

Convention centre's profits the best yet

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CAPE TOWN's International Convention Centre's annual results showed that it generated revenues of R209 million, making an after-tax profit of R47m – the highest since it opened 13 years ago.

The centre's chief executive, Julie-May Ellingson, said at the announcement of its financial results it had contributed R3.5 billion to South Africa's economy.

Ahead of Ellingson's announcement, Convenco chairperson Andrew Boraine said the financial results had exceeded the board's expectations. Convenco is the holding company which owns the CTICC.

He said the CTICC was a

Exceeding expectations, it contributed R3.5bn to SA's economy

strategic asset which created economic prosperity for Cape Town, the Western Cape and South Africa.

"Its influence reaches far beyond the building on the Foreshore," said Boraine.

In the year that ended on June 30, 2016, revenue rose from R197m to R209m, while operating profit increased from R60m to R67m.

"The CTICC has had another good year. Indeed, 2016 has been still better than our record-breaking 2015 year, despite the uncertain macro-economic conditions," said Ellingson.

She said increased revenue, finance income and significant cost-savings contributed to the centre's improved performance, while expenditure was kept in line.

The City of Cape Town (67.8 percent) and the Western Cape provincial government (25.3 percent) own most of the shares in the CTICC, with Sun-West International owning the remaining 6.9 percent.

Of the R3.5bn generated, R3bn was pumped into the Western Cape economy since the convention centre opened

its doors in 2003.

In total, the CTICC estimated that it had generated R32.5bn for the national economy and R28bn for that of the Western Cape.

Ellingson said the expansion of the CTICC currently under way will substantially increase the offerings to clients, doubling the exhibition space when it opens next year.

She said 92.8 percent of the CTICC's spend was with B-BBEE suppliers, which equated to R522.4m, an increase of 6 percent on the previous year.

Last year the CTICC hosted 504 events (39 were international conferences), 22 percent more than year before.

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