## **FUTUREGROWTH**

/ASSET MANAGEMENT

**Kruger Shalati: The Train on the Bridge** 

Author: Thina Manga, Portfolio Manager & Investment Analyst & Rirhandzu Sithole, Impact

**Investment Analyst @ Futuregrowth** 

Published: May 2021

Perched on the historic Selati Bridge over the Sabie River in the Kruger National Park is what looks like a set of train carriages. But what awaits guests inside is a one-of-a-kind hotel experience. Kruger Shalati: The Train on the Bridge is the result of a partnership between Thebe Tourism Group and South African National Parks. This luxury boutique hotel has 31 rooms - consisting of 24 carriage rooms (on the bridge) and 7 Bridge house rooms (adjacent to the bridge) - all of which provide a deeply immersive experience.

Futuregrowth (on behalf of our clients) was excited to take up the opportunity to fund this new tourist attraction when it was presented to us. We provided long-term debt (alongside the shareholders' equity contribution) towards the refurbishment and development of the precinct.

## Job creation – a gleam of hope amidst a global tourism disaster According to Stats SA:

- Tourism saw a total injection of R273.2 billion into the SA economy in 2018.
- In 2019 SA had 10.4 million international arrivals.
- Pre-COVID, the tourism sector supported 740 000 direct jobs and over 1.5 million indirect jobs across the economy.
- 36% of the population in the area surrounding Kruger is aged 15-35, of which roughly 72% is unemployed.



Due to the national lockdown, the official opening of the lodge was delayed by a few months and finally took place in the last quarter of 2020.

"We had over 5 000 applications, interviewed close to 500 candidates and hired 160 employees. Jobs are rare and people are desperate. Most of our staff have never had a job — ever — and they were desperate to learn, develop and further themselves" says Judiet Barnes, Executive Manager of Brand, Sales and Marketing at Thebe

With lockdown restrictions easing, the project is creating hope for people in the region. Recruitment has resumed, with 85% of the staff from the local community and 61% women.

During construction many jobs were also created indirectly, and unique skills were developed within the construction sector, enabling these individuals to have sustained income and to grow their client bases for further projects.

The lodge procures as much as it can from local businesses, to create secondary jobs and build SMME's. Currently, it procures from 78 businesses within the province, with an objective to increase this number over the coming year.

## **Community support**

Although still new in the area, the business has several fundraising and sponsorship initiatives in place to support the local community. One of these is the fundraising drive for the Skukuza Primary School. The funds are directed towards the education of children, to keep fees at a minimum, as many of the parents in the region are on or below minimum wage.

## **FUTUREGROWTH**

/ASSET MANAGEMENT



The business also has an incubation project in motion – Eagle Bakery – where two entrepreneurial bakers reached the ceiling of their business growth with their available skills and resources. The bakers are currently absorbed on a temporary basis into the Kruger Station where, over the next five years, they will build their baking skills and undergo business training in the form of financial modelling, marketing, sales, effective costing, and product expansion. This will allow them to expand their client base and grow their business, with the intention that Kruger Shalati remains a long-term client.

"The impact of going ahead with the project has been significant, not only in job creation and changing lives, but being a glimmer of light in the tourism industry. Launching a new tourism product in the middle of the biggest challenge the tourism has ever faced has not been for the feint-hearted" Gavin Ferreira, Executive Manager of Operations at Thebe, concludes.

Source of images: Thebe

Published on www.futuregrowth.co.za/newsroom.

Futuregrowth Asset Management (Pty) Ltd ("Futuregrowth") is a licensed discretionary financial services provider, FSP 520, approved by the Registrar of the Financial Sector Conduct Authority to provide intermediary services and advice in terms of the Financial Advisory and Intermediary Services Act 37 of 2002. The fund values may be market linked or policy based. Market fluctuations and changes in exchange rates may have an impact on fund values, prices and income and these are therefore not guaranteed. Past performance is not necessarily a guide to future performance. Futuregrowth has comprehensive crime and professional indemnity in place. Performance figures are sourced from Futuregrowth and IRESS.