector to invest in the Greater St Lucia Wetland Park and this will far exceed the number of jobs that would have been created had the former government's plan to allow strip-mining on the Eastern Shores of St Lucia to go ahead," says Moosa.

"In 1994 after a massive campaign against plans to strip-mine the dunes for heavy metals, a campaign led by the former president Nelson Mandela, government realised the vital need to encourage forms of economic growth that conserve our fragile environment rather than consume it."

The authority that manages the Greater St Lucia Wetland Park set up a tender evaluation team to sift through the submissions to ensure that these met its requirements for investment, growth and rural development.

The evaluation team met in a secret location to examine the documents and was impressed with the financial integrity and operational expertise. 87 expressions of interest from the over 100 submitted have been qualified to submit full proposals.

The authority is now in the process of issuing requests for proposals, which is the final stage in the tender process.

"The capital expenditure involved in these ecotourism developments will amount to some R500-million. The new tourism establishment, all of them located at key sites within the park, will create 1200 new direct jobs. To date the redevelopment of the Park and major access routes have created in the region of 3000 temporary jobs," says Moosa.

"Had the former government's plan to strip-mine the dunes gone ahead, the mining operations would have created just 180 new jobs. This is a clear-cut case of tourism being able to create peace and sustainable development through a type of land use that is both economically powerful and kind to the environment."

The St Lucia authority investor marketing process encouraged interested groups of investors and empowerment groups to form consortia in a way that will ensure wise management of the parks wildlife and biological resources, spread a variety of new tourism plant through the park in a way that binds it together and maximises the amount of benefit that the inflow of investment will create for local residents.

Moosa said this took months of work that included international, national and local investment seminars, 400 direct phone calls, 80 one-on-one meetings with the interested bidders and 15 site visits so that the private sector could obtain direct experience of the park's opportunities and government's objectives in leading an economic growth programme through tourism.

A package of investment incentives that substantially increase the rate of return for investment in the park has been put in place. Participants include DTI, DBSA, Khula Enterprise Finance and IDC. At the launch in Johannesburg Erwin said, " Our end goal is to create new jobs and access to economic opportunity in a region characterised by enormous natural attraction yet pressing economic hardship. In providing this meaningful and

attractive package of incentives we are lowering the barriers to tourism investments in the St Lucia Park. By making use of the incentives, there will be a substantial effect on investment returns. We have created a one-stop shop or clearing house to make sure these benefits flow quickly from the public to the private sector."

The success of the investment mobilisation campaign is ascribed to the way the authority has created an attractive and secure enabling environment for tourism growth in the St Lucia Park. This includes:

- A R40-million malaria eradication campaign that has resulted in Lake St Lucia being declared a malaria-free zone. In the first year of the programme the number of malaria cases in KwaZulu Natal has decreased by 76%.
- A phase I R68-million drive to improve infrastructure - fencing, roads, jetties, and beach facilities - has been completed. Resources have been committed for phase II. Restocking of the park with elephants, rhinos, giraffe and a variety of other game.
- Fast-track settlement of land claims against parts of the park so that land tenure and leases can be offered to investors on a secure basis.
- A global branding and marketing exercise that will present the Greater St Lucia Wetland Park as a major adventure tourism destination and one of the few places in the world where it is possible to scuba dive on coral, see whales and dolphins and then go on a game drive within the space of a few hours.
- A local economic development programme designed to ensure local residents benefit from employment and business opportunities in the park. Already 3000 temporary jobs have been created by using small businesses and local labour in the restocking and infrastructure development.
- A R60-million alien eradication campaign designed to enhance the ecological integrity of the park.
- Upgrade of the N2 from Durban to the Greater St Lucia Wetland Park is complete. This puts the park 2.5 hours from Durban.

Moosa say they anticipated surge of commercial investment would be combined with strict environmental controls to ensure that what emerges is "a real and practical example of sustainable development of the type that will be showcased at the World Summit in August".

The Eastern Shores of St Lucia were the site of a massive local and international campaign to prevent the dunes there from being strip-mined for titanium and other heavy metals in the late 1980s and early 1990s. Nelson Mandela was a leading figure in the struggle against mining, possibly the biggest environmental protest ever in South Africa.

The South African government banned mining and committed itself to generate growth and jobs through an investment drive that would at the same time conserve the fragile environment of the dunes the rest of the park.

The 87 qualified expressions of interest past the authority's stringent criteria for ethical, pro-poor and environmentally sensitive forms of investment.

"Tourism has been called the industry without smokestacks and one that can promote a natural form of wealth redistribution. This is so but it does not do this automatically. We have tried our best to ensure that this is so," said Moosa.

"We have set in place a number of mechanisms and regulations to ensure that the developments which will follow on this investor confidence do not cause damage to the environment of St Lucia and encourage employment as well as productive economic opportunities for the residents of St Lucia."

The minister said these protective measures would include efficient use of existing environmental legislation including the World Heritage Convention Act, as well as, the Environmental Conservation Act.

Moosa said that these measures were vital as he was concerned that "spontaneous developments of a mom-and-pop nature" were occurring on some parts of the province's coastline and these needed to be curtailed to ensure that investment took place in a sustainable way.

Projections by economists working for the authority indicate that some 1200 jobs in construction and new tourism operations will be generated during the first phase of commercial development.

It is anticipated that this number will grow to more than 3 000 by the end of the decade. About 90% of these jobs will be for low- to medium-skilled workers from the settlements in the surrounding areas.

In the medium term, the authority plans to attract nearly R1-billion of capital expenditure into the lead-investment projects of the Wetland Park.

"The additional revenue generated in the province by the roll-out of the new development will pass the R300m-a-year mark by 2008; about 9 times the annual revenue from existing tourism operations in the Greater St Lucia Wetland Park," says a report by the authority.

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