



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

ANNEXURE 34

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

TARIFFS

Pricing Strategy 2023/2024 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. However, due to the impact of the pandemic the CTICC raised additional cash resources by selling 12.750 Class “C” Ordinary Shares to the City of Cape Town to fund ongoing working capital requirements. As the Covid-19 restrictions were lifted business levels have returned and the CTICC has again become self-sufficient. The CTICC will always 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.

Rates are determined taking the following factors into consideration:

- Recovery, due to the impact of the pandemic
- 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 11.4% (January – December 2023), influenced mainly by the increase in food cost.

Note: 2024 prices are currently not available.

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

Day Conference Package Rates for 2023 Calendar Year

Package	2023	2023
	(Jan – June 2023) Excluding VAT	(July – Dec 2023) Excluding VAT
Full English Breakfast	R 430,44	R 430,44
Half Day Conference	R 578,26	R 578,26
Full Day Conference – Meeting rooms	R 652,17	R 652,17
Full Day Conference – Ballroom and Auditoria	R 686,96	R 686,96

Event Numbers

Our event number targets for the 2023/24 FY are 27 for International Conferences and 415 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.