

Our contribution to the South African Gross Domestic Product (GDP) and Western Cape Gross Geographic Product (GGP)

GDP is the total value of all final goods and services produced in the country during a period of time, usually one year. It is most commonly used to measure the economic activity and quality of life of all South African citizens. GGP refers to the economic contribution within the province only.

Our contribution to the Western Cape GGP was R4.5bn, while the contribution to the South African GDP was R6.5bn, over the last financial year, and since opening our doors in 2003, we have cumulatively contributed R39.6bn to the Western Cape GGP and R47.3bn to the South African GDP.

Over the past five years, revenues have grown by more than 30% from R172m in 2013/14 to R277m during the last financial year. We achieved an operating profit (EBITDA) of R57.5m in the year under review, which was R49.57m above the target of R8m, representing a 69% increase from the R35.4m achieved in 2013/14.

We were able to increase our revenue through the almost 420 000 delegates hosted over the 560 events, which contributed to the sustainability of both the CTICC and the tourism sector as a whole.

In the year under review, expenditure produced by delegates amounted to R1.7bn, 59% of which came from international delegate spend. Our foreign exchange earnings totalled R677m.

Our contribution to government taxes was R273m. We also achieved a B-BBEE spend of R328m, which equated to 86% of total expenditure. Further to this, expenditure with women-owned businesses stood at R133m, which represents 39% of the total spend. Expenditure with SMMEs came in at a high of R229m, making up 60% of total expenditure.

Job creation and community development

We are committed to growing the employment rate in South Africa and shaping the future of our country's workforce. This can be clearly seen in the number of direct and indirect jobs we have created and sustained in a range of industries, including the wholesale, retail, trade, catering and accommodation services, as well as the construction sector, as a result of the expenditure generated by the CTICC.

We sustained approximately 14 620 temporary and/or permanent jobs in the South African economy in 2018/19 (8 754 direct and 5 866 indirect/induced). Of these, approximately 10 127 jobs were for people in the Western Cape (6 063 direct and 4 063 indirect/induced). This is in part thanks to the addition of the CTICC 2 building, which increased our permanent staff complement from 182 in 2017/18 to 217 in 2018/19.

Impact on the tourism industry

We make a significant contribution to the tourism industry in that we attract international delegates to South Africa, in particular, the Western Cape and the City of Cape Town.

It is estimated that we generated an additional 566 057 room nights in the Western Cape and 575 898 in South Africa in 2018/19. The main beneficiaries of the additional room nights are the accommodation, food and beverage, and retail sub-sectors.

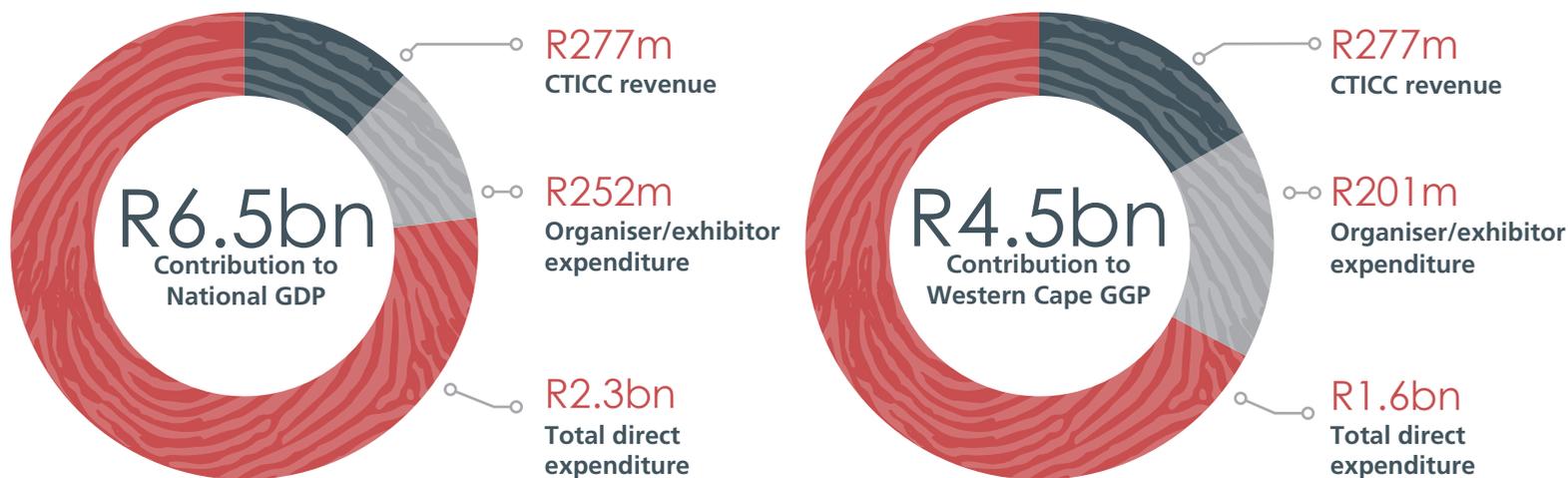


566 057
Room nights generated
in Western Cape

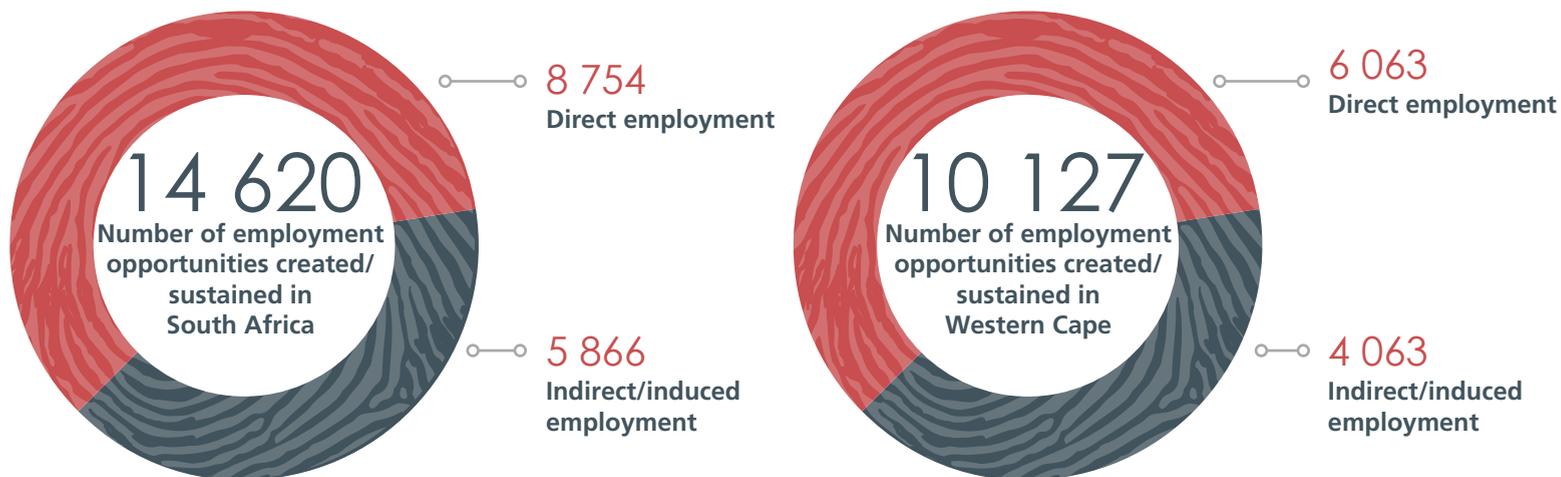


575 898
Room nights generated
in South Africa

Graph 1: Contribution to the South African GDP and the Western Cape GGP in 2018/19



Graph 2: Number of employment opportunities created/sustained by the CTICC in 2018/19





CTICC AGM 2018 – another year of meeting and exceeding our KPIs

OUR STAMP OF APPROVAL: KEY PERFORMANCE INDICATORS

The Key Performance Indicators (KPIs) agreed between Convenco and the City of Cape Town ensure that we fulfil our role as a core strategic asset of the City of Cape Town, the Western Cape Government and SunWest International. The responsibility to deliver on these targets is closely aligned with the centre’s economic contribution mandate. The KPIs inform not just our overall performance but the roles, goals and performance assessment criteria of each department, team and individual who works with us.

We achieved and exceeded many of our KPIs, despite a tough economic environment, and have already made a healthy return on the investment made in the CTICC 2 (expansion), which officially opened in January 2018.

Category	Measurement	Target 2018/2019	Actual 2018/2019
International events	Number of international events hosted compared to annual budgeted target	32	34
Total events hosted	Number of events hosted compared to annual budgeted target	535	560
Human Capital Development	Percentage of annual total salary cost spent on training of permanent and temporary staff	5%	6.4%
Customer Centricity and Service Excellence	78% of minimum aggregate score for all CTICC internal departments and external suppliers	80%	84%
Supply Chain Procurement from B-BBEE Suppliers measured in terms of the B-BBEE Act	Percentage spend not lower than 60%	60%	86%
Student Programme: Contribution to Youth Employment and Skills Development	Number of student opportunities provided	6	14

Category	Measurement	Target 2018/2019	Actual 2018/2019
Graduate Programme: Contribution to Youth Employment and Skills Development	Number of graduate opportunities provided	6	11
Number of people from the employment equity target groups employed in the three highest levels of management in compliance with the municipal entity's approved employment equity plan	Percentage of EXCO, MANCO and leadership positions held by persons from designated groups	80%	80%
Quality Offering	Maintain Five-star Tourism Grading through effective management of maintenance quality service delivery	Achieve Five-star Tourism Grading Council Rating	Achieved Five-star Tourism Grading Council Rating
Budget			
Operational Profit ⁽¹⁾	Percentage achievement of annual budgeted operating profit	100%	722%
Capital Projects	Percentage of the total number of capital projects for the year completed or committed	90%	97%
Capital Expenditure (CTICC 2 Expansion Programme)	Percentage of total capital expenditure spend	100%	100%
Governance			
External Audit Report ⁽²⁾	Clean audit report ⁽²⁾	Clean audit ⁽²⁾	Clean audit ⁽²⁾
Minimum Competency Level	Number of senior managers registered for MFMA Competency Course	7	12
Financial Ratios			
Ratio of Cost Coverage maintained (RCC)	Total cash and investments, less restricted cash for monthly operating expenditure	5 times	10 times
Net Debtors to Annual Income (ND) ⁽³⁾	Net current debtors divided by total operating revenue	7%	1.30%
Debt (Total Borrowings) to Annual Operating Revenue (DC)	Total annual operating revenue divided by total debt	0%	0%

KPI definitions and notes

- (1) Operating profit is defined as earnings before interest, taxation, depreciation and amortisation
- (2) Clean audit is defined as an unqualified audit report with no material findings on compliance of laws, regulations and predetermined objectives
- (3) Net debtors is defined as gross debtors less refunds