



**CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD**

ANNEXURE 32

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC) (MUNICIPAL ENTITY) - TARIFFS

2022/23 BUDGET (MAY 2022)

Pricing Strategy 2022/2023 Financial Year

The Cape Town International Convention Centre Company SOC Limited (RF) (CTICC) is a financially sustainable municipal entity that attracts and retains events.

Historically, the CTICC was able to sustain and support its operating and capital expenditure requirements since inception without having to obtain loan funding or require an equity injection from shareholders – other than for the expansion and building of CTICC 2. By all accounts, the CTICC was successful in the implementation of its business plan and strategies in the pre-Covid-19 environment. The CTICC must ensure that the costs of operating and maintaining both CTICC 1 and 2 are effectively managed and that sufficient revenue is earned through the hosting of events to cover any, and all, operational and maintenance costs and ensure that the CTICC retains its 5-star grading status.

In order to do this and to remain competitive in an ever-evolving and competitive market, the CTICC has a clear pricing strategy, which is reviewed on an annual basis.

In terms of this strategy, the CTICC's adopts two forms of pricing namely Premium Pricing as we believe our product offers value and memorable experiences to our clients, as well as Bundled Pricing, which is focused on package rates which are more suitable to the local and corporate market.

Validity of Rates

Generally Package rates are made available for the calendar year (Jan-Dec) with an anticipated CPI related increase, however due to the impact of Covid-19, as part of the recovery strategy the CTICC has taken a conservative approach to pricing.

Rates are determined taking the following factors into consideration:

- The impact of Covid-19
- CPI rate at the time of finalising its pricing,
- Competitor rates including local, national and international markets,
- Foreign currency fluctuations,
- Food costs (inflationary and fuel costs),
- Labour legislation and in particular sectoral determinations.

Conference package rates have increased by 0% (July – December 2021) and 4,7% (Jan – June 2022), based on market dynamics and demand.

Important to note that 2020 DCP (Day Conference Package) pricing was held in 2021.

The below rates are published on our website in the client manuals:

Day Conference Package Rates for 2022 Calendar Year

Package	2021 (July - Dec 2021) Excluding VAT	2022 (Jan – June 2022) Excluding VAT	2022 (July – December 2022) Excluding VAT
Full English Breakfast	R 304,35	R 378, 26	R 378, 26
Half Day Conference	R 513,04	R 513,04	R 513,04
Full Day Conference – Meeting rooms	R 573,91	R 573,91	R 573,91
Full Day Conference – Ballroom and Auditoria	R 643,48	R 656,52	R 656,52

Please note 2023 rates have not been confirmed and will be increased based on the latest published CPI as per Statistics SA.

Event Numbers

Our event number targets for the 2022/23 FY are 12 for International Conferences and 180 for the total number of events.

The CTICC strives to reach the event numbers target by actively launching promotions and campaigns to increase business from the local corporate and association market as well as business from local communities and organisations.

These campaigns are designed to increase the venue rental budget, but more importantly, are aimed attracting events in key economic sectors and addressing occupancy levels in low seasons.

Optimal Yielding Policy

The CTICC has developed an Optimal Yielding Policy aimed at attracting and retaining clients in key economic sectors that support the CoCT's IDP. Discounts are offered in line with the delegated authorities approved by the Board.