

The future looks bright for SA's MICE industry

February's National Budget provided some encouraging signs that South Africa's economy could turn around, including thorough incentives to stimulate short-term investment. This contributes to a fruitful outlook for the meetings, incentives, conferences and exhibitions (MICE) industry, as various provisions align with promoting tourism and events locally.

By [Projeni Pather](#) 14 Mar 2023



Image source: [Gallo/Getty](#)

Among these is the incentive for businesses to reduce their taxable income by investing in renewables. Placing no limit on the size of projects that qualify can only help to encourage investment sooner than later with the 125% tax rebate valid for two years. I believe this boost will carry through to event organisers and venues who are doing all they can to curb the effects of Eskom's load shedding, while doing what is best for the environment.

ESG (Environmental, Social, Governance) plans are on the horizon in the event industry through the Association of African Exhibition Organisers (AAXO), which strives to encourage investment and participation from businesses into events and exhibitions. It's important to make sustainable choices towards the longevity and success of the global event industry, in which South Africa is a key player.

Counteracting crisis effects

Plunged into darkness at the start of the Covid-19 pandemic, the MICE industry must work even harder to manage the present load shedding pandemic, while building back the industry and attracting further interest in South Africa as a top MICE destination.

Improving infrastructure is crucial here and was high on the Budget agenda beyond the provision to reduce Eskom's debt. Transport and logistics received an estimated R351.1bn commitment to Sanral to enhance South Africa's road infrastructure network. Additional plans projected to cost R132.5bn over the next three

years will improve water and sanitation services. These are excellent steps towards making the country more resilient, capable of managing an influx of business and leisure tourists balanced with a growing population.

The country offers so much potential from its landscape to its blend of cultures, with a well-developed tourism and events industry boasting many high-quality venues, suppliers, and service providers to support any type of event.

World-class convention centres and exhibition venues, such as the Cape Town International Convention Centre and the Durban International Convention Centre can —and do— host large-scale international events. There is also a diverse range of accommodation and extra-mural activities available locally to cater to the needs of tourists and event attendees, including natural attractions, great restaurants and shopping malls.

South Africa is an appealing and competitive destination for hosting events with the favourable advantage of the Rand's exchange rate, making it more cost-effective to hold African or international events here. While the total spend on an event will depend on many factors, items like accommodation, transportation, and food and beverage are generally lower in South Africa than in many other developed countries.

MICE industry feels the pressure

Food for example is a major component of any event, so it was great to see the Budget recognise how tough it has been through extending the Road Accident Fund levy refund for diesel to help [manufacturers](#) and [foodstuffs](#), compensating for the cost of generators and the impact of the electricity crisis on food prices.

South Africa has its struggles, but it is still among the most developed and stable destinations on the continent, which reassures event organisers and attendees. If the Budget provisions and tax-saving measures can help to keep the lights on and make it easier to do business in South Africa, we should expect to see more events coming to our local shores.

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