

Inside Sun City's R800m makeover

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22 Dec 2015

Sun International's resort town of Sun City in the North West province is in for a R800m makeover. The group aims to restore its status as a popular destination, after a fall in the number of local and foreign visitors.



Image source: www.tourismtattler.com

The gaming and hospitality resort is a popular venue for golf tournaments, beauty pageants and music events. It is also a gambler's paradise.

But protest in the province's platinum belt - and the killing of 34 platinum workers at the Marikana mine in 2013 - as well as a dwindling regional economy have made Gauteng venues like FNB Stadium in Soweto, the Ticketpro Dome in Northgate and Tsogo Sun's Montecasino in Fourways more favourable venues for big events.

Events company Big Concerts has chosen to host more events in Johannesburg and other major cities because of the availability of infrastructure and accessible accommodation and because there are more opportunities for greater value.

"We used to host in Sun City, but logistics became costly and to achieve economies of scale became challenging. The collapse of the platinum sector also led to people leaving the area, making it less competitive to do business there," says Big Concerts CEO Justin van Wyk

But the resort has also failed to maintain its standards.

"Guests indicated that some of our attractions were looking tired, so we want the refurbishments to give them a different experience," says Sun International corporate brand communications manager Michael Farr

The R800m refurbishment will include its four hotels, entertainment areas and food outlets. New water rides will be added to its Valley of the Waves theme park.

But it also has other problems. The department of home affairs' strict immigration laws caused the number of Sun City's foreign visitors to drop, especially those from India and China.

"This was and continues to be a huge disappointment to us as the Chinese tour operators even removed us from their brochures as a travel destination," Farr says.

That isn't the company's only recent disappointment. The competition commission last week refused its bid to buy out rival Peermont Group for R9,4bn.

Following that decision, and in the current economic climate, Farr says the window of opportunity to grow hospitality and gaming has narrowed.

But the company has not stopped at Sun City. Construction of its R3bn Menlyn Maine complex in Tshwane - which will become the flagship property of the group in 2017 - is under way.

Menlyn Maine includes an 8000-seater indoor arena, a 2000-slot machine casino, a five-star hotel and a conference centre. It will target the diplomatic travel market based in Tshwane, and those who don't want to travel outside the city for events.

The impact of the weak rand on the local tourism sector could be positive. "It is something we don't have control over," says Federated Hospitality Association of SA CEO Tshifhiwa Tshivhengwa, but the sector could benefit. International tour operators, he says, should revise their package prices so that the industry can benefit from the weak rand.

Source: Financial Mail

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