

Service Industry in SA

Assessment Task

An overview of the service industry in South Africa (Individual activity) (LO4 AS1)

Read the information below and answer the questions that follow.

South Africa's service industry

In South Africa, the service industry has shown growth in financial services, construction services and tourism. Financial services consist of, amongst others, banking and investment services, while the construction industry includes architectural and engineering services. The construction industry has grown over the past years due to development of infrastructure in the country. Tourism forms a big part of the services industry. It brings foreign exchange to South Africa and introduces the country to the world. Tourism also attracts foreign investment, so it is a potentially very important industry. Some foreign tourists, especially business tourists, invest in property and business opportunities in South Africa. Transport services bring many commuters to their place of work daily, which contributes greatly to the economy in terms of production. Public transport and minibus taxi services are affordable. These services are useful to people who live far from their places of work. When there is a transport strike, many businesses lose millions in worker-hours. Other industries included in services are health or medical services, entertainment and hospitality services. The service industry provides work to many thousands of people, because it is labour intensive. People render services, so training is important in rendering good-quality services. Service providers also need good people skills.

- a) How can tourism contribute to attracting foreign investment? [2 marks]
b) Explain why transport services are important in South Africa. [3 marks]
c) What financial services do banks provide? Name three. [3 marks]
d) Which people skills should a good service provider have? Name two. [2 marks]

[Total: 10 marks]